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HOMELAND SECURITY AND THE FISCAL YEAR 2002 SUPPLEMENTAL APPROPRIATIONS BILL

HEARINGS

BEFORE THE

COMMITTEE ON APPROPRIATIONS
UNITED STATES SENATE

ONE HUNDRED SEVENTH CONGRESS

SECOND SESSION

SPECIAL HEARINGS

APRIL 30, 2002—WASHINGTON, DC
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HOMELAND SECURITY AND THE FISCAL YEAR 2002 SUPPLEMENTAL APPROPRIATIONS BILL

TUESDAY, APRIL 30, 2002

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

The committee met at 10:05 a.m., in room SD–192, Dirksen Senate Office Building, Hon. Robert C. Byrd (chairman) presiding.

Present: Senators Byrd, Leahy, Kohl, Murray, Dorgan, Durbin, Landrieu, Reed, Stevens, Cochran, Specter, Domenici, McConnell, Burns, Shelby, Gregg, Bennett, Craig, Hutchison, and DeWine.

STATEMENT OF PAUL H. O'NEILL, SECRETARY OF THE TREASURY, DEPARTMENT OF THE TREASURY

OPENING STATEMENT OF CHAIRMAN ROBERT C. BYRD

Chairman BYRD. The committee will come to order. I apologize for my tardiness, which I believe is somewhat unusual. But I would say, Secretary O'Neill, that I lost one of my best friends this morning, my little dog Billy.

Today, we commence our second round of homeland security hearings. Three weeks ago, this committee heard from an array of terrorism experts—policemen, firefighters, Governors, mayors, health responders, representatives of the utility and shipping industries. They gave us their candid, sometimes disturbing, views of the current ability of this Nation to detect, prevent, and respond to another terrorist attack on American soil. They told us what they thought should be done, and they are the people who are on the front lines of our homeland security—the first responders, the State and local officials, the industries that provide our power and water and oversee the shipment of goods through our ports.

Today, we begin another phase of our hearings in which we will hear from Federal officials responsible for shaping and implementing our national homeland security policy. And we are beginning to examine the President's fiscal year 2002 supplemental appropriations request for homeland security and the war on terrorism.

I appreciate the efforts of the Cabinet Secretaries from whom we will hear today and at later dates, as well. Your testimony, Mr. Secretary, and the testimony of others will be helpful in the committee's efforts to craft the supplemental bill and the upcoming fiscal year 2003 appropriation bills, all 13 of which we hope to report from the committee, act upon in the Senate, and send to the President before the beginning of the new fiscal year.

I am extremely disappointed that the administration has refused—refused—to allow the Homeland Security Director, Tom Ridge, to appear before this committee. Time after time, Senator Stevens and I have offered a bipartisan invitation to Director Ridge for the simple reason that he is the one man with an understanding of all the homeland security priorities of this administration. I saw him on television last night speaking to the Associated Press, and I wondered why can't this administration let this man come before the Appropriations Committees of the Congress to explain the budget request and to explain his homeland security plans. And I'm still wondering.

He sees how all of the pieces of this puzzle fit together. Director Ridge is charged with formulating the Nation's broad homeland security strategy, and he has the responsibility for putting that strategy into action. Yes, he was named the Director of the homeland security effort by an Executive order. Yes, he is a staff person of the President. No, staff persons are normally—of the President—not normally expected to come before committees and answer questions. But this is an extraordinary staff member. Upon his shoulders rest the responsibilities for planning for the security of the lives of the American people and the industries, the facilities, and all that make this Nation work in peacetime and in war.

Why? Why? Why can this administration not unbend its arrogant position that it took in the very beginning when Senator Stevens and I asked Mr. Ridge to appear? We wrote to the President asking for an appointment with him. We weren't given the courtesy of a response from the President. We heard from some of the President's staff people, Mr. Card and another one or so, but we didn't write to them. We haven't been shown the courtesy yet of even a reply.

This is a bipartisan effort. Senator Stevens and I have worked together, as the members on both sides of the aisle have worked together all of these years in a bipartisan way, to deal with the matters that come before this committee, and we shall continue to do that.

Every witness that has come before this committee during these hearings has been discussed between the ranking member, Mr. Stevens, and myself, and I would never have invited the witness if Senator Stevens had had any questions about such a witness appearing. So we've tried to be very bipartisan. I've made no threats. I've made no partisan statements. I simply cannot understand this arrogance on the part of an administration that will not assist the Congress in dealing with the budget of the President of the United States. We need Mr. Ridge, but he's not here.

But I thank you for coming, Mr. Secretary. Mr. Ridge is not here, nor does he plan to be here. He can meet with the heads of foreign states, but not with the elected representatives of the American people here in the Congress of the United States. Unfortunately, the real losers are the American people, whose lives this Government is bound to protect. They're not being given the whole picture. They are not being told the whole strategy. The Congress and the American people are forced to learn about the administration's homeland security efforts in piecemeal, patchwork fashion.

That said, we're pleased to welcome the three Cabinet members who will testify today, beginning with Treasury Secretary Paul H. O'Neil. Secretary O'Neill will be followed by Secretary of State Colin Powell and by Secretary of Agriculture Ann Veneman.

So, Mr. Secretary, I welcome you, and I thank you for appearing before the committee today, and we look forward to your testimony. The Treasury Department plays a key role in the security of our country. Agencies contained within the Treasury Department protect our borders, they facilitate the flow of legitimate trade while preventing the entry of illegal goods and contraband, ensure the integrity of our currency, prevent terrorists from obtaining guns and explosives, and track and freeze terrorist assets. The men and the women in these agencies perform their tasks professionally and with integrity and with great pride under oftentimes extremely difficult circumstances.

Given the extensive involvement the Treasury Department agencies have in providing for homeland security, I am somewhat puzzled by the fact that no additional homeland security funding was included for the Treasury Department as part of the President's supplemental appropriations request.

I shall turn now, before saying anything more, to my dear friend and colleague, Senator Stevens, for any statement he may have. We will have questions following Senator Stevens' statement.

[The statement follows:]

PREPARED STATEMENT OF CHAIRMAN ROBERT C. BYRD

Today we commence our second round of homeland security hearings. Three weeks ago, this Committee heard from an array of terrorism experts, police and firefighters, governors and mayors, and representatives of utility and shipping industries. They gave us their candid, and often disturbing, views of the current ability of our nation to detect, prevent, and respond to another terrorist attack on our soil. They told us what they think needs to be done. They are the people who are on the front lines of our homeland security—the first responders, the state and local officials, the industries that provide our power and water and oversee the shipment of goods through our ports.

Today, we begin the second phase of our hearings, in which we will hear from the Federal officials responsible for shaping and implementing our national homeland security policy. We will also examine the President's fiscal year 2002 Supplemental Appropriations request for homeland security and the war on terrorism.

I appreciate the efforts of the Cabinet secretaries from whom we will hear today and on later dates. Their testimony will be helpful in the Committee's efforts to craft the supplemental bill and the upcoming fiscal year 2003 appropriations bills. However, I am very disappointed that the Administration has refused to allow Homeland Security Director Tom Ridge to appear before this Committee. Time after time, Senator Stevens and I have offered a bipartisan invitation to Director Ridge for the simple reason that he is the one man with an understanding of all the homeland security priorities of this Administration. He sees how all of the pieces to this puzzle fit together. Director Ridge is charged with formulating the nation's broad homeland security strategy and has the responsibility for putting that strategy into action. But Director Ridge is not here, nor does he plan to be here. Unfortunately, the real losers are the American people whose lives this government is trying to protect. They are not being given the whole picture. They are not being told the whole strategy. The Congress and the American people are forced to learn about the Administration's homeland security efforts in piecemeal, patchwork fashion.

That said, we are pleased to welcome the three Cabinet secretaries who will testify today, beginning with Treasury Secretary Paul H. O'Neill. He will be followed by Secretary of State Colin Powell and Secretary of Agriculture Ann Veneman.

Welcome, Secretary O'Neill, and thank you for appearing before the Committee today. We look forward to your testimony.

The Treasury Department plays a key role in the security of our Nation. Agencies contained within the Treasury Department protect our borders, facilitate the flow

of legitimate trade while preventing the entry of illegal goods and contraband, ensure the integrity of our currency, prevent terrorists from obtaining guns and explosives, and track and freeze terrorist assets. The men and women in these agencies perform their tasks professionally and with integrity and pride under oftentimes extremely difficult circumstances.

Given the extensive involvement Treasury Department agencies have in providing for homeland security, I am surprised that no additional homeland security funding was included for the Treasury Department as part of the President's supplemental appropriations request. Last fall, over the objections by the Administration, the Congress added $245 million to the supplemental for the Treasury Department to hire additional personnel, procure additional inspection technology for placement along the borders and at our ports of entry, and begin addressing the critical issue of seaport security. We look forward to hearing from you today on the status of those funds.

Senator STEVENS. Thank you very much, Mr. Chairman. And welcome, Secretary O'Neill. I welcome the opportunity to listen to three distinguished members of the President's Cabinet this morning. In view of the timeframe, I will not make an opening statement, but I welcome the opportunity to review all national security requests for these departments.

Thank you very much.

ADDITIONAL SUBMITTED STATEMENT

Chairman BYRD. Senator Johnson requested that his statement be inserted in the record at this point.

[The statement follows:]

PREPARED STATEMENT OF SENATOR TIM JOHNSON

I would like to thank Chairman Byrd and Senator Stevens for holding today's hearing on homeland security, and commend them for their continued leadership on this important issue.

I think it is important for the Senate Appropriations Committee to continue to examine our nation's policies with respect to homeland security. As we begin to consider the fiscal year 2002 Supplemental Appropriations bill, it is essential for us to have both an understanding of each agency's request and a broad overview of how these requests will be coordinated in our overall homeland security strategy.

The diverse set of witnesses testifying before the Committee highlights one of the most difficult challenges in developing homeland security policies. In the coming days, we will hear from seven different cabinet secretaries and agency heads, each with a critical homeland security role. Our ability to coordinate activities and programs across such a broad array of government agencies will ultimately determine whether or not we are successful in our fight against terrorism. I look forward to hearing from each of these witnesses to get a better understanding of what we are currently doing to protect the American people, and what remains to be done.

Many people may not immediately realize the role the Department of Treasury plays in homeland security. However, the Department of Treasury is working to stop future terrorist attacks by tracking and cutting off the terrorists' source of funds. This involves working with law enforcement, international financial institutions, and foreign governments to identify and seize the funds needed to operate terrorists organizations like al Qaeda. As a member of the Senate Banking Committee, I was pleased we were able to pass money laundering legislation last fall to give law enforcement the tools they need to fight against those who would corrupt our financial institutions. The bill, which was incorporated into the USA Patriot Act, requires banks to conduct enhanced review of private accounts, or a correspondent account, for an offshore bank or foreign bank in a country posing a high money laundering risk. It also bars U.S. banks and U.S. branches of foreign banks from providing direct or indirect banking services to foreign shell banks that have no physical presence in any country and no banking affiliation. In addition, U.S. courts are given "long-arm" jurisdiction over foreign persons committing money laundering offenses in the United States, over banks opening U.S. bank accounts, and over foreign persons seizing assets. The provisions of this bill, which are now in law, will help identify the assets of terrorists and freeze them. I am hopeful Secretary O'Neill

will share with us any progress being made in tracking terrorists' assets and denying them access to these funds.

The fiscal year 2002 Supplemental request includes funding to support the State Department's efforts to respond to and deter international terrorism as well as much-needed money for embassy security, and I am pleased Secretary of State Colin Powell is appearing before the Committee. So much of our homeland security discussions center on domestic preparedness and maintaining a strong defense, but we should not forget the role strong diplomacy and good international relations play in preventing future terrorist attacks and winning the war on terrorism. Secretary Powell's work to maintain strong relations with our allies, to isolate nations that harbor or aid terrorists, to help build the capacity of foreign governments to fight terrorism within their own borders, and to track-down terrorists throughout the world is essential to our national security.

Finally, we will hear from Secretary of Agriculture Ann Veneman. Once again, the link between agriculture and homeland security may not be immediately apparent. However, the risk of an agriculture terrorist attack poses a serious threat to the economy, as well as America's abundant food supply.

An agricultural terrorist could introduce a pathogen to a certain crop and decimate that crop's yield. A quickly-spreading animal disease intentionally introduced could cause economic ruin to states that depend on revenues from the livestock industry. Given the seriousness of this threat, I was pleased Congress, with Senator Byrd's leadership, provided significant funds for USDA's homeland security needs in fiscal year 2002. Specifically, Congress appropriated $81 million for enhanced security at USDA facilities, $119 million for the Animal and Plant Health Inspection Service to support border protection and bio-security, $15 million for the Food Safety and Inspection Service for enhanced operational security and implementation of the Food Safety Bio-Terrorism Protection Program, and $151 million for the Food and Drug Administration for food safety and counter bio-terrorism programs.

I am interested in hearing from Secretary Veneman about the progress of these programs and additional ideas about how we can protect our nation's food supply.

Once again, I would like to thank Senator Byrd and Senator Stevens for holding these homeland security hearings. As we consider the fiscal year 2002 Supplemental request and the fiscal year 2003 Appropriations bills, it is important that we have a thorough understanding of what will be needed to establish and coordinate an effective homeland security policy. I look forward to hearing from this distinguish panel of witnesses.

Chairman BYRD. All right. We will now proceed to hear your statement. Mr. Secretary, please proceed.

Secretary O'NEILL. Good morning, Chairman Byrd, Senator Stevens, and distinguished members of the committee. It's my pleasure to appear before you to discuss homeland security efforts at the Treasury Department. With the committee's permission, I will submit my full testimony for the record and make an abbreviated oral statement to allow more time for your questions.

Chairman BYRD. Mr. Secretary, your statement will appear in the record as though read in its entirety.

Secretary O'NEILL. Thank you, Mr. Chairman.

Since September 11th, the United States Treasury Department has been center stage for some of the toughest challenges facing the country. Treasury law enforcement bureaus and other offices are fighting the war on terrorism at home and abroad. We protect our Nation on three fronts—along our borders, within our homeland, and throughout the world financial system.

First, with regard to protecting our borders, Treasury includes the United States Customs Service, our country's first line of defense, at over 300 ports of entry. Following September 11th, Customs has been hiring new personnel and investing in technology that will enhance their efficiency and effectiveness. We are focusing on ports of entry where we believe we are most vulnerable to terrorist threats, including the northern and southern land borders and seaports with the highest volume of containerized cargo.

Even as we have created a new level of security at our Nation's borders, we're creating a new challenge for our economy, how to tighten security without reducing the productivity of American enterprise, which depends on international trade. Rather than accept the conventional wisdom that there is an unavoidable tradeoff between speed and security, we're working to make our borders smarter. For example, in the customs-trade partnership against terrorism announced this month, businesses worked with the Customs Service to design and implement secure procedures throughout their supply chain. In exchange, Customs assures them of faster processing. This program has reduced wait times for trucks coming into the United States from Canada over the Ambassador Bridge from 54 minutes to 17 seconds while increasing security.

Treasury is also responsible for protecting our Nation's leaders, visiting foreign dignitaries, and, in some capacities, the general public. The United States Secret Service, the Bureau of Alcohol, Tobacco and Firearms, and Federal Law Enforcement Training Center are all Treasury bureaus.

The United States Secret Service protects the President, the Vice President, and foreign heads of state. In response to homeland security threats, the Secret Service has seen a significant increase in its protectees and responsibilities. The fiscal year 2003 budget provides for this.

The Bureau of Alcohol, Tobacco and Firearms enforces Federal laws relating to commerce or criminal misuse of firearms and explosives. The ATF's technical expertise is integral to our war on terrorism.

And as new law enforcement officials are hired to protect our Nation, speedy, thorough training is essential for their success. And the Federal Law Enforcement Training Center serves as the Federal Government's leading provider of law enforcement training. The fiscal year 2003 request provides funding to train new agents hired for homeland security.

Finally, I would like to say a few words about the financial front on homeland security. Treasury's Financial Crimes Enforcement Network, known as FinCEN, and our Office of Foreign Assets Control lead the war against global terrorist financing. Since September 11th, FinCEN and OFAC have thwarted supporters of the al Qaeda and other terrorist organizations by freezing $34 million in assets directly and assisting our allies to freeze another $70 million. Our budget request adequately provides for our ongoing work scouring the world financial system, foiling terrorist plots before they occur.

In conclusion, Mr. Chairman and members of the committee, I would like to take this opportunity to recognize the men and women of the Treasury Department and their hard work protecting this country on a heightened level of alert since September 11th. And now I look forward to your questions regarding our homeland security efforts.

Chairman BYRD. Thank you, Mr. Secretary. Your statement will be read with great care. It will appear in the record, as I've already indicated, as though read in its entirety.

[The statement follows:]

PREPARED STATEMENT OF PAUL H. O'NEILL

Good morning, Chairman Byrd, Senator Stevens, and distinguished members of the Committee. It is my pleasure to appear before you to discuss the Homeland Security missions of the Treasury Department.

We all know that the world has changed since terrorists attacked us on September 11th. That change is very evident at the United States Treasury Department, where we are center-stage for some of the toughest challenges facing our country.

The tragic events of September 11th sparked an incredible increase in the nationwide efforts to prevent and combat terrorism. Treasury has been at the forefront of these efforts with our law enforcement bureaus and offices participating in the war on terrorism at home and abroad. We bear the responsibility of protecting the Nation on three fronts: at our borders; in the world of finance; and here at home. Our Nation's first line of defense against terrorists and terrorist activity is the security of our borders.

Before I address some of the specific measures that we have taken at our borders, I would like to describe two new initiatives that highlight the approach I believe that the government should take as we strive to protect the Nation from future terrorist attacks.

Since the attacks of September 11th we have insisted on a new level of security at our Nation's borders to protect our homeland. And we created a new challenge for our economy—to adopt new security measures without reducing the productivity of American companies.

The first border initiative I would like to describe was unveiled on April 16th, when I joined Governor Ridge, Customs Commissioner Bonner, and Governor Engler at the Ambassador Bridge in Detroit to launch the Customs Trade Partnership Against Terrorism, referred to as C–TPAT. Under this program, C–TPAT businesses commit to pursuing the very best practices in supply chain security. They work with the Customs Service, and with their own suppliers, to design and implement secure procedures. In exchange, Customs assures them of much faster, and thus, less costly import processing.

It is the threat to global security and the break from conventional wisdom that gave birth to the second initiative I would like to describe, the Container Security Initiative (CSI). The CSI would secure an indispensable, but vulnerable, link in the chain of global trade: the oceangoing sea container. Ensuring the security of the maritime trade system is essential, given that approximately 90 percent of the world's cargo moves by container. This initiative consists of four core elements. These are: (1) establishing criteria to identify high-risk containers; (2) pre-screening those containers identified as high-risk before they leave the port of origin; (3) using technology to quickly pre-screen high-risk containers; and (4) developing and using smart and secure containers. Customs has already rolled this initiative out at three Canadian seaports and they are actively engaging other large overseas seaports, and working with the foreign governments within which those large international ports are located, to cooperatively develop a program to implement the four key elements of the CSI.

These are two examples of what we mean by "smart" borders. Rather than just accepting the conventional wisdom that, without a vast influx of new resources, there is an unavoidable trade-off between efficiency and security, these new endeavors are an improvement in both. When we are at our best—both in government and in the private sector—we can accomplish anything we set our mind to.

With those examples of where I believe we should be going, I would now like to inform the Committee of where we have already been since September 11th. Following the attacks of September 11th, the border threat level was raised from Alert Level 4 (normal operations) to the highest level, Alert Level 1 (Code Red). The United States Customs Service, our Nation's first line of defense at 301 ports of entry into the Nation, has made the fight against terrorism its number one priority. In response to this heightened state of alert, Customs has hired additional personnel to staff our borders and seaports, and has engaged members of the National Guard to increase security around our Nation's borders.

In fiscal year 2002 appropriations Customs received almost $400 million for addressing specific homeland security matters (in addition to $65 million provided through separate Presidential releases). Of this amount, $235 million is being used for a combination of personnel and new equipment in ports of entry on the northern border and at critical seaports, along with selected investments on the southern land border.

Customs has set out an expenditure plan for this funding for Congressional review that responds to both short and long-term security concerns. The recurring cost

of labor-intensive efforts will be coupled with technology investments that will increase efficiencies and enhance the level and degree of scrutiny for various ports of entry.

The fiscal year 2003 proposal for the U.S. Customs Service includes $365 million not only to continue its increased focus on Northern Border and Marine Port security efforts, but also to address other areas of vulnerability, such as: international money laundering; security infrastructure; southwest border staffing; and funding for backup commercial recovery facilities. Ports of entry have been identified as potential entry points for terrorists as well as the most likely avenue for them to introduce implements of terror into the country. The danger this presents has become a focus for the fiscal year 2003 request.

In fiscal year 2003, Customs will add 626 new positions, in addition to the 1,075 positions allocated in fiscal year 2002, to vulnerable locations on the northern and southern land borders, and in seaports with the highest volume of containerized cargo. They will counter the terrorist threat while facilitating legitimate trade and travel.

The fiscal year 2003 request also includes a large complement of inspection and targeting technology (including a modest research component), a further expansion of the Advance Passenger Information System (APIS) to real-time processing capability, and technology to expedite the passage of goods imported by highly trusted entities.

Finally, low volume Ports of Entry would be protected through "hardening" measures including physical barriers, sensors and monitoring devices to prevent and detect unauthorized crossings. Customs serves as the lead agency for Operations Green Quest and Shield America. These multi-agency task forces are dedicated to identifying, disrupting, and dismantling terrorist financing sources and systems and ensuring that munitions and sensitive U.S. technologies are not unlawfully exported into the hands of terrorists. The fiscal year 2003 budget supports and maintains these critical task forces.

Equally important with protecting our Nation's borders is stopping the terrorists from being able to finance their operations.

Treasury has mustered forces from across its offices, agencies, and bureaus to fulfill its mandate to lead the war against global terrorist financing. Alongside Treasury's Financial Crimes Enforcement Network (FinCEN) and Office of Foreign Assets Control (OFAC), staff from the Offices of International Affairs, Enforcement, and the General Counsel have all been deeply engaged in disrupting and destroying the networks that finance terrorism.

In his November 7th address at Treasury, President Bush proclaimed that "the first strike in the war against terror targeted the terrorists' financial support." Following the attacks, FinCEN and OFAC were able to identify and stymie numerous supporters of the Al Qaida and other terrorist organizations by freezing $34 million in terrorist assets and working with allies overseas to freeze over $70 million. Funding levels proposed for fiscal year 2003 will better enable FinCEN to sustain and maintain these activities.

Our efforts to block the assets of terrorist financiers and supporters have truly become an international endeavor. As part of these efforts, a Terrorist Finance Task Force has been created by the Office of International Affairs that coordinates our outreach to other countries and jurisdictions and monitors their progress in combating the financing of terrorism. One of the more visible results of these efforts was accomplished on April 19th, when the G–7 Finance Ministers joined in Washington and jointly designated nine individuals and one entity as terrorist supporters or financiers related to al-Qaeda. As part of our overall strategy to maintain the international momentum in our battle against terrorist financing, I have made critical trips to Europe and the Persian Gulf to discuss the importance of coordinated action in this arena. The Treasury Department will continue to work with our international partners in the war against terrorist financing.

While leading protection efforts on the borders and in the banks, Treasury has also placed an increased emphasis on security within the Nation in the protection of our Nation's leaders, foreign dignitaries and, ultimately, our Nation's freedom. The United States Secret Service, Bureau of Alcohol, Tobacco and Firearms, and Federal Law Enforcement Training Center are at the forefront of these efforts.

The United States Secret Service is the only Federal government entity charged with the challenging mission of protecting the President, Vice President, and foreign heads of state. In response to increasing homeland security threats, the Secret Service has been assigned new protectees and has seen significant workload increases in its protective functions. The fiscal year 2003 budget provides funding to enable the Secret Service to meet its protective requirements, including funding for travel,

overtime, and follow-on costs associated with Special Agents and Uniformed Division Officers hired in fiscal year 2002.

Around the world, firearms and explosives are the most frequent tools of terrorist attacks. The Bureau of Alcohol, Tobacco and Firearms is charged with enforcing Federal laws relating to commerce in, and the criminal misuse of, firearms and explosives, and ATF's authority and technical expertise are integral components in fighting the Nation's war against terrorism. Through the awareness that terrorists need funds to operate, ATF has found that illegal commerce in alcohol and tobacco products serve as attractive and lucrative sources for generating funds for illegal activities.

As new law enforcement officials are being recruited and hired to fill the various positions critical to the Nation's war on terrorism, training for these individuals to perform their duties in a safe and highly proficient manner has become an immediate necessity. The Federal Law Enforcement Training Center (FLETC) serves as the Federal government's leading provider of law enforcement training. FLETC currently provides training for 74 Federal Partner Organizations, and also for state, local and international law enforcement organizations on a reimbursable basis. Training is provided in the most cost-effective manner by taking advantage of economies of scale available only from a consolidated law enforcement training organization. The fiscal year 2003 request provides funding to maintain current levels prior to the September 11th terrorist attacks, while also providing additional funding to support the training of new agents hired as a result of the attacks.

In conclusion, Mr. Chairman, I would like to take this opportunity to recognize the incredible efforts of the men and women of the Treasury Department since September 11th. We all know that computer systems do not lead excellence. Dollars do not lead excellence. People lead excellence. While the Treasury Department still has some ways to go before we achieve true excellence, with breakthroughs like those I witnessed in Detroit on April 16th, I am confident that the people of the Treasury Department will be ready to lead the way.

Chairman BYRD. If it's agreeable with all members of the committee and with the ranking member, I would now like to call upon the chairman of the subcommittee under the jurisdiction of which this agency and its appropriations requirements come. So if that's agreeable, I will call on the chairman of that subcommittee first and then the ranking member. Then we'll go to the other Senators and then the Senator to my left, and then I'll be last.

Senator DORGAN. Mr. Chairman, thank you. Secretary O'Neill, welcome. We appreciate your being here and appreciate your statement.

Let me ask a couple of questions about the law enforcement functions performed by Treasury. I think you adequately described their importance at this point. And you and I have spoken at great length about border security, particularly northern border security. The chairman of the full committee indicated that your agency did not request additional monies in the supplemental for these issues, and I wonder if you might describe how you see the needs for funding for future border security requirements.

Secretary O'NEILL. I will, indeed, Senator. We have had an opportunity to talk directly about some of these issues. We are in the process of hiring people that were authorized and appropriations were provided in the fiscal year 2002 budget and we are anticipating the approval of the additional funding we requested in the 2003 budget. And between those two increases for these purposes, we're looking at hiring, over this period of time, 1,751 additional people. And I, frankly, see that as a formidable challenge, to bring people on and get them trained and get them into the system.

And while we're doing that, I think we necessarily need to continue to assess what the requirements are and to continue the conceptualization, or reconceptualization process, if I can call it

that, in thinking about the unthinkable and trying to anticipate ways that we can interdict would-be terrorists and stop their potential acts before they occur. And my own view is, as this supplemental was being prepared, we didn't have new information that caused me to believe we should now ask for additional funding after we had only submitted the President's budget for 2003 in February.

And so, my own view is that if we can clearly see that there are additional resources required, either money for technology or money for additional people, we will so recommend to the President. But at the time this supplemental was being prepared, I didn't think we had new information that suggested that additional resources were needed, on top of what you've already provided and what we've requested, incrementally for fiscal year 2003.

Senator DORGAN. Now, you have, I assume, seen the request by INS, Border Patrol, and other agencies.

Secretary O'NEILL. I have.

Senator DORGAN. They appear to be more robust, just in terms of where they're headed, than the law enforcement functions under Treasury. Can you describe the difference?

Secretary O'NEILL. Well, again, Senator, as I've said to you, I think whatever the Attorney General believes is necessary for INS is something for him to consider, and I honestly don't see the Treasury Department in some kind of horse race with the Justice Department over the level of resources we have.

I, instead, see a need for us to look at the problem, to look at the question of how terrorists could do damage to the American society, and scale the resources that we're asking the American people to entrust to us to be sure that we're discharging our responsibility, but not at the cost of putting people in danger where it's clear that if we had more resources we could reduce the danger.

And one of the things I would call attention to, I think we have demonstrated the importance of reconceptualizing this problem with what we've done in bringing in a pilot project that's going to turn into a full-fledged activity in bringing goods across the northern border. And I made reference in my short statement to the new system that we've initiated coming over the Ambassador Bridge in Detroit, where there are some 2 million trucks a year coming over the bridge. On September 10th, and for I don't know how long before, for years before, we thought we were doing a very good job in bringing goods across the border, and the average waiting time at the border was 54 minutes. After September 11th, we recognized that we needed to heighten the security that we were providing. But we didn't believe the way to solve this problem was to flood it with more Customs agents, but to think about the problem in a different way, which we set out to do with the industry. This is a great illustration of how we've got to change the way we work on these problems. Because what we've done with Ford, General Motors, and Chrysler, who do lots of manufacturing on the Canadian side and bring it across the U.S. border, we work with them to begin providing security at the point of manufacture so that as trucks are being loaded with parts that are coming into the United States for assembly into automobiles and light trucks, we've got security people at the company looking at this process and making

sure that what goes on the trucks is goods and not terrorist materials of any kind. And as a consequence of that, we've been able to effectively reduce the amount of time that's required for goods to stop at the U.S. border to 17 seconds, instead of the 54 minutes we thought was necessary, and we have a much, much higher level of security and assurance that evildoers are not bringing bioterrorist weapons or chemical agents or parts of nuclear devices across our borders because of what we've done. And it's actually reduced the amount of time that we have to spend in the Customs Service working on this problem, because we've redefined it.

Senator DORGAN. Mr. Secretary, the others want to ask questions, and we have limited time, so let me just inquire on the issue of consolidation of agencies. Governor Ridge, the head of Homeland Security, has talked about the decisions that are about to be made with respect to the consolidation of Federal agencies dealing with homeland security. And because we are not able to have him attend the hearing, or convince him to attend the hearing, I'd like to know, have you been involved in those discussions? At what stage do those discussions now exist?

And as you answer, let me say, I feel very strongly that we ought not visit on the Customs Service the problems of the Immigration Service, and so I'm very concerned about the rumors that circulate about how they want to graft various agencies together. I think it's a very important subject for the Congress.

Tell me about the discussions that are going on inside the administration. What is the status of them, and what's been your involvement?

Secretary O'NEILL. I'm a principal of the homeland security group, and so when the principals meet, which is fairly frequently, with the President, we talk about the whole range of homeland security issues and how our individual departments fit into ensuring that we're advancing the cause of security and protection against terrorists. And over the last, I guess I would say 6 months or so, it's true that we have had conversations about whether there would be utility to organizing ourselves in a different way. Some Members of Congress have introduced legislative proposals that would change the organization of the executive branch to think about homeland security in a different way.

And I'm sure you know, as a student of these issues, that there have been a series of studies over the years suggesting one or another kind of consolidation of agencies, and they've basically not gone anywhere. And as you suggest, one of the ideas that's been discussed is the possibility of some combination of the Customs Service and some part of INS, but there have been many other conversations. We had a—well, I've forgotten exactly now the timing, because there's so many other things going on, but 6 or 8 weeks ago, we had a conversation, and the President directed the Homeland Security Director to have consultations with Members of Congress to get their own views about a possible consolidation. And the one that you mention was not favorably reacted to by the members of the committee.

And we're continuing to look at this question. I don't have a sense of when the President may decide to put something forward on this subject. I guess I would say he's heard all of the studies

that have been done by a variety of inside Government agencies and the well-meaning places, like Brookings and others, who have had opinions about these things over the years. So I think the President is fully informed, and I would say he's not yet made a decision whether he's going to put forward a proposal for one or another kind of consolidation of these activities.

In the meantime, we're working together, because at the very beginning of these conversations, we resolved that it is really important, from our own experience looking back on the period before September 11th, that we in the executive branch do a much better job than has historically been done in interweaving intelligence information and experience so that all of us who have some responsibility in these activities are as fully informed as possible. And we're working away on how to knock down, what I would say, are maybe irrevocable bureaucratic boundaries.

And, you know, if you were to think about all the departments and agencies that are involved in these issues in the broadest sense, it involves almost everyone. And so I think it's not possible, in fact, to say that they're all under one command, except for the command of the President, however you may structure these things, because I think it's not reasonable to think that the Customs ought to be part of the Defense Department, but certainly the Defense Department has an aspect of a role in homeland security when we think about border protection and overflights and the other things that one has to think about.

Senator DORGAN. Thank you, Mr. Secretary.

Chairman BYRD. Senator Stevens will ask questions or make whatever remarks he wishes to make on behalf of Senator Campbell, who could not be here.

Senator STEVENS. Thank you very much, Mr. Chairman. Senator Campbell does have a series of questions, Mr. Secretary, that pertain to the USA PATRIOT Act of 2001 with regard to the laundering investigation, the northern border security, and the electronic crimes provision. I'd like to submit those questions for the record. If you would answer those for record, we would appreciate it.

Mr. Chairman, my question would be whether or not Treasury received any portion of the $40 billion special supplemental appropriation that the Congress passed and the President approved last fall following the problems of the terrible events of September 11th. You may want to refer this and answer that on the record, but I—in terms of the amount and how the money was divided among the agencies of your Department. But I'd like to have that for the record, but would you want to make a comment on that question?

Secretary O'NEILL. Yes, Senator. Indeed, we will give you the full detail for the record.

[The information follows:]

SUMMARY OF FUNDING RELATED TO THE SEPTEMBER 11TH TERRORIST ATTACKS

[In thousands of dollars]

Bureau	Public Law 107–38 Presidential Releases	Public Law 107–117 Emergency Supplemental	Total
Internal Revenue Service:			
Processing, Assistance and Management	1,922	12,990	14,912
Tax Law Enforcement	2,172	4,544	6,716
Information Systems	446	15,991	16,437
Subtotal	4,540	33,525	38,065
Management/Fiscal Operations:			
Departmental Offices:			
Office of Foreign Assets Control	6,100	.....	6,100
Air Transportation Stabilization Board	9,400	.....	9,400
Treasury Inspector General for Tax Administration	.....	2,032	2,032
Financial Management Service	110	.....	110
Subtotal	15,610	2,032	17,642
Law Enforcement:			
Financial Crimes Enforcement Network (S&E)	60	1,700	1,760
Federal Law Enforcement Training Center	.....	31,500	31,500
Bureau of Alcohol, Tobacco, and Firearms (S&E)	1,530	31,431	32,961
U.S. Customs Service	65,037	399,303	464,340
U.S. Secret Service (S&E)	36,714	104,769	141,483
Counter-Terrorism Fund	.....	.....	0
Subtotal	103,341	568,703	672,044
Total, Treasury Appropriations Committee	123,491	604,260	727,751
International Affairs Technical Assistance	3,000	.....	3,000
Total, Treasury Level	126,491	604,260	730,751

Secretary O'NEILL. Through the separate Presidential release that's flowing out of what the Congress did in fiscal year 2002, we received $65 million, which got us on our way with expanding our activities and beginning to hire people. So, yes, indeed, we have had a flow of funds since September 11th to accelerate our own response to these events.

Senator STEVENS. And have you requested money in the 2003 budget to fund those people that you say that you are in the process of hiring now?

Secretary O'NEILL. Yes, sir, we have.

Senator STEVENS. Thank you, Mr. Chairman.

Chairman BYRD. Senator Burns.

Senator BURNS. Mr. Secretary, to follow up on the ranking member's question, in your request this year for more money to increase your agents. Is that directly attributed to the homeland security? And do you identify it as such?

Secretary O'NEILL. Yes, sir.

Senator BURNS. That's the only question I have. I just wanted to follow up on that.

Chairman BYRD. Senator DeWine.

Senator DEWINE. Mr. Secretary, thank you very much. I'd like to follow up in regard to your statement about stopping the terrorists

from being able to finance their operations. And first let me congratulate you and your team for what you have done so far in this area. I think it is, in fact, very, very impressive.

Talk to us a little bit about the coordination that has taken place among the different departments and agencies in the U.S. Government, next in regard to cooperation that you've received from foreign countries, and, finally, if you could, talk to us a little bit about your vision for the future. You've talked about what you've done, you've talked about what you intend to do in the immediate future, but as we continue this long—what we know will be a long, long battle, and the President has been very clear to the American people, spelling this out, that this is going to be a long, long fight that we're in, and we know how important it is to dry up this money—what is your vision and the Department's vision?

Secretary O'NEILL. Thank you, Senator. First, with regard to the United States, I would say we have learned a lot from examining what existed before September 11th and retrospectively asking ourselves the question, "What did we in the Federal Government know?" That might seem like an innocent question, but it turns out, I think, that as we examine the pieces of information that existed in different forms at the Customs Service, at INS, in the CIA, and in the FBI, we found that if we had networked that information and had looked at it through the right lens, that we could have seen some of the emerging patterns that resulted in the events of September 11th, in hindsight.

And as we all know, hindsight is always a lot easier. But it's given us a basis for thinking about what we ought to do and what our search methodology ought to be, and it's very clear that the assignment of intelligence resources is an important aspect to this. And examining the question of how one decides to use different aspects of our intelligence capability is very important, and then sharing information with people who bring a different perspective to it is very important.

And what we found outside of the Government, working with private enterprise, is a very positive response from financial institutions under the PATRIOT Act aegis as we spread out and engaged more people in helping us identify flows of funds that could be resulting in supporting terrorist organizations. We're getting great cooperation. And one of the things we've got to guard against is having such an avalanche and deluge of information that it's hopeless to sort it all. So there's a process of both refinement and selectivity in how one thinks about this, but I would say cooperation in the United States has been terrific.

Outside of the United States, without exception, countries have said, "Yes, we want to be part of this financial war on terrorism. We're prepared to do whatever is necessary and whatever you ask of us." And what I've been saying to them is, "All right, but it's not how this needs to work. We need every nation to be taking the initiative within their own boundaries and within their own legal system to identify people who are a potential terrorist and help us identify their financial assets." And we're beginning to see that.

The Spanish have put forward a list that they initiated. The Irish Government has put forward a list that they initiated. The United Kingdom Government has put forward a list. And, in fact,

the Saudi Arabians did a joint designation with us a few weeks ago. And 10 days ago, when the G–7 ministers were here, we did a joint designation. So that the world is getting better about integrating this information and taking the initiative on a much broader basis.

One of the things that's notable here, however, is that so far, of a 189 nations, only 58 have established a financial intelligence unit. And I think it's not because they don't want to. They need technical assistance to understand how to do it. And one of the things that the Congress has done is provide us with money so that we at the Treasury can offer and provide technical assistance that will help the world better respond to what we need to do.

Looking forward, I have to tell you, I think this is going to become more difficult, because the evidence we see is that as the terrorists see us identifying their flow of funds through normal financial systems, they're moving to more exotic ways to move money and assets around the world, and we've got to chase them however they do it and interdict and confiscate their money. From the evidence, it appears we're making their life pretty miserable, which is highly desirable. We intend to make it impossible for them.

Senator DEWINE. Good. Mr. Secretary, thank you very much. Thank you, Mr. Chairman.

Chairman BYRD. Senator Bennett, I believe you're next on the list.

Senator BENNETT. Thank you, Mr. Chairman. And, Mr. Secretary, again, I appreciate your being here, and I want to follow up briefly with what Senator DeWine was talking about.

I've been told, and I do not know how reliable the source is, that one of the major sources of funding of terrorism, other than al Qaeda, is Iran, and that citizens of Iran are very active in this kind of activity. And we'd simply ask are we focusing the efforts you've just described outside of al Qaeda? Are we going at places like Iran where the political situation would be antithetical to al Qaeda but sympathetic to terrorist activities of other kinds? Could you comment specifically about that country?

Secretary O'NEILL. Senator, we are chasing the money wherever it takes us. I was in the Middle East, in Kuwait, Bahrain, Saudi Arabia, and Abu Dhabi 3 weeks ago. One of the points that I made to them, because they were alarmed that we were hostile to charity because of our naming of the so-called Holy Land Foundation that had offices in Texas, and they took that as a signal that the American authorities had decided to go after charities, especially charities in the Arab world. I made a point of saying this to them, that if you look at the American practice, last year Americans gave $200 billion to charitable causes. So it ought to be clear to the whole world, we are not against charities.

But at the same time we're not against charities, if we find that money that seems to be supporting terrorist activities flowing through charities or through Iran or Iraq or any other place in the world, we're going to chase it wherever it takes us. And I guess I'd rather not indicate prospectively where the next clampdown will be, but, believe me, we don't have any blinders on. We're chasing the money wherever it takes us.

Senator BENNETT. Fine, thank you. Now, if I could just take advantage of your being here to raise another subject that's not directly connected with homeland security, but that I will connect, because I think it has considerable amount to do with our economy, and if the economy is not robust, we can't afford all of these appropriations that we are looking at. And that is a conversation about terrorism insurance.

I assume the administration is still anxious to get the bill, essentially the one that was worked out between Senator Sarbanes, the chairman of the Banking Committee, and Senator Graham, the ranking member. Do you still feel that that is an essential congressional initiative that should go forward?

Secretary O'NEILL. Indeed, I do. The President had an event a few weeks ago to call attention to the need to pass this legislation. It's very difficult to round up a consequence of not having a terrorist risk insurance for commercial building activity, but we, of course, are now beginning to have anecdotal evidence of the individual projects and developments that have been stopped because the financial community will not give money to developers who don't have terrorist risk insurance if there's a heightened risk associated with a large-scale project.

I personally believe that if we don't put terrorist risk insurance in place, it could cost us 1 percent of our GDP growth because we're not going to get those big, signature projects. We're not going to get big developments if the financial community will not put the money into projects that have no ability to provide insurance and if there's no self-insurance capability on the part of a developer.

So I think it is clear we need to do this. We've needed to do it. The President called for it beginning last October. The House passed legislation. It is really important we get this done, Senator.

Senator BENNETT. Thank you. Thank you, Mr. Chairman.

Chairman BYRD. Thank you, Senator. Senator Murray.

Senator MURRAY. Thank you very much, Mr. Chairman. Thank you, Mr. Secretary, for being here. I wanted to follow up on Senator Dorgan's question on the border issues. As you know, in Washington State, cross-border travel is extremely important to the people of my State and the economy. In fact, Washington State has the second-highest unemployment in the Nation today. Part of that is the result of the slowdown on the border after September 11th. And Senator Dorgan has worked very hard in his appropriation to help up the number of agents and Customs officials, INS folks, at the border to expedite that.

And as you mentioned, we have the challenge now of hiring a great number of people and getting them trained and, in the meantime, have—we have gratefully deployed the National Guard at the border, which we really appreciate as we get those people hired and trained.

I have a real concern, because the National Guard soldiers deployed along our border are, under the agreement, not armed. We have been working really diligently to try to solve this, and it has not been solved to date. And as a result, the National Guard are—or the Border Patrols are actually having to protect the National Guard because they are not armed and are in a vulnerable position

as they are being asked to do a number of tasks that we are requiring of them.

Are you aware of this issue of arming the National Guard? And if so, can you tell me how we can get this resolved?

Secretary O'NEILL. Indeed, I am aware of this issue, and I think the real resolution to this problem is to get the National Guard out of the business. We need to hire up the people that are required. And, believe me, Secretary Rumsfeld feels strongly that he would like to. While he understands the need and feels a responsibility to fill this gap for a period of time, I think it's our responsibility and the responsibility of the Justice Department to hire the people who have the capability to work in a conventional way, and we're hard at work doing that. I don't know that there's another way to solve this problem.

Senator MURRAY. Well, I think we all agree that we want the actual trained officials there, but it may take, I understand, more than 6 months, perhaps even 1 year, before those people are on line. So we're asking the National Guard to perform a function to help us with this, but not being armed is creating an even more difficult problem for the people who are already there. Is there——

Senator DORGAN. Senator Murray, would you yield on that point?

Senator MURRAY. I'd be happy to.

Senator DORGAN. The Commissioner of the Customs Service testified last week on that subject and said that when they requested National Guard help last December, they recommended to the Department of Defense that certain of the National Guardsmen be armed for certain placements at the border. They renewed that request in meetings in March with the Department of Defense, and it is still the case that those National Guardsmen and women deployed along the border are not armed. But I might say that the Customs Service specifically requested that some of them stationed at the border be armed. The Defense Department made a different decision. But I agree with you. I think we ought not have them there in uniform, especially in certain locations, unless they have weapons to defend themselves.

Senator MURRAY. Can you help us with this issue?

Secretary O'NEILL. Let me dig into this issue and have a conversation with Secretary Rumsfeld about this issue. So as far as I know, there have not been untoward events because of unarmed National Guard people. I understand the general concept, that you'd like to have everyone armed.

Senator MURRAY. Well, I can tell you, I've been up on the border, and the lines are extremely long at our northern border. The day I was up there a few weeks ago, it was almost 2 hours long. And what they like to do is deploy some of the agents up the line to start clearing people before they get to the final post. But you can't send a National Guard person up the line if they're unarmed, because you don't know what you're asking somebody to look into. So it is not helping us move those lines more expeditiously if we simply aren't providing the people who we are asking to do the job with the ability to do so. So it is——

Secretary O'NEILL. I will pursue it and get back to you.

Senator MURRAY. I would really appreciate that.

Secretary O'NEILL. Yeah, there is a general problem, and I know this from spending time in Canada. They have, on their side of the border, where one might help to solve this problem, they have really strict rules that they enforce. When we go in there with Secret Service agents, they're not permitted to bring their weapons into the country. I don't know if you're aware of that, but——

Senator MURRAY. Well, but on the border, there is a certain area where our—the cars sit in line, and the National Guard can go up the line a ways. They are not, because they aren't armed, but they can to try and pre-clear some of those cars. So it is a problem, but it's not on Canadian territory. It is on United States property.

Let me ask you another question. The container ports of Puget Sound are really competing fiercely with Canada for business from Asia. As you know, it's our primary source of both exports and imports. Cargo that is diverted to Canada really costs thousands of jobs in our area. And again, we are second-highest in unemployment, so we are very vulnerable to this.

The administration has a new Smart Border Accord with Canada that I'm sure you're familiar with, which is really intended to expedite the travel of cargo across the United States-Canadian border, but it actually could have the unintended consequence of improving Canada's competitiveness against the United States for foreign cargo.

Can you assure me that containers that are coming into the United States and into Canada, and containers entering U.S. ports, will be subject to the exact same security requirements?

Secretary O'NEILL. I'd like to think that maybe we're going to do an even better job than what we see from there. But an important way to solve the container problem is to do what I said earlier, about what we've begun to do with creating security at the origin of filling containers. If you think about this problem conceptually, what we've got to do with all these containers that are coming into the country, is to make sure that at the point of origin we've got security and we've got, in effect, electronic bonding so that we don't have mountains of containers waiting to be inspected to come into the country. Because I'm sure you know, before September 11th, we were inspecting 2 percent of the containers.

Senator MURRAY. Right. Mr. Secretary, I'm well aware of that, and, unfortunately, my time is up, but I do think we have to be very careful not to create a system where it's easier to get containers into Canada than it is to the United States and create an uncompetitive environment for our ports here in this country.

Secretary O'NEILL. I agree with that.

Chairman BYRD. Mr. Secretary, you'd indicated that you would get back to Senator Murray with certain information?

Secretary O'NEILL. Yes, sir.

Chairman BYRD. Would you include that information in your transcript to the committee——

Secretary O'NEILL. I certainly will.

Chairman BYRD [continuing]. That it might have the record complete?

Secretary O'NEILL. I'll do that.

Chairman BYRD. Thank you. Senator McConnell.

Senator MCCONNELL. Senator Byrd, I think Senator Gregg was here ahead of me.

Chairman BYRD. Well, I called on Senator Gregg earlier, I believe, but——

Senator MCCONNELL. Oh.

Chairman BYRD [continuing]. I'll call on him again. I didn't see you.

Senator GREGG. Well, that's part of our surreptitious approach. I appreciate the Senator. It's hard to hear down here.

Mr. Secretary——

Chairman BYRD. I apologize.

Senator GREGG [continuing]. I'm wondering, we held a hearing in this committee, which was a joint hearing, about 1 year ago, and you were kind enough to testify. And prior to that hearing, we held something we called Operation TOPOFF, which was two exercises, one in Denver, Colorado, one in Portsmouth, New Hampshire, exercises involving potential biological or chemical attacks on the United States. The report from Operation TOPOFF has been maintained as a classified document, and, in fact, hasn't even been shared with agencies that might have benefitted from it, like FEMA. But one of the conclusions, as I understand, that is reasonable public knowledge is that there was confusion at the site of the event as to who was in charge in the Federal agencies.

And we asked this question back 1 year ago, and I guess I'll ask it again. If ATF and the FBI are both on site at a crisis situation such as a chemical or a biological event, which Federal agency is in charge?

Secretary O'NEILL. Well, I think, Senator, it's circumstantial, and it depends what the exact fact base is and who senior agents are, and I don't think there's a hard and fast rule that says we're in charge all the time or they're in charge all the time.

Senator GREGG. Well, I think that's one of our problems, that when we have a crisis situation, we are now a few months out from September 11th, over 1½ years out from the original exercises, over 1 year out from the last time we had this type of a hearing, and we still do not know who's in charge at a crisis.

The protocol is fairly clear that the FBI is to be the agency in charge on the ground. But at Operation TOPOFF, ATF and FBI got into an argument as to who was in charge, and, as a result, neither agency functioned very well. And I still don't think that we have sorted out this very substantive and entry-level issue as to how we deal with a crisis.

In the area of reorganization, it has been—as you say, there's almost as many departments involved as there are agencies in the Federal Government.

Secretary O'NEILL. Right.

Senator GREGG. Isn't it reasonable that we should take at least one area that is manageable because it's defined, which is who's coming across our borders and what's coming across our borders, enjoin those agencies that are involved in that issue, which would involve the Coast Guard, the INS, Customs, Bureau of Quarantine within Agriculture, maybe part of DEA, and put those agencies in one operating unit that would have line authority to a Cabinet

level position, so that you would have focus and coherence in the area of our borders, specifically our borders?

Now, this was a suggestion made by Mr. Ridge before he was captured by the bureaucracy. It was a suggestion made by the Rudman-Hart Commission on Terrorism. And I'm wondering how you react to it.

Secretary O'NEILL. Because it is a matter of public record, it is certainly one of the alternatives that we've looked at and talked with the President about. And it's clear there's a division of opinion about the utility of that kind of a change and the consequence that's associated with a loss of focus during a transition, and there's a question, as well, about the receptivity and the feeling of the different jurisdictions in the Congress about these kind of combinations. So, as I said earlier, it's not a finished issue yet. The President's still looking at it and taking counsel to make his own judgment, and he's not made a judgment yet.

Senator GREGG. Do we have a timeframe for when we'll get to a conclusion on that?

Secretary O'NEILL. I guess I don't think that the President's drawn a line in the sand and said, "I'm going to decide this by this date," and imposed an artificial limit on the conversation. There are a lot of things going on, and this is only one of the topics that is being considered on the subject of homeland security. And in some regards, I would say it's not as important as some of the other things that are getting concentrated attention at the moment.

Senator GREGG. Thank you. I thank you, Mr. Chairman, and I thank you, Senator McConnell.

Chairman BYRD. Thank you, Senator Gregg. You have introduced a line of questions that could well be pursued if we had time.

Senator Landrieu.

Senator LANDRIEU. Thank you very much, Mr. Chairman. Welcome, Mr. Secretary. Let me follow up on some of the sort of same lines as Senator Murray. I also represent a seaport State. The ports of Louisiana combined represent probably one of the largest port systems in the world, and we handle a lot of containers and also bulk cargo.

And I know that you're putting a lot of emphasis on identifying containers that would be at risk, and you mentioned it briefly in your testimony, but could you give a little bit more detail on a number of things? Besides Canada, are there any other countries currently participating in the program to the same degree, the container security initiative? Has Customs developed guidelines for identifying high-risk containers? And if they have, could you just briefly describe what some of those characteristics might be?

And, finally, when it comes to container security in that containers are received, of course, at our ports, but then they are quickly transported either by rail or by truck, what sort of coordinated efforts are underway to make sure that that container security, you know, happens through the whole process, from start to delivery point?

Secretary O'NEILL. You've asked a lot of questions that suggest a longish answer. And probably to give you a full answer, I should do it for the record.

[The information follows:]

Besides Canada, are there any other countries currently participating in the container security initiative to the same degree?

Not to the same degree as Canada, because overseas it varies from port to port (e.g. ownership of the ports, relevant government agencies involved, the private sector, and legal/regulatory issues). Customs has worked extensively with Canada and its next step is to pilot the Container Security Initiative (CSI) in one port in Europe and one port in Asia. Following the establishment of the initial pilots, Customs will work with the Treasury Department and OMB to incrementally deploy teams in the world's top 20 mega-ports as well as other strategic locations. These top 20 mega-ports are: Hong Kong, Shanghai, Signapore, Kaohsiung, Rotterdam, Pusan, Bremerhaven, Tokyo, Genoa, Yantain, Antwerp, Nagoya, LaHavre, Hamburg, La Spezia, Felixstowe, Algeciras, Kobe, Yokohama and Laem Chabang.

Has Customs developed guidelines for identifying high-risk containers? If they have, could you just briefly describe what some of those characteristics might be?

Customs is taking a proactive approach by screening sea containers before they reach the United States. The key goal of the Container Security Initiative is to identify potential high-risk shipments at the earliest point in a supply chain, thus helping to protect the global maritime trading system. Customs has proposed a four-part program designed to achieve the objective of a more secure maritime trade environment while accommodating the need for efficiency in global commerce. The program's pillars are: establishing security criteria to identify high-risk containers; pre-screening those containers before they arrive at U.S. ports; using technology to quickly pre-screen high-risk containers; and development and using smart and secure containers. Customs is using the Automated Targeting System to pre-screen sea containers and has deployed at both land and sea ports; 83 large scale Non-Intrusive Inspection devices that allow inspectors to quickly and thoroughly search large containers for weapons of mass destruction.

When it comes to container security in that containers are received, of course, at our ports, but then they are quickly transported either by rail or by truck, what sort of coordinated efforts are underway to make sure that container security, you know, happens through the whole process, from start to delivery point?

The Customs Service authority extends to the examination of cargo at both ends of the transport chain. It is the lead Federal law enforcement agency in the screening, examination and release of commercial conveyances, persons, and cargo entering the U.S. Customs targets, screens, examines, and processes cargo shipments entering the United States through our nation's seaports. Customs is a key Federal stakeholder in seaport security because it regulates the key entities (shippers, carriers, importers, brokers, etc.)

Secretary O'NEILL. But let me respond to the general questions that you've asked. Indeed, we're trying to use the same concepts that I talked about in some detail with regard to goods coming across the Canadian border. We're trying to expand these ideas generally, not only to truck traffic, but to container traffic. And by that, I mean the notion of electronic bonding at the point of origin so that once we have been assured that we've got a secure container, we don't have to constantly reinspect it.

Now, indeed, there is a logical process that's derived from examination experience that suggests containers from certain places with certain characteristics ought to receive a more intense and extensive examination by Customs authorities than others. But I guess rather than tell you what those things are, I think maybe it would be useful for me to find out how much value there is in sharing that information, because I don't think we want to alert people to the thought process that we go through in trying to identify what we would call high-risk containers. So let me assure you that, indeed, I think our people are pursuing these issues in exactly the way you suggest, but it's not a very good idea for us to have a public conversation about how we——

Senator LANDRIEU. Well, I appreciate that. That's why I asked for just general comments. But the reason I asked the question is, following up with Senator Murray, that if we're not careful to im-

plement these policies, we could be putting some ports at a definite disadvantage than other ports, depending on where they're receiving their containers from, et cetera, so that sharing some of that information with Members of Congress who represent port cities and port States I think would be very appropriate. And perhaps this isn't the hearing, but just the sensitive nature of protecting our borders but also stimulating and enhancing commerce, and doing it in a way that is evenhanded and fair.

Let me ask, though, could you comment, are there any other countries specifically, outside of Canada, that you could mention that are working with you to the same degree that Canada is, or working with us to the same degree right now?

Secretary O'NEILL. I'd say we're in somewhat of the same level of advanced work with the Mexican Government, because, again, there is so much personal traffic and truck traffic coming back and forth across the U.S. land borders. And, indeed, we're working with other countries, but I would say not at the same advanced level as we are with Canada and Mexico. It's certainly on our priority screens to do that, because, as you indicate, we have a huge flow of goods coming from around the world to the United States.

Senator LANDRIEU. And it also suggests, while many of our goods, and the vast majority, are transported by container, there's still a tremendous amount of bulk cargo——

Secretary O'NEILL. Yes.

Senator LANDRIEU [continuing]. That comes through many ports that could be vulnerable.

My second question is really about the Customs trade partnership initiative, which sounds very innovative, a partnership working with businesses. Have we identified business leaders that you could give us just an example of, a particular industry, establishing best practices so that we could share those with other businesses? And do you have even a rough idea of how many businesses are currently participating since September 11th? I mean, do we have a couple of hundred, a couple of thousand, or is it just still in a sort of infancy stage, this particular program?

Secretary O'NEILL. Let me say we have many, and I'll give you a number for the record. I don't want to hazard a guess about how many. But as an example, using this illustration that I did before, in addition to Governor Engler from Michigan being present for this rollout of a new process under the Ambassador Bridge in Detroit a couple of weeks ago, Jack Smith, who's the chairman of General Motors, was there.

And I would say, as a generalization, the automobile industry has been very responsive to working with us to accept a new way of doing business. And his comment to me, as we stood there together under the bridge and watched this amazing flow of traffic, was, "You know, Paul, we should have applied this technology 20 years ago. It's been around a long time." In a way, it's unfortunate that we have to have this kind of an event to spur us into taking action that simultaneously makes a huge increase in the level of security we have and does such an astounding job of improving economic efficiency by just taking away encumbrances that need not have existed.

And to the general point about containers, I think that needs to be our target, not that terrorists imposed new added costs on our society that set us back, but that we used the stimulus to improve things and think about them in a different way. So we don't add most cost. We've reduced the cost and improved security at the same time.

And to this point, especially for people traffic, and as to Senator Murray's point, as well, the use of biometrics, the ability to look at and record a person's retina as a form of identification is a way that's been developed that's going to make a big difference in getting human beings across the border in a way that assures us that they're not terrorists or capable of terrorist activity, because we know who they are by a clear identification that's unmistakable.

Senator LANDRIEU. Well, I think, in conclusion, the ideas are fantastic. The challenge is going to be in executing this in a very rapid and quick, uniform way that keeps all of our ports competitive.

Thank you.

Chairman BYRD. Thank you, Senator Landrieu. Senator McConnell.

Senator MCCONNELL. Mr. Secretary, just a couple of questions. Do you have regular contact with Governor Ridge?

Secretary O'NEILL. Yes, indeed, I do.

Senator MCCONNELL. Are members of your staff in regular contact with members of the Office of Homeland Security?

Secretary O'NEILL. Yes, sir, they are.

Senator MCCONNELL. What is the nature of the working relationship?

Secretary O'NEILL. Well, it may just be an accident of history, but in this case, I've known Governor Ridge a long time, because I was a resident of his State for 13 years. And, in fact, he asked me to chair the Pennsylvania State Education Standard Setting Committee, which I did for him for 5 years and created educational standards for the State of Pennsylvania. And when we had the occasions to dedicate a new building for the corporation that I ran, Governor Ridge came to help us commemorate that event. So I've known Governor Ridge in a professional way for a long time, when he was a Member of Congress and since he became Governor of the State of Pennsylvania. And so we have a very easy relationship and I see him on a regular basis.

We talk to each other about things like the designation of sites for Secret Service protection. And as we were developing the protection for the Olympics and for the Super Bowl, we talked to each other about these things. We talk to each other about protectee security, and we talk to each other about these organizational questions or that were the subject of earlier questions. And so, yes, indeed, we see each other a lot and we talk to each other on a frequent basis.

Senator MCCONNELL. Has he ever suggested, in practice or in theory, that he has operational control over your budget or any budget in the Federal Government?

Secretary O'NEILL. Absolutely not.

Senator MCCONNELL. Has your relationship with the Office of Homeland Security been hampered because Governor Ridge does not testify before Congress?

Secretary O'NEILL. No, I can't think of a way in which that's made any difference at all.

Senator MCCONNELL. Finally, given the answers you've provided today, can you think of any information that this committee is not receiving—not receiving—with respect to your Department's involvement in homeland security?

Secretary O'NEILL. No, sir, I don't think so, but I was intrigued by the evidence of interest in knowing more about what we're doing. A few weeks ago, I had the occasion to be in Florida and Georgia. I myself went to the Jacksonville port to see what we were doing with looking at containers and looking at the special electronics capability that we have to deal with trucks that are moving in commerce. I think members of the committee might find it very interesting and instructive to see how this process works and what the level of capability is and to talk to the people who are doing this work.

You know, again, I would say to you, one of the things that's really very interesting to me—not a surprise, as a former civil servant, but very interesting to me—is to see the level of dedication of people who are doing this work. You know, after September 11th, these people, without a single complaint that came to my attention, worked 16 and 18 hours a day to deal with bottlenecks that occurred because of a heightened level of security. These are really great, unsung heroes, I think. People who wear the uniform and go overseas get attention and notice for what they do. I think we have lots of unsung heroes in the Customs Service, for example, that date back to our founding in 1789, really quite a marvelous thing to lead an organization like this.

Senator MCCONNELL. Thank you, Mr. Secretary. Thank you, Mr. Chairman.

Chairman BYRD. Thank you, Senator.

Mr. Secretary, there have been a lot of questions today about the inspection of containers. The administration, I'd point out for the record, did not recommend any supplemental funds to address this problem of inspecting these 6 million cargo containers passing through our ports. Now, you might, for the record, if you'd like, explain this lack of support for an aggressive approach to the problem of homeland security.

Also, Mr. Secretary, you said that the way to solve the problem of using National Guardsmen at the border is to hire more Customs inspectors—I believe that's what you said—yet the President did not request any money in the supplemental last fall to hire more inspectors. There are 1,075 inspectors that are being hired that are being paid with the supplemental increase the Congress approved last fall. Please include a status report on the hiring of these inspectors, for the record.

[The information follows:]

Customs is making excellent progress in hiring against its fiscal year 2002 hiring plan. Customs has filled 57 percent of its positions and expects to meet all of its hiring objectives. Currently, Customs has 3,000 inspectors who are pending pre-employment (medical, drug screening, and background investigation). These inspectors will fill the remaining positions for this year.

Chairman BYRD. In your prepared statement, you make this assertion. "The first border initiative I would like to describe was un-

veiled on April 16"—that was 2 weeks ago today—and I continue to read, "When I joined Governor Ridge, Customs Commissioner Bonner, and Governor Engler at the Ambassador Bridge in Detroit to launch this Customs Trade Partnership Against Terrorism." Let me read that again. Let me read that acronym. How do you pronounce the acronym? C–TPAT?

Secretary O'NEILL. Senator, I don't know. I've never tried to pronounce it. As you might have noticed, I didn't use it in my oral statement.

Chairman BYRD. You did use it. You did it. You really did use it. Well, I'll read it for you. "The first border initiative I would like to describe was unveiled on April 16, when I joined Governor Ridge, Customs Commissioner Bonner, and Governor Engler at the Ambassador Bridge in Detroit to launch the Customs Trade Partnership Against Terrorism, referred to as C–TPAT"—capital C, hyphen, capitals TPAT. Were you aware that you used that in your statement?

Secretary O'NEILL. Senator, in the oral statement, I did not.

Chairman BYRD. No, I know you didn't in the oral statement, but I included your prepared statement in the record as though read.

Secretary O'NEILL. All right.

Chairman BYRD. I continue with your statement, Mr. Secretary. "Under this program, C–TPAT businesses commit to pursuing the very best practices in supply-chain security. They work with the Customs Service and with their own suppliers to design and implement secure procedures. In exchange, Customs assures them of much faster and, thus, less costly import processing."

Now, as I understand what you have said here, this is a voluntary effort. Is that correct?

Secretary O'NEILL. Yes, sir.

Chairman BYRD. On the part of business people?

Secretary O'NEILL. Yes, sir.

Chairman BYRD. Well, I ask this question. Is this the way that the administration ought to be proceeding? In providing security to the American people and to their homeland, have a group of business people working on a voluntary basis? It seems to me that this ought to be something much different from a voluntary effort carried on by business people. What can the American people expect by way of this effort?

I had never heard of this before. "This the first border initiative," you say, and it was unveiled on April 16. Now, tell us more about this voluntary business effort that's going to help to secure our border in the processing of imports. Could you please tell us that?

Secretary O'NEILL. All right, Senator. As you know, the last 25 years I spent in the private sector, and I would submit to you that this is a really ingenious way to engage the private sector in a way that is economically meaningful to them in stunning proportions, because what it means is they can reduce, by 5 percent or more, perhaps, the goods in transit at any one time, because in modern manufacturing, Mr. Chairman, this is a continuous process.

People who do well economically in the world now don't do batch processing. In fact, they don't make any goods for inventory. They make goods for firm orders. And what it means for high-volume institutions, like the ones that we're asking to, in quotes, "volunteer,"

is they can take billions of dollars out of their inventory channel by using this different concept of how to do business.

And I'm sure that if you would like to hear direct testimony from Chairman Jack Smith at General Motors or from Bill Ford at the Ford Motor Company, they would come and they would give you detailed numbers on the economic value of their doing business with us in this different way while making a contribution to the society that they're part of. I think these are real patriots. And so they see their contribution to improving security as something that they can do that simultaneously creates economic value for them and, I might say, ultimately for their customers, because it will result in the price of their products going down because it will cost them less to do their work.

Chairman BYRD. Mr. Secretary, I am sure they would be glad to come. I wish that Mr. Ridge, Director Ridge, would come. I feel a little uneasy about the security of the American people and about the security of the homeland, not that I have any doubts about the patriotism of these fine business people. And I think it's useful to have their participation. But it seems to me that to entrust a voluntary effort here and place it in the hands of just businessmen, and we're talking about import processing, we're talking about matters that affect the Customs Service, we're talking about the security of the American people, the safety of the lives of everybody in this room. And yet here we're launching out here with what you describe as the first border initiative.

This is a border initiative, and it's going to be voluntary, and it's going to be conducted by business people. They're as patriotic as anybody else, but I'll tell you, Mr. Secretary, if this is the way that we're going to look at the security needs of the American people, I'm afraid they're not going to sleep well at night. I'm not, for one. It's all right, very well and good to have all these people participating. I'm all for that. But we should—we see nothing in the President's budget request, for example, no supplemental funds to address the problem of inspecting cargo, 6 million cargo containers, for example. And most of the supplemental will be used to hire 1,075 new inspectors that will continue to be employed in fiscal year 2003. So it seems to me that the security of the American people should not hinge on a business bottom line.

Mr. Secretary, I thank you for your appearance. I'll give you a chance to respond. I'm not going to cut you off, if you care to say anything at this point.

Secretary O'NEILL. Well, Senator, the notion of—in the sense that you've used is, the term "voluntary," I guess I can understand why you're concerned. Believe me, when we use the term "voluntary" here, it doesn't mean they get to decide whether or not they're going to do the security work. It means we're not using the Federal bludgeon to tell them, "You will do this whether you like it or not." We're trying to use the underlying economic value that's available to the American people to simultaneously improve security and do something that's good for the economic vitality of the United States rather than cave into the terrorists and hire, I don't know, I guess one can imagine any number you want, we could hire 1 million people and string them along the border holding hands, and I think it would not be——

Chairman BYRD. You can't hire 1 million people if the President doesn't make some requests of the Congress.

Secretary O'NEILL. Well, Mr. Chairman, respectfully, I don't think more people is the answer to this question. I think the deployment of technology and the use of concepts will better secure the American people's safety than hiring 1 million people could possibly do.

Chairman BYRD. Well, you're—excuse me—you're the one that talked about 1 million people.

Secretary O'NEILL. I understand, and I used it very purposefully, because if you look at the 4,000-mile border that we have between ourselves and Canada and the very long border that we have between ourselves and Mexico, if you really wanted to secure, in the sense of having eyeballs looking 24 hours a day at every yard of geography between ourselves and our land neighbors, it would take 1 million people, I suppose, maybe more.

Chairman BYRD. Could you get 1 million volunteers from the business community to do that?

Secretary O'NEILL. I don't think so, but I think—I think, Senator, that perhaps it would be useful for the GAO to have an opinion, an independent authority, about what way is most likely to enhance security. My own view is what we're doing is the best possible thing that could be done, not to take a risk with security, but to seek, at the same time, to improve the economic circumstance of the American people, because, in truth, it is our economic vitality that is our greatest security.

Chairman BYRD. Well, I think you make an excellent point there. You make an excellent point. But at the same time, it seems to me that—I'm a little puzzled by these two initiatives you described briefly in your written statement, the one in which you met with Governor Ridge—and we'd like to meet with him also. Perhaps you could help to persuade him to come. I believe he would come, as a matter of fact, if the President would let him come.

You met with Governor Ridge, Customs Commissioner Bonner, Governor Engler at the Ambassador Bridge in Detroit to launch this Customs Trade Partnership Against Terrorism. Well, I guess I'll let it go at that. I'm afraid we can't rest the national security, however, on a volunteer effort. And hopefully it will go beyond that.

Thank you very much for your appearance.

Secretary O'NEILL. Thank you.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR BEN NIGHTHORSE CAMPBELL

Question. The USA Patriot Act of 2001 significantly increased the money laundering investigation responsibilities of the Department of the Treasury.

Was sufficient funding included in the fiscal year 2003 budget request to allow the Financial Crimes Enforcement Network and other Departmental Office entities to fulfill these responsibilities?

Answer. The amount that would be required in a future budget submission is under programmatic review by the Treasury Department. Any additional resource requirements that the Treasury Department determines may be needed will be fully considered in coordination with OMB.

Question. The USA Patriot Act of 2001 also authorizes appropriations to triple the number of Customs Service personnel and enhance support facilities at points of entry along the Northern Border.

Is the funding requested in fiscal year 2003 sufficient to reach that goal?

Answer. The fiscal year 2003 President's Budget Request does not reflect tripling the number of Customs personnel on the Northern Border as authorized by the Patriot Act of 2001.

Question. If not, how much more is needed?

Answer. The amount that would be required in a future budget submission is under programmatic review by the Treasury Department and OMB. Any additional resource requirements that the Treasury Department determines may be needed will be fully considered in coordination with OMB. Any enhancements to support facilities will be made in consultation with GSA and in coordination with other federal agencies that may share space in those operations.

Question. Finally, the USA Patriot Act of 2001 requires the Director of the Secret Service to develop a national network of electronic crime task forces throughout the country to prevent, detect, and investigate electronic crimes.

What funding, if any, was included in the fiscal year 2003 budget for this new and important responsibility?

Answer. The Secret Service plans to spend $21.8 million in fiscal year 2003 to fully implement what was authorized in the USA Patriot Act. Of this total, $17.2 million will be used to develop a national network of electronic crimes task forces.

QUESTIONS SUBMITTED BY SENATOR PETE V. DOMENICI

BORDER TECHNOLOGY AND COMMERCIAL CONCERNS

Question. I understand that the President's Budget requests $312.9 million for the U.S. Customs Service to continue the development of a much needed computer automation system, the Automated Commercial Environment (ACE). Allowing Customs to replace the current Automated Commercial System (ACS) with ACE will meet important security needs and also provide for increased efficiency in processing merchandise at U.S. borders.

What other technological initiatives and programs, including those for pre-enrollment and pre-clearance, is Customs currently developing or implementing to facilitate the flow of cross-border commerce?

Answer. U.S. Customs is in the process of expanding its layered enforcement approach to container security. Recognizing that trade is vital to the world and U.S. economies, Customs has proposed a four-part program designed to achieve the objective of a more secure maritime trade environment while accommodating the need for efficiency in global commerce. The program's pillars are: establishing security criteria to identify high-risk containers; pre-screening those containers before they arrive at U.S. ports; using technology to quickly pre-screen high-risk containers; and developing and using smart and secure containers.

U.S. Customs inspectors have recently been deployed to Canada in the port cities of Vancouver, Montreal and Halifax, and Canadian inspectors have been deployed to the U.S. port cities of Newark and Seattle/Tacoma. A state-of-the-art-targeting tool, the Automated Targeting System (ATS), has been provided to these targeting teams to pre-screen sea containers arriving in Canada that are destined to the United States and vice versa. In addition, Canada has begun procuring advanced inspection equipment such as the Vehicle and Cargo Inspection System (VACIS) to assist in its inspection process. The U.S. ports mentioned above currently have this equipment and are utilizing it to inspect both U.S. and Canadian bound sea containers.

At the same time, Customs is strengthening our port of entry inspection capabilities. Deployed at both land and sea ports, Customs has 83 large scale Non-Intrusive Inspection devices that allow inspectors to quickly and thoroughly search large containers for weapons of mass destruction. Those systems include 26 Vehicle and Cargo Inspection Systems (VACIS), 23 Mobile VACIS Systems, 20 Mobile Truck X-ray Systems, 9 Truck X-ray Systems, 2 Mobile Sea Container Systems, 2 Rail VACIS Systems and 1 Pallet Gamma-ray System. The 2002 Terrorism Supplemental provided Customs with funding for an additional 16 Mobile VACIS systems, 64 Handheld Acoustic Inspection Systems, 172 Portal Radiation Detectors, 8 Tool Trucks and 128 Isotope Identifiers for deployment along the Northern Border. Customs will also deploy 20 Mobile VACIS systems, provide 4 VACIS upgrades, and supply 10 Tool Trucks to enhance security at our seaports. Other technology that Customs is exploring includes a crane-mounted radiation detection system to detect

radiological material in containers. This system would be used in conjunction with the 4,000 handheld radiation pagers already in use. Customs is also pursuing the development of electronic seals that would alert officials to cargo tampering while in transit.

Customs has moved beyond the border with its launch of the Customs-Trade Partnership Against Terrorism (C–TPAT) program, a joint government-business initiative to build cooperative relationships that strengthen overall supply chain and border security. Through this initiative, Customs is asking businesses to ensure the integrity of their security practices and communicate their security guidelines to their business partners within the supply chain. C–TPAT recognizes that Customs can provide the highest level of security only through close cooperation with the ultimate owners of the supply chain-importers, carriers, brokers, warehouse operators, and manufacturers.

U.S. Customs and Canadian Customs have partnered with one another to ensure the security of their shared border without unnecessarily impeding the daily flow of the $1.3 billion of transborder trade. The Free and Secure Trade (FAST) program will help speed the clearance of low risk merchandise across the Canada/U.S. border through the registration of commercial drivers, importers and carriers who have agreed to participate in C–TPAT and its Canadian counterpart, Partners in Protection (PIP). While the actual clearance process of each transaction may vary between countries, Canada and the United States will harmonize to the greatest extent possible technology and participant qualifications. This will provide greater benefits for trade, increase supply chain security and promote better information sharing in the future.

Customs is currently exploring the expansion of the technology underlying the National Customs Automation Program (NCAP) program for use as part of C–TPAT and FAST. This program uses pre-arrival transmissions of data sent through transponders to expedite the actual clearance. NCAP is currently operating in Detroit, Michigan; Port Huron, Michigan; and Laredo, Texas. Customs is planning to expand this technology to other ports and to increase the use of transponders.

To reduce congestion of non-commercial traffic at the land borders, Customs is expanding and developing commuter registration programs. The United States and Canada have worked jointly on the NEXUS project to streamline border crossings for low-risk travelers so that low-risk United States and Canadian residents can travel across the border with minimal customs or immigration processing by either country. NEXUS applicants are screened by both United States and Canadian Customs services. Approved participants are then issued photo-identification cards and electronic devices that enable them to use dedicated NEXUS lanes for expedited border crossing. The fiscal year 2003 budget provides almost $6 million to expand a NEXUS-like program to high-volume ports of entry along the Northern Border. Similar to the growth of C–TPAT and FAST, the expansion of NEXUS and other similar programs, like SENTRI along the Southwest Border, will improve security by identifying low-risk travelers and allowing Customs to focus its targeting and inspection resources on people about whom it knows relatively little.

Question. What types of technology, personnel, and infrastructure improvements does Customs identify as critical for the success of initiatives of this kind?

Answer. As a result of September 11, 2001, Customs has received additional funding to expand deployment of NII technology to the Northern Border and to high-threat, high volume seaports. Fiscal year 2002 appropriated funds and fiscal year 2002 emergency supplemental funds will go towards doing just that. However, fiscal year 2003 funding for further deployments of NII and other new technologies remains essential. For instance, for fiscal year 2003, Customs has requested funding to purchase and deploy 4 additional Rail VACIS systems to the Northern Border.

In addition to the large-scale NII systems, Customs is deploying a number of other new technologies such as Personal Radiation Detectors, Isotope Identifiers, Portal Radiation Detectors and Customs Handheld Acoustic Inspection System (CHAIS.)

Personnel and equipment needs for implementing Customs Container Security Initiative (CSI) will vary from port to port, but we should consider the basics for every port—an OIT/ATS component, 4–6 personnel, and possibly radiation and NII equipment.

These technology purchases are important steps in securing our borders, but the deployment of new equipment is not necessarily sufficient to achieve our goals. In addition, we need the well-trained personnel to operate that technology. We have received funding in the 2002 budget and the 2002 Supplemental to provide for some of the needed staffing and training, and the 2003 budget also requests funds to address this need.

With support from the Administration and Congress, much-needed steps can be taken in the short and near-term that will greatly increase the ability of Customs and other appropriate Federal agencies to improve targeting and inspection efforts, thereby enhancing national security.

NII equipment in a centralized location and mobile and relocatable NII systems on dockside, in container yards, and at other locations in seaport environments is vital to our work. NII technology supports Customs' overall plan to field at each of the nation's ports of entry detection systems that focus specifically on enhancing our capabilities to identify contraband concealed deeply within commercial cargo. Advance passenger information and advance cargo manifest information in electronic form from commercial vessels is essential for Customs' targeting efforts, which allow Customs to focus its resources on monitoring high risk commerce, vehicles and people.

The U.S. Customs Service is committed to participating in the expansion and implementation of Dedicated Commuter Lanes (DCLs) along both the United States/Canada and United States/Mexico border. These DCL lanes will facilitate the expansion of NEXUS and SENTRI, which allow Customs to facilitate low-risk travelers in a timely manner while allowing other resources to focus on the targeting of high-risk travelers and conveyances. The expansion of DCL lanes along our borders requires Customs to install technology and staff additional primary inspection lanes as well as enrollment centers. This expansion also requires the construction or modification of enrollment centers along with the installation of internal equipment as necessary.

Customs foresees increased use of transponders and electronic seals in the C–TPAT and FAST programs, which will require that Customs has in place systems to receive the information from those devices. Continued development of ACE is essential to the success of C–TPAT and FAST because it will enable Customs to provide additional benefits to the trade community. Dedicated lanes will also be needed to process these shipments so that goods moving on electronic data alone are not kept waiting by trade members who continue to use the older paper system. Additionally, there is significant need for improvement in infrastructure by state/local governments or private industry at many bridge crossings.

BORDER INFRASTRUCTURE

Question. The U.S. Customs Service is an agency of critical importance to New Mexico as it provides resources to police the United States' border with Mexico and facilitates cross-border trade. Because of the dramatic increase in trade and traffic between the United States and Mexico over the past several years, these resources have been strained.

The "Ports of Entry Infrastructure Assessment Study," submitted in January 2001 in response to my language in the fiscal year 2000 Treasury and General Government Appropriations Bill, outlined the significant needs at border stations along both the southwestern and northern borders. This report cited the need for $459 million in infrastructure improvements along the southwestern border and $146 million in infrastructure improvements along the northern border.

The tragic event of the terrorist attacks on September 11th and the resulting increase in security have again highlighted critical infrastructure needs at ports of entry on both borders, including the Santa Teresa and Columbus ports of entry in New Mexico.

What is Customs assessment of how infrastructure needs have changed since the "Ports of Entry Infrastructure Assessment Study" was submitted in January 2001, particularly in light of post-September 11 security concerns?

Answer. Since September 11, 2001, our mission has been to implement new programs and initiatives to combat terrorism and prevent the implements of terrorism from entering the United States. At the same time, U.S. Customs must provide this security while expediting the flow of trade. Because most of the border facilities along the northern border were built in the 1930's, it comes as no surprise that many of the facilities require updating.

In 2001, Customs worked with GSA and the other Federal Inspection Service (FIS) Agencies to prioritize its infrastructure needs. The study identified 858 projects at a cost of over $834 million. Clearly, many of the infrastructure needs identified in this study need to be addressed and are necessary to support Customs anti-terrorism initiatives. However, Customs is still prioritizing those needs.

Since September 11, 2001, Customs has undertaken efforts to harden our Ports of Entry to further help prevent illegal entry by persons or vehicles by providing additional security along our northern border through use of new technology. Barriers, obstacles and lighting along with a monitoring video security surveillance sys-

tem are being installed to improve the security infrastructure at all ports along the border with Canada. Discussions are underway to expand this program to include the border with Mexico.

Additionally, international cooperation efforts undertaken since September 11, 2001, such as the Smart Border agreements along both U.S. borders emphasize improvements to security while facilitating travel and trade. Most of the initiatives underway will in one way or another have an impact on the land border infrastructure. Customs is working to address its infrastructure needs so that it can implement its increased security initiatives while maintaining a continuous flow of commerce across our borders. Both the Northern and Southern Borders need improvements and expansions of facilities to support anti-terrorism programs such as C–TPAT, FAST and NEXUS and to effectively use targeting systems and NIIs. Additionally, recent hirings and new technology are putting an additional burden on the land border facilities.

Question. What are Customs plans for prioritizing and implementing the infrastructure needs identified in this report and since the events of September 11?

Answer. The 2001 Customs' study identified an immediate need for $287 million to replace an aging infrastructure by building or expanding holding and detention cells, inspection areas, canine facilities and employee housing for those serving in remote areas. During the last two post-September 11 budget initiatives, Customs has moved its security related infrastructure needs to the forefront, for instance by requesting immediate funds for lighting, gates and bollards. Customs will continue this practice of addressing first those needs that are critical to advance Custom's anti-terrorism efforts. However, many of the previously identified infrastructure needs have an impact on security as well. For instance, employee housing remains an issue for those stationed at remote ports of entry where commercial housing is not readily available. Customs is continuing to consider how the various initiatives prompted by the attacks of September 11, 2001, such as the United States/Canada Smart Border Declaration, the INS Entry/Exit Program and the GSA Repair and Alteration Program will impact the infrastructure needs of the land border facilities.

FEDERAL LAW ENFORCEMENT TRAINING CENTER (FLETC)

Question. Secretary O'Neill, you highlight the role of the Federal Law Enforcement Training Center—FLETC—in its role to train law enforcement personnel. FLETC in Artesia, New Mexico, has been tapped to train federal air marshals in the wake of the September 11th terrorist attacks. Yet, the fiscal year 2003 budget includes no new facility construction for FLETC in Artesia, or for Glynco, Georgia.

Why has the Administration halted all construction of new facilities for FLETC when the prospects are clearly for additional training requirements?

Answer. Construction of new facilities for FLETC has not been halted; there are numerous new facilities currently being constructed. The fiscal year 2003 budget does not seek new construction funds, pending a new facilities master plan. A new facilities construction plan is now needed to address the long-term, post-September 11th, build-up in law enforcement training. FLETC has contracted with a private firm experienced in facilities planning to conduct a study that will include all of FLETC's training centers, including Artesia, Glynco, and FLETC's newest site in Cheltenham, MD. When the study is completed the Administration will formulate a funding request through the normal budget cycle.

Question. Will you please provide the Committee with its latest five-year master plan for FLETC construction? What new FLETC facilities were scheduled for fiscal year 2003 under the existing plan?

Answer. A new facilities construction plan is now needed to address the long-term, post-September 11th, build-up in law enforcement training. FLETC has contracted with a private firm experienced in facilities planning to conduct a study that will include all of FLETC's training centers, including Artesia, Glynco, and FLETC's newest site in Cheltenham, MD.

Question. Is the Department updating the five-year master plan for FLETC facilities in view of the changed situation following the September 11th attacks? If so, when will that process be completed?

Answer. Yes. Following the terrorist incidents of September 11, 2001, FLETC sites are being used to their limits. A six-day workweek has been initiated and training workload requirements have been realigned to meet an unprecedented increase in training for Federal agencies. Artesia is being used to address Federal Air Marshal needs and Charleston will be needed for the increases expected in U.S. Border Patrol training.

A new facilities plan is now needed to address the long-term, post-September 11th buildup in law enforcement training. FLETC has contracted with a private firm ex-

perienced in facilities planning to conduct a study that will include Artesia, Glynco and FLETC's newest site in Cheltenham, MD. The study is now underway.

Question. With the increased focus on security and the addition of new federal law enforcement personnel to respond to homeland security requirements, how is the Department ensuring that FLETC maintains its central mission as the provider of coordinated federal law enforcement training? I would expect this to be more important now as the federal government prepares to respond to potential terrorist attacks.

Answer. All the training requirements of FLETC's partner organizations are important. FLETC is working with its Partner Agencies in an effort to accommodate all of their training requirements. FLETC had scheduled all of the requested training by implementing a six-day workweek. They are going to an extended workday to also meet the training requirements of the Transportation Security Administration (TSA). FLETC maintains contact with other Federal Agencies, and state and local police academies, to identify unused capacity that could be used on a short-term basis if the need arises. Scheduling priority policy in effect for nearly two decades provides that all entry level (new hires) training and agency specific entry level training be scheduled first. Thereafter, FLETC and agency advanced programs are scheduled, followed by state, local and international training. FLETC has not at this time had to cancel or deny any requests for training from its Partner Agencies.

Chairman BYRD. Secretary Powell. Let us have a brief recess of 2 minutes so that people may leave the room and enter the room.

Secretary Powell, we thank you for your appearance. We know how busy you are. We read the newspapers, also, and I want to thank you for your great services to your country and for always your courtesy in responding to invitations to appear before the Senate committees.

The State Department has a number of anti-terrorism requirements at its Embassies abroad that are necessary to protect the lives of U.S. citizens working at those Embassies. The fiscal year 2002 supplemental appropriations request before us today includes $1.6 billion for State Department activities. Most of the budget request, nearly $1.3 billion, is the foreign assistance to aid our Nation's war on terrorism. So although your portfolio is focused beyond our shores, your agency and the men and the women who work for the State Department are truly on the front lines of our war on terrorism. We appreciate their work. We appreciate your dedication and your leadership. And we look forward to hearing your testimony today.

I will ask the ranking member, Senator Stevens, if he has anything he wishes to say at this point, after which I will turn to the chairman of the appropriations subcommittee which has immediate jurisdiction over your Department. Senator Stevens.

Senator STEVENS. I'll wait and yield to Senator Gregg, who's chairman—ranking member of the subcommittee.

Chairman BYRD. Very well. I'll call on Senator Leahy and then Senator Gregg.

Senator GREGG. It's actually Senator McConnell.

Senator LEAHY. Thank you, Mr. Chairman. Secretary Powell, thank you for being here today. You testified before the Foreign Operations Subcommittee last week, so I'll try to be brief. In fact, I notice in your statement, which I was reading earlier, you've made nine budget appearances in 3 months. That's been helpful. You bring a wealth of experience and a much-needed voice of reason. I'm going to do everything I can to give you the support that you need.

My initial reaction to the Foreign Ops portion of the emergency supplemental request is that much of it looks reasonable. Most of

these funds would respond to needs that were not anticipated prior to September 11th, so they fall into the actual category of an emergency.

But in some areas, such as reconstruction in Afghanistan, I think the request falls short of what's needed. I'm also very concerned about the increasing instability there, and the problems this poses for our humanitarian relief efforts. There's been a lot of speculation in the press about us getting involved in other parts of the world. I want to make sure that we don't leave the job half finished in Afghanistan and have it fall back into the kind of chaos and brutality that we saw under the Taliban.

There are some other areas where the State Department hasn't provided sufficient justification for the funds requested or how they'd be monitored. Secretary Powell, I want to support you, I will support you, but I will not support a blank check. I would not do that for any administration. Portions of the supplemental request seek to give aid with virtually no strings attached to some very authoritarian, corrupt governments. I don't think that squares with what the President said recently about having a policy to condition assistance to foreign governments on their performance so the aid is not wasted.

I'm glad to see the administration's increased involvement in the Middle East. I don't envy the difficulty of your mission, and I still have in my mind the description of one of the meetings that you told me about. But I think that we would not see the measure of progress that has occurred had you not been there.

However, there's bitterness and a desire for vengeance that could reignite at any time. I hope that you will continue to be involved, because much of what you want to achieve with the supplemental request will depend on stopping the violence in the Middle East.

Finally, I want to reiterate the need to put conditions on the assistance in the supplemental that say to countries you have to make progress toward political pluralism, good governance, and human rights, before you get this aid. I don't want it to be back like during the cold war, when anybody could come in and say, "I'm anticommunist, so give me money," or to have them come in now and say, "I'm antidrug, give me money," or, "I'm anti-terrorist, give me money." Countries should be antidrug, they should be antiterrorist.

But I also want to make sure if our money is going there that it actually moves forward the goals that you and I share, Mr. Secretary.

Thank you, Mr. Chairman.

[The statement follows:]

PREPARED STATEMENT OF SENATOR PATRICK J. LEAHY

Secretary Powell, thank you for being here today. You testified before the Foreign Operations Subcommittee last week, so I will be brief. I do want to reiterate that you have brought a wealth of experience and a much needed voice of reason to this Administration, and I will do everything I can to give you the support you need.

My initial reaction to the Foreign Operations part of the emergency supplemental request is that much of it looks reasonable. Most of these funds would respond to needs which were not anticipated prior to September 11th.

However, in some areas—such as reconstruction in Afghanistan—the request falls short of what is needed. I am also very concerned about the increasing instability there, and the problems this poses for our humanitarian relief efforts.

In other areas, the State Department has been unable to provide sufficient justification for funds requested, how they would be monitored, or what you expect to achieve.

As I mentioned last week, I am also not enthusiastic about the blank check the Administration is seeking. You propose to give aid, with virtually no strings attached, to some authoritarian, corrupt governments.

This does not square with the President's recent announcement of a policy to condition aid to foreign governments on their performance, so the aid is not wasted.

Finally, I am glad to see that the Administration's increased involvement in the Middle East has produced a measure of progress. However, the bitterness and desire for vengeance could reignite the violence at any time.

If there ever were a time for the White House to show some real boldness in the Middle East, it is now. It is sorely needed, because much of what you hope to achieve with hundreds of millions of dollars you are requesting in this supplemental depends on solving the Palestinian-Israeli conflict.

Chairman BYRD. Mr. Secretary, you have a statement. Would you like to make that statement now? I was trying to accommodate Senator Leahy, who is trying to shuttle back and forth between his Judiciary Committee and this one.

Senator LEAHY. And I do appreciate that.

Chairman BYRD. Okay. Mr. Secretary.

STATEMENT OF COLIN POWELL, SECRETARY OF STATE, DEPARTMENT OF STATE

Secretary POWELL. Thank you, Mr. Chairman. I do have a statement, which I would like to offer for the record, and I would like to give a somewhat shortened version of it, with your permission.

Chairman BYRD. Your statement will appear in the record as though read in its entirely, Mr. Secretary. You may please proceed.

Secretary POWELL. Thank you, Mr. Chairman. Let me begin by thanking you for your kind words about the men and women of the State Department and the great job they're doing on the front line of offense in our national security efforts around the world. These are people who take risks. They take casualties. They are often killed, regrettably, in the line of duty. They are as brave and courageous as any group of men and women serving in uniform. Their families are put at risk. That has increasingly been the case in recent months. I know that you, the members of this committee, and all Americans are as proud of their service and sacrifice as I am.

We could not be served by a more dedicated group of professionals as we are by the men and women of our Foreign Service, our Civil Service, our technicians, and our Foreign Service Nationals. These wonderful citizens, working at the places where our missions are located, stay with us in times of crisis when, for them, it is a matter of personal danger. The very fact that they're working for the United States Government. So, I thank you for your statement, and I thank you for the support that you and the members of this committee have provided to them over the years and since I have been Secretary. Senator Leahy, I thank you for your opening comments, as well.

I might mention that the President and I and all the members of our team will remain engaged in our Middle East efforts. We've made a little bit of progress over the weekend. I hope that in the next day or so, we will complete the arrangement to transfer those prisoners out of the Macaddah and give Chairman Arafat the opportunity to move about and do what we think he needs to. What I believe he knows he needs to do in order to keep this process

moving forward. You can be assured that we will be looking for a political solution and will be anxious to jump start efforts toward a political solution to this crisis, as well as concentrating on the humanitarian reconstruction efforts that'll be necessary to bring hope to the Palestinian people.

I also share with you, Senator Leahy, your requirement, your commitment, and your charge to us to make sure that people getting the taxpayer's dollars in the form of foreign assistance are people who are dedicated to the right values, the values that our taxpayers hold dearly. The President's new effort, the Millennium Challenge Fund, will do just that. The money will only go to those nations that are committed to democracy, economic reform, transparency and assistance, absence of corruption, and the rule of law, which are all the things that we hold dear and which we believe are essential ingredients to a successful society in the 21st century. But, those values should not only apply to the New Millennium Challenge Fund but to all of our aid programs, as well.

I thank you for the support, Mr. Chairman, and I am pleased to have this opportunity to appear before you to testify in support of President Bush's fiscal year 2003 budget request for the State Department and his fiscal year 2002 supplemental request, as these two requests pertain to the mission of homeland security. As you specifically asked for, Mr. Chairman, I will give you an overview on the entire fiscal year 2002 supplemental request for the Department of State and Foreign Operations.

As Senator Leahy noted, this is my ninth budget hearing in 3 months, so I'm averaging three per month. From that record, Mr. Chairman, I think you can readily see that I believe these exchanges are important. I do not have any reluctance about coming up before the people's representatives to let you know what kind of a steward I am trying to be with the resources that the American people have entrusted to my care and to your care. I welcome such opportunities and believe these exchanges are very important.

The Department of State wants to make certain that this committee, and others with funding responsibilities, have the best information possible upon which to make your important decisions. President Bush recognizes the need of the Congress to receive information regarding the homeland security activities of Federal departments and agencies. Moreover, the administration shares your view, Mr. Chairman, that it is essential for Federal, State, and local governments to work together closely as part of the significant national effort to defend the United States and the American people.

The administration also recognizes that the country faces significant challenges regarding homeland security and that it will take the cooperation of both the legislative and the executive branches working together to meet those challenges. In that regard, the administration is committed to ensuring that Congress receives all the information it needs to ensure that we are doing everything we can to improve, enhance, and ensure the protection of our homeland.

With respect to homeland security, our role at State is not as large as that of our fellow departments, such as Transportation and Defense, but we do have a vital role to play. The State Depart-

ment is involved in protecting the homeland in two key areas: first, our Border Security Program and second, the physical security of certain Government facilities and employees in the United States. Let me now describe how the dollars are lined up against these two areas in the President's fiscal year 2003 budget request, and then I'll turn to the supplemental request.

Mr. Chairman, for homeland security, there is $749.1 million in the fiscal year 2003 request. These dollars include $643 million for the Machine Readable Visa Fee-Funded Border Security Program, which provides the technology, backbone, personnel, and support needed to carry out consular and border security functions.

Major initiatives funded within the fiscal year 2003 program include expansion of the Consular Consolidated Database, faster exchange of information on visa applications, strengthening passport and visa document security, and increasing passport and visa processing capability. We also welcome the opportunity to participate in the Office of Homeland Security's efforts to determine how biometrics can be employed to enhance border security and to make movement easier for legitimate travelers.

Also included in our fiscal year 2003 request is $104 million for antiterrorism and domestic security initiatives and activities funded through Diplomatic and Consular Programs. Domestic initiatives include state-of-the-art access control systems, off-site delivery inspections, emergency public address systems to facilitate warnings and evacuations, a chemical/biological program, and enhanced explosive ordinance disposal protocols.

And finally, $2.1 million is for protection of USAID domestic facilities.

Mr. Chairman, let me now turn to the full fiscal year 2002 supplemental request. Before I do that, let me tell you how grateful we are at the Department for the efforts of this committee, and the House Appropriations Committee, to get us the almost $1.8 billion in crucial emergency response funding to address the immediate post-September 11th needs. However, that was just a start.

We are asking for $1.6 billion in supplemental funding for fiscal year 2002. This amount includes $322 million for the Department and $7.4 million for the Broadcasting Board of Governors. These dollars will address emergent building and operating requirements that have arisen as a result of the September 11th terrorist attacks, including reopening our mission in Kabul, Afghanistan; reestablishing an official presence in Dushanbe, Tajikistan; increasing security and personnel protection at home and abroad; and augmenting our broadcasting activities in Afghanistan.

We are also requesting about $1.3 billion for our Foreign Operations accounts. These funds are aimed primarily at the front line states to deter and prevent acts of international terrorism; provide vitally needed military equipment, training, and economic assistance; expand respect for human rights and judicial reform; provide a significant and immediate impact on displaced persons; support civilian reintegration of former combatants and reestablish law enforcement and criminal justice systems; provide economic and democracy assistance, including help with political development, health care, irrigation and water management, media development,

community building and infrastructure improvements, enterprise development, and economic and civil society reform.

The supplemental request I have just outlined includes $47.2 million for programs that relate to homeland security. This includes $22.2 million for Diplomatic and Consular Programs to fund mail decontamination and safety requirements; domestic chemical and biological weapons defense requirements; and increased domestic guard requirements; and funding for the Capital Investment Fund to expand the State Department's presence on the Defense Department's secure SIPRNET/INTELINK computer network.

The remaining $25 million is for programs that will allow us to work with Mexico to help that country make urgent infrastructure upgrades to achieve priority U.S. security objectives. These upgrades include developing information-sharing systems on passengers and goods; establishing a nonintrusive inspection capability; augmenting training and communications equipment for Mexican law enforcement agencies; creating additional SENTRI lanes in high-volume ports of entry; and conducting a bi-national study of border management systems, processes, and procedures.

In addition, as part of our request for supplemental funding in fiscal year 2002, we have asked for legislative authority in two areas.

First, authority that will facilitate the provision of Cooperative Threat Reduction and Title V Freedom Support Act assistance. This assistance has been critically important in the dismantlement and nonproliferation of weapons of mass destruction material and expertise in the New Independent States.

Second, we are requesting expanded authorities to allow support for the Government of Colombia's unified campaign against drugs, terrorism, and other threats to Colombia's national security. These expanded authorities will allow the Colombians to use equipment for counterterrorism operations which was previously provided through counterdrug funding.

In sum, Mr. Chairman, these supplemental dollars for foreign operations in fiscal year 2002 will be directed primarily at draining the swamp in which terrorists thrive and at insuring the long-term success of Operation Enduring Freedom, as well as enhancing homeland security.

Mr. Chairman, I'll be pleased to take your questions.

[The statement follows:]

PREPARED STATEMENT OF COLIN L. POWELL

Mr. Chairman, members of the committee, I am pleased to appear before you to testify in support of President Bush's budget request for the State Department for fiscal year 2003 and his supplemental request for fiscal year 2002—as those two requests pertain to the mission of homeland security. And, as you specifically asked for, Mr. Chairman, I will also give you an overview of the entire fiscal year 2002 supplemental request for the Department of State and for foreign operations.

This is my ninth budget hearing in three months, so I am averaging three per month. From that record, Mr. Chairman, you can readily see that I believe these exchanges with the people's representatives are very important. The Department of State wants to make certain that this committee, and others with funding responsibilities, have the best information possible upon which to make their important dollar decisions.

President Bush recognizes the need of the Congress to receive information regarding the homeland security activities of Federal departments and agencies. Moreover, the Administration shares your view, Mr. Chairman, that it is essential for Federal,

state, and local governments to work together closely as part of the significant national effort to defend the United States and the American people.

The Administration also recognizes that the country faces significant challenges regarding homeland security and that it will take the cooperation of both the legislative and the executive branches working together to meet them. In that regard, the Administration is committed to ensuring that you and the Congress receive the appropriate information on what we are doing to improve, enhance, and ensure the protection of our homeland.

With respect to homeland security, our role at State is not as large as that of some of our fellow departments such as the Department of Defense or the Department of Transportation. But we do have a vital role to play.

The State Department is involved in protecting the homeland in two key areas: first, our Border Security Program and, second, the physical security of certain government facilities and employees in the United States.

Let me show you how the dollars are lined up against these two areas in the President's fiscal year 2003 budget request, and then I will turn to his supplemental request for fiscal year 2002 and do the same.

Mr. Chairman, for homeland security there are $749.1 million in the fiscal year 2003 request. These dollars include:

—$643 million for the Machine Readable Visa (MRV) Fee-Funded Border Security Program which provides the technology backbone, personnel, and support needed to carry out consular and border security functions. Major initiatives funded within the fiscal year 2003 program include expansion of the Consular Consolidated Database and faster exchange of information on visa applications, strengthening passport and visa document security, and increasing passport and visa processing capability. We also welcome the opportunity to participate in the Office of Homeland Security's efforts to determine how biometrics can be employed to enhance border security and to make movement easier for legitimate travelers.

—$104 million is for antiterrorism and domestic security initiatives and activities funded through Diplomatic and Consular Programs. Domestic initiatives include state-of-the art access control systems, off-site delivery inspections, emergency public address systems to facilitate warnings and evacuations, a chemical/biological program, and enhanced explosive ordnance disposal protocols.

—And finally, $2.1 million is for protection of USAID domestic facilities.

Mr. Chairman, let me now turn to the full fiscal year 2002 supplemental request.

But before I do that, let me tell you how grateful we are at the Department for the efforts of this committee and the House Appropriations Committee to get us the almost $1.8 billion in crucial Emergency Response Fund funding to address the immediate post-September 11 needs. That was just the start though.

We are asking for $1.6 billion supplemental funding for fiscal year 2002. This amount includes $322 million for the Department and $7.4 million for the Broadcasting Board of Governors. These dollars will address emergent building and operating requirements that have arisen as a result of the September 11 terrorist attacks, including reopening our mission in Kabul, Afghanistan; reestablishing an official presence in Dushanbe, Tajikistan; increasing security and personnel protection at home and abroad; and augmenting our broadcasting activities in Afghanistan.

That leaves about $1.3 billion for foreign operations. These funds are primarily aimed at Front Line States (FLS) to: Deter and prevent acts of international terrorism; provide vitally needed military equipment, training and economic assistance; expand respect for human rights and judicial reform; provide a significant and immediate impact on displaced persons; support civilian reintegration of former combatants and reestablish law enforcement and criminal justice systems; and provide economic and democracy assistance, including help with political development, health care, irrigation and water management, media development, community building and infrastructure improvements, enterprise development, and economic and civil society reform.

The supplemental request I have just outlined includes $47.2 million for programs that relate to homeland security. $22.2 million is for: Diplomatic and Consular Programs to fund mail decontamination and safety requirements; domestic chemical and biological weapons defense requirements; increased domestic guard requirements; and dollars for the Capital Investment Fund to expand State Department's presence on the Defense Department's secure SIPRNET/INTELINK computer network.

The remaining $25 million is for programs that will allow us to work with Mexico to help that country make urgent infrastructure upgrades to achieve U.S. security objectives. These upgrades include: Developing information-sharing systems on passengers and goods; establishing a non-intrusive inspection capability; augmenting

training and communications equipment for Mexican law enforcement agencies; creating additional SENTRI lanes in high-volume ports of entry; and conducting a binational study of border management systems, processes, and procedures.

In addition, as a part of our request for supplemental funding in fiscal year 2002, we have asked for legislative authority in two areas:

First, authority that will facilitate the provision of Cooperative Threat Reduction and Title V Freedom Support Act assistance. This assistance has been critically important in the dismantlement and non-proliferation of WMD material and expertise in the New Independent States.

Second, we are requesting expanded authorities to allow support for the Government of Colombia's unified campaign against drugs, terrorism, and other threats to Colombia's national security. These expanded authorities will allow the Colombians to use equipment for counterterrorism which was previously provided through counterdrug funding.

In sum, Mr. Chairman, these supplemental dollars for foreign operations in fiscal year 2002 will be directed primarily at draining the swamp in which terrorists thrive and at insuring the long-term success of Operation Enduring Freedom, as well as enhancing homeland security.

Mr. Chairman, I will be pleased to answer your questions.

WEST BANK AND GAZA

Chairman BYRD. Senator Stevens.

Senator STEVENS. Thank you very much, Mr. Chairman. Welcome, Mr. Secretary. I want to know about the $400 million that was funded for West Bank and Gaza during the Wye Accords. I'm told that that money has not been obligated. Do you have any plans to try to reprogram that money to use it, in view of the current circumstances with regard to the Middle East?

Secretary POWELL. I don't have the details on that, Senator Stevens. Please allow me to provide that for the record.

Senator STEVENS. I would like to have you take a look also to see if those funds will be obligated by September 30th. If not, if you wish to do so, would you tell us how you would like to have them reprogrammed?

Secretary POWELL. Right, sir.

[The information follows:]

To date, $155 million of the $400 million has been obligated. On several occasions since the outbreak of violence in September 2000, we have reexamined the priorities of our USAID program for the West Bank and Gaza. As the intifada has worn on, we have been considering carefully how best to respond to what has emerged as a significant humanitarian crisis, while at the same time not losing sight of our longer-term developmental priorities. The bulk of the Wye River funds has always been targeted to major water infrastructure projects, including a desalination plant and a water distribution network in Gaza. We intend to continue with these projects.

At the same time, it has become clear over the last six weeks that the magnitude of the crisis in the West Bank and Gaza is considerable. We are now in the process of reprogramming some of the Wye funds into humanitarian response programs that can meet these immediate needs. After taking into account the $10 million that was rescinded pursuant to Chapter 5 of the Supplemental Appropriations Act, 2001, $235 million remains to be obligated. We are confident that these funds will be obligated before the end of this fiscal year and will stay in touch with the Appropriations Committee as these plans are developed.

ANTITERRORISM PROGRAMS

Senator STEVENS. Now, we have, in the supplemental request for $48 million for antiterrorist and terrorist interdiction programs by the Department of State Diplomatic Security Office. These requests for programs for 2003 are for $64.2 million and $5 million, respectively, for the same accounts. If we approve the supplemental re-

quest, the account will be tripled by the 2003 accounts. I have no problem about supporting the antiterrorism concept, but normally this is about a $35 million program. Can you handle that kind of money in this timeframe?

Secretary POWELL. I think so, Senator Stevens. We've been building up our Diplomatic Security Service over the last couple of years, and I think it is has become one of the most effective organizations of its kind in the world. As a result of the support you've provided to that buildup over the years, they are quite capable of spending this money in an efficient way. They have the capacity to handle the account.

U.S. ASSISTANCE TO TURKEY

Senator STEVENS. Well, lastly, Mr. Secretary, we note that the administration has requested $200 million to assist Turkey in debt payments. And if we approve that, it should assist Turkey in this International Security Force mission. Can you give us a short update on that and why that $200 million is necessary?

Secretary POWELL. It was part of our efforts to assist Turkey as it was going through some difficult economic times. We also have other monies in the supplemental appropriation, I think out of the Defense Department, that will be used to help Turkey take on its responsibilities to lead the ISAF. I'm very pleased that Turkey is willing to show this leadership in an area quite different from the usual places of deployment of Turkish troops. They will need a great deal of support, including financial help and other command, control, and communications assistance from us and other nations so that they can take this mission on.

But, I would like to provide you a complete answer across the administration of the funds that are to be made available to Turkey as part of the campaign against terrorism and also to support them in their taking on the ISAF leadership mission.

Senator STEVENS. Well, I think those of us involved in defense welcome the involvement of Turkey in this activity. And if the funding is to come through the State Department, we would like very much to assist in making it available.

Thank you, Mr. Secretary. Thank you, Mr. Chairman.

Secretary POWELL. Thank you, sir.

[The information follows:]

We appreciate your welcoming of Turkey's active role, in cooperation with the United States, in the war against terrorism. As our only NATO ally with a largely Muslim population, Turkey's strong and principled support for the war sends a clear message that the coalition is united against terrorism and its supporters, not Islam and its faithful believers. More recently, Turkey has stepped forward to assume command of the International Security Assistance Force (ISAF) in Kabul for a period of six months commencing this summer. We have expressed our gratitude to Turkey for its decision to take on this important mission.

When Vice President Cheney visited Ankara on March 19, he announced that the Administration would seek $228 million for Turkey in its fiscal year 2002 supplemental request. If approved by Congress, $28 million in FMF assistance would be provided to Turkey specifically for its command of ISAF. Turkey's ability to help us meet our foreign policy goals, however, is constrained by its serious economic problems. To help with this situation, the remaining $200 million we are requesting will be in the form of Economic Support Funds (ESF) to provide budgetary support to the Government of Turkey. You may be aware that previously we had worked with Congress to provide $20 million in FMF assistance in the fiscal year 2001 Emer-

gency Response Fund supplemental for Turkey in conjunction with its support for Operation Enduring Freedom.

AFRICA GROWTH AND OPPORTUNITIES ACT

Chairman BYRD. Thank you. Senator Leahy.

Senator LEAHY. Thank you, Mr. Chairman. Mr. Secretary, just follow up a little bit with on what we were saying earlier on. You had mentioned, when we were talking about the Africa Growth and Opportunities Act, the standards that are set in there, that they have to show progress toward political pluralism, good governments, human rights, and things we all agree on, and then you said that, of course, that should be the hallmark anyway. But is that the hallmark? I mean, in the supplemental request I find I don't see that in the aid that might go to several countries.

The administration is talking to the Defense Appropriations Subcommittee looking for ways to get rid of a number of our standards we now have, whether it's in Indonesia, Colombia, or elsewhere. And are we going to have one standard if we have something like growth in Africa, for some of these countries that have been admittedly ignored by administrations of both parties for years, but a different standard if we feel that somehow it's connected to the war against terrorism?

Secretary POWELL. I think each country has to be measured against the state of its political and economic development. In the case of Indonesia, it's a nation that I think is moving in the right direction. It's been through some difficult times. I think it is time for us to begin supporting their military again and to make sure that Indonesia's military is exposed to U.S. values, or Western values, that we have an opportunity to work with them, to train with them, to invest with them, and to make them a positive force within that country, without overlooking some of the problems that might have existed in the past and also pressing the Indonesian Government to take action against past human rights abuses.

So, as we work with a country and foster its political development, we should be prepared to invest in those institutions that may not have met the standard that we're anxious for them to meet fully, but that are moving in the right direction and have our standard as their goal.

Senator LEAHY. Well, I worry about the—you mentioned Indonesia. I think about what happened in East Timor. I know that some of the Army officers most involved with the atrocities there never really faced any consequence for their actions. And we had been helping with the training of some of the military who were involved in those atrocities. So at what point do we say we are going to apply the standards we apply to other aid recipients?

Secretary POWELL. It's a judgment call, and many of the officers that we did train did not participate in atrocities. We have had some success in counseling Indonesia as to how they might deal with problems they have in other places, so that we don't have a repetition of what happened in East Timor.

With respect to Colombia, as you've heard me testify previously, Senator Leahy, the State Department is not seeking to get around any of the human rights requirements of the law and will continue

to apply the law as it was intended to be applied with respect to the use of our equipment and funding.

COLOMBIA

Senator LEAHY. Please make sure that everybody in the administration hears that. I mean, I am not unsympathetic to the things we want to do in Colombia. I have a lot of admiration for President Pastrana and the efforts he made. He is leaving. I don't know if his successor will be in a similar way. I think with the billions we've spent on the so-called war against drugs in now two administrations, I'm not sure whether we've really accomplished a lot. I wish we did as much—and this not in your portfolio—I wish we did as much here in the United States to stop the demand for those drugs, because obviously if we put a bubble over Colombia and we still have $100 billion or more demand for drugs in this, the wealthiest nation on Earth, it's going to come from somewhere else. And so we've got to approach it from that front, too.

The activities of the FARC are reprehensible. The activities of the some of the paramilitary are also reprehensible. But I would urge the—it would be helpful if everybody in the administration got on the same program. I'm perfectly willing to sit down and help in that. But I want a consistent voice. You have been consistent, but I want a consistent voice from those who come up here looking for appropriations.

I also agree with you when you talked about Afghanistan. You had said that we need to build the Afghan army and police. I couldn't agree more. But even if we go as fast as we possibly can, we're months away. There's currently factional fighting. There's banditry. Does that threaten our reconstruction programs that we have over there? I know USAID asked for $150 million in emergency aid for Afghanistan. OMB said about $40 million. I suspect it's not just how many dollars; it's whether you can actually have enough stability to use the dollars.

AFGHANISTAN

Secretary POWELL. I think the USAID has been able to use the money that has been made available to them. I know there are a number of programs underway. Yes, there is still fragility in that country and in that society. There are still warlord conflicts that have to be dealt with. But, it hasn't collapsed the way some people have suggested. The Afghan army is now in the process of being built. Secretary Rumsfeld's got an aggressive program working through General Franks and the Joint Chiefs of Staff. The Germans are helping the situation by training police. I think you'll start to see units come through, but it will take some months.

During those months, ISAF will be in Kabul taking care of that area. U.S. forces are present, not only in strength in a couple of places like Kandahar, but in smaller elements elsewhere in the countryside providing some presence, in any event, that is useful in managing the hot spots. Would we be better off if there were a 100,000 or 200,000 person ISAF? Perhaps, but they couldn't occupy every inch of the country, no matter how large the force was. Ultimately, the country will be brought under control only through the

use of indigenous forces, national police, border police, and military forces.

Senator LEAHY. Well, I hope we maintain a long-term commitment there. I hope that wherever we can get security, we move forward to address the basic needs of the Afghan people. From what I'm told, there's a real hunger for education. The ability to have both boys and girls go to school would be so important for the future of that country.

I do want to commend the tremendous work of our State Department people there. This is not a glamour post. This is not being assigned to the Court of St. James or something like that. This is a hardship post, and I hope they realize that we appreciate what they're doing. I hope that your office will keep in touch with Senator McConnell and myself as we go forward to make sure you are getting the aid you need there. Because we need to show that we don't just come in with the B–52s—as necessary as that was—but we also come in with the school teachers and the schoolbooks.

Secretary POWELL. Yes, sir. That's the commitment the President made at the beginning of this effort, and he is solid with respect to his commitment.

Senator LEAHY. Thank you, Mr. Chairman. I'm going back to the floor.

Chairman BYRD. Thank you, Senator. Senator McConnell, the ranking member of the Foreign Operations Subcommittee, is not present at the moment. The Chair will call on Mr. DeWine. Mr. DeWine is not here at the moment. Mr. Dorgan.

CUBAN VISA DENIAL

Senator DORGAN. Mr. Chairman, thank you very much. Mr. Secretary, I want to ask you about Embassy security, but before I do that, I alerted your office I was going to ask you about a matter that I had called the State Department on last week. A group of us in Congress changed the law in recent years, the last couple of years, so that we could sell food to Cuba that had been subject to an embargo. We believed it was inappropriate. We changed the law. Cuba now can buy food from the United States. It must pay cash and must run it through a French bank in a byzantine way, but, nonetheless, it can do so. It has bought $70 million worth of food from the United States.

A group of farm organizations and others invited ALIMPORT and Mr. Pedro Alvarez, the head of ALIMPORT, which is the agency in Cuba that buys food to come to the United States. He was intending to come to the United States, including a visit to North Dakota. His visa was approved and then immediately revoked by the State Department. I wanted to find out why that happened, how it happened, what the reason for it was.

My staff called the State Department and was told that it is not our policy to encourage food sales to Cuba. I, of course, was not pleased by that, and so I made a call to the State Department. That was a number of days ago now. I am wondering if you have been able to determine what has happened with respect to the revocation of these visas? Why would we revoke a visa of Mr. Alvarez, who's going to come and buy wheat and dried beans and so on from family farmers in my State and others?

Secretary POWELL. Well, I did have a chance to look into it very briefly this morning, Senator, and I will look at it more thoroughly when I get back to the office. But, the visa should never have been issued because Mr. Alvarez's activities last time he was here, we believe, were inconsistent with U.S. policy. A good part of his time was spent lobbying against the policy of the United States Government, in addition to whatever else he might have been doing with respect to serving as a purchasing agent.

While we understand the law and we are pleased that the sales are taking place, Mr. Alvarez, himself, is not necessary for those sales. If the purpose for his visit here was essentially to lobby against the position of the United States Government, then it was on that basis that it was felt that the visa should not be issued.

I understand your interest in it, and I also understand that you have an interest in extending a personal invitation to Mr. Alvarez.

Senator DORGAN. That's correct.

Secretary POWELL. In light of all that, I'd like to have the opportunity to go back to the Department and review the whole situation.

FOOD SALES TO CUBA

Senator DORGAN. Well, let me ask, is it the policy of the State Department to not encourage food sales to Cuba?

Secretary POWELL. If it is, no one's told me that. I understand what the law is. The law permits it.

Senator DORGAN. And would you feel that if the law permits it, that we ought to encourage food sales to those who want to pay cash for it?

Secretary POWELL. I always comply with the law, Senator, and if the law permits it and people are willing to pay cash in the manner intended by the law and if it benefits U.S. farmers, sure.

Senator DORGAN. So it is not necessarily the fact that someone would come to the United States to sell food that would cause problems. It's Mr. Alvarez, apparently. So presumably if others from ALIMPORT wish to come to the United States and or purchase food, dried beans, wheat, and so on, you would have no objection to that?

Secretary POWELL. I would have to see who it is and what the nature and purpose of the visa request. I can't answer it categorically, Senator, without having an actual case in front of me.

With respect to the policy statement that was given to you over the phone, let me go back and find out what that's all about.

Senator DORGAN. And did you learn how it came to be that a visa was issued and then revoked? Who decided it should be revoked?

Secretary POWELL. My understanding is that instructions were given to the Interest Section not to issue a visa, but the instruction——

Senator DORGAN. By whom?

Secretary POWELL. By the State Department. By Washington. There was a miscommunication. After the 10-day period went by, where normally one waits for instructions as to whether a visa should be issued or not, the visa was issued. When Washington found out that it had been issued, instructions were sent down to revoke it.

Senator DORGAN. Can you understand the angst of farmers out there whose prices have collapsed and we're trying to sell grain around the world, the President's saying we need to encourage the selling of grain around the world, and then they discover that someone wants to come here and buy some food and we revoke the visa? And my office was told by State Department that we don't encourage the sale of food to Cuba? I think we ought never use food as a weapon, ever. Congress has already spoken to that. I'm a little miffed about all of this. I'd like to work with you on it. I wouldn't raise this with you without alerting your staff first and——

Secretary POWELL. No, you did, sir, and you've written us about it and called us about it.

[The information follows:]

THE SECRETARY OF STATE,
Washington, DC, May 8, 2002.

The Honorable BYRON DORGAN,
United States Senate.

DEAR SENATOR DORGAN: Thank you for your letters of April 17, April 22, and May 2 expressing concerns about the denial of visas to senior officials of Alimport, the Cuban agricultural import agency. Understanding the importance of this issue to you and your constituents, I am pleased to respond to your concerns.

As you know, the Administration is committed to encouraging a rapid and peaceful transition to a democratic government in Cuba. A series of statutory and policy prescriptions, including economic sanctions, travel restrictions, and limited opportunities for direct donations or sales of food and medicines, are tools to encourage such a transition in Cuba.

Central to U.S. policy is the reality of the Government of Cuba, which continues to be hostile to the United States. Cuba remains on the Department's list of state-sponsors of terrorism, in part based on the fact that Cuba harbors fugitives from justice in the United States. Furthermore, Cuba continues to violate internationally accepted standards of basic human rights. In fact, the U.N. Commission on Human Rights recently called upon Cuba to make progress in respect of human, civil and political rights.

I would like to specifically address your question about the recent denial of visas to Mr. Pedro Alvarez, President of Alimport, and other Cuban government officials who wished to travel to the United States on a marketing visit. They were denied visas pursuant to the Presidential Proclamation of October 4, 1985, which suspended the entry into the United States of Cuban government officials and members of the Communist Party in Cuba. That proclamation was issued in accordance with section 212(f) of the Immigration and Naturalization Act. Application of the Proclamation may be waived in certain instances, but in interagency consultations, the Administration determined that it was not in the policy interest of the United States to do so in this case. We regret that due to a miscommunication between the Department and the U.S. Interests Section in Havana, some of the visas were mistakenly issued, requiring the extra step of cancellation. At no time had the Administration decided to issue visas to Mr. Alvarez and his associates. In fact an interagency coordination group had already decided that the Proclamation would not be waived with respect to Mr. Alvarez.

As you are aware, Mr. Alvarez and other Cuban government trade officials have visited the United States on previous occasions, most recently in August 2001. The visa request in 2001 was in response to an invitation by ADM Rice, Inc., to tour agricultural areas in the United States with the objective of furthering Mr. Alvarez' understanding of U.S. crops, facilities, and practices. In August 2001 and on previous occasions, it was determined that a waiver of the Presidential Proclamation suspending entry into the United States of Cuban government officials and members of the Cuban Communist Party was appropriate. Further, the Department then did not consider these "marketing visits" in the sense that sales would be made. Indeed, prior to a 180-degree policy shift by the Cuban government after Hurricane Michelle in November 2001, that government's policy, as articulated by Fidel Castro, was that Cuba would not purchase "even one grain of rice" from the United States.

Decisions concerning application of the Presidential Proclamation to Cuban officials are made on a case-by-case basis at the time of a visa application, and in light

of current policy interests. In prior visits, Mr. Alvarez and his colleague Ms. Maria de la Luz B'Hamel of the Ministry of Foreign Trade have lobbied to undermine the U.S. embargo by seeking to enlist farm-state support, arguing that elimination of the embargo would produce significant benefits for U.S. farmers. In various appeals to American groups they have argued that sanctions hurt farmers, and appealed for the easing of financial restrictions, a simpler licensing process and the creation of two-way trade between Cuba and the United States.

Beyond these activities, several events since August 2001 have prompted a re-evaluation of our policy toward Cuba. First, in the wake of the tragic events of September 11, Cuba's reaction was hostile to U.S. efforts to respond to terrorism. This was best illustrated by Cuban government statements that the war in Afghanistan is "fascistic and militaristic" and the Cuban Foreign Minister's remarks at the U.N. General Assembly, when he accused the United States of intentionally targeting Afghan children for death and Red Cross hospitals in Afghanistan for destruction. Also in September, five agents of the Cuban Government were sentenced for conspiring to spy against the United States. One of these five also was convicted and sentenced for conspiracy to commit murder. Further, on September 21, 2001, Ana Belen Montes, a senior analyst in the Defense Intelligence Agency, was arrested for spying for Cuba against the United States. She subsequently entered a guilty plea in March 2002.

These incidents clearly reaffirm Cuba's hostility to the United States and the threat it represents to our national security. As a result, Administration policy considers visits by senior Cuban officials at this time to be inappropriate and detrimental to the national interest.

With respect to the Trade Sanctions Reform and Export Enhancement Act of 2000, the Department has been following the law and will continue to do so. The law permits the Cuban government to purchase, on a cash basis, or with financing by third country financial institutions, agricultural commodities from the United States. It is also the Administration's judgment that marketing visits, such as that proposed for Mr. Alvarez, are not necessary to conclude purchases of U.S. agricultural commodities. Just in the last six months, more than $40 million in sales have been finalized and, according to the press, another $50 million are apparently in process, all without a single marketing visit by a Cuban official. This demonstrates the Cuban regime's strong motivation to complete these sales, particularly taking into account that the Cuban government has chosen to use its limited foreign exchange reserves in these transactions.

Before closing, I want to make clear that we do not discourage sales of agricultural commodities to Cuba as permitted by law, despite the Cuban regime's implacable hostility to the United States and our strong desire to encourage a democratic transition in Cuba. Representatives of American firms who wish to arrange trade permitted by law can request specific licenses from the Department of Treasury that allow travel-related transactions for visits to Cuba. Applications for visas by Cuban officials who may be ineligible under the 1985 Presidential Proclamation are considered on a case-by-case basis. The Department recognizes that sanitary and phytosanitary visits may be needed so that sales can be completed. Visas have been issued to such personnel in the past and such visa applications, as are presently pending with the U.S. Interests Section or are received in the future, will be carefully considered.

We hope this information has been helpful to you, and we would be pleased to brief you or your staff on this, if that would be useful.

Sincerely,

COLIN L. POWELL.

EMBASSY SECURITY

Senator DORGAN. So I'd like to talk to you further about it. My time is about expired. Let me just ask the question of Embassy security.

One of the very important areas of security are the men and women who serve in Embassies around the world. When I was in Kabul, of course, they were sleeping in bunkers at that point. I mean, the Embassy security issue is a very serious one. I know you know that and have been working on it. How short are we on providing the necessary funds, both in the administration and in Con-

gress, to provide the security that we think is necessary given these times?

Secretary POWELL. We still have a long way to go. I'm very grateful for the billions of dollars Congress has been providing. But, the need is enormous, and I suspect that the level of effort we've been running at, over $1 billion a year, will have to continue for a number of years in the future. I can give you more definitive statements for the record. We've just put out a capital master plan for the next 5 years that I'll be delighted to make available to you, Senator Dorgan. But, this is going to be a long-term capitalization effort. I can't give you a definitive number that would take us to the end of the road yet.

Senator DORGAN. All right. Well, Mr. Chairman, thank you. And I will be in touch with you——

Secretary POWELL. Yes, sir.

Senator DORGAN [continuing]. On this food issue. It's a very important issue, and I am concerned about it and will want to proceed further.

[The information follows:]

This is in response to your question to Secretary Powell on April 30 regarding the Department's Long-Range Overseas Buildings Plan. Please find enclosed a copy of the Plan. This document, prepared by the Bureau of Overseas Buildings Operations, at the direction of Secretary Powell, is the culmination of a serious, comprehensive, and integrated effort by OBO and the Department to identify, define, and prioritize the needs of the U.S. Government for diplomatic and consular facilities around the world. Further details about the nature and purposes of the Plan appear in Director Williams' introductory letter inside the cover page.

While it is not a budget document, the Plan is already playing a vital role in achieving the Department's goal of providing safe, secure, and functional facilities for U.S. Government representatives abroad.

We believe the Plan will be equally useful to the Congress in understanding the Department's overseas facilities requirements and objectives. We hope it provides the basis for a more streamlined and cooperative effort between Congress and the Department to accelerate our new construction and rehabilitation programs.

BORDER SECURITY INITIATIVE

Chairman BYRD. Thank you, Senator. Senator Gregg is the ranking member on State-Justice-Commerce-Judiciary. Senator Gregg.

Senator GREGG. Thank you, Mr. Chairman.

Mr. Secretary, I noticed that when Governor Ridge developed his Border Security Initiative, that the State Department was absent from the framework. I was wondering what the discussions were which caused the decision to be made not to have the State Department as part of the Border Security Initiative.

Secretary POWELL. The decision that was made was essentially that, because State does play a role but was not one of the major players, it was reasonable not to put the Secretary of State on the Council itself but to include the Secretary of State in all meetings of the Council. So, I attend all the meetings of the Council and play an active role. The fact that I am the Secretary of State and a Cabinet official gives me full entree into what may be going on, whether I'm a member of the Council or not. I'm fully represented. In the many working groups that have come out of the process, we are well represented, principally through our Offices of Consular Affairs and Diplomatic Security.

BIOMETRIC VISAS

Senator GREGG. What is the status of your capacity to develop visas which are biometrically based?

Secretary POWELL. A great deal of work is being done on it, and I would like to give you a technical answer for the record, so that I don't slip into areas of scientific endeavor in which I am totally ignorant.

Senator GREGG. Thank you. I'll look forward to that. Do you have a timeframe for when you'll have such visas?

Secretary POWELL. I can't answer that either, Senator Gregg, but I will let you have that for the record.

[The information follows:]

The Department believes we should make effective use of all biometric information that is currently available to screen aliens and enhance biometric collection where it will bolster border security. We support an approach that focuses first on border security goals, rather than on the choice of any specific biometric standard or any single travel document medium. As we increase the use of biometric tools, we need to retain a flexible approach. The following describes the status of two nonimmigrant visa documents we currently produce that contain some biometric standards, as well as our plans for the future.

The Department issues two nonimmigrant visa documents. The first of these, the Machine-readable Visa (MRV) foil, is produced for most foreign travelers requiring visas and contains the applicant's photograph, as well as the biographic data. The format of the MRV is designed according to the specifications of the International Civil Aviation Organization (ICAO) and is carefully coordinated with INS and the Customs Service. The data in the "machine-readable zone" of the MRV can be read by the document readers currently used by INS at U.S. ports-of-entry and by airlines.

Electronic information collected in the production of the MRV is stored in a central database. This information currently includes a digital photograph for all issued visas and has recently been expanded to include a digital photograph for all new visa applications, whether issued or refused. This data is shared with INS and is available at all U.S. ports-of-entry.

A new design and production method for the MRV went into pilot use in March 2002. The new visa incorporates intaglio printing (where image is in the background) and other features to enhance security. The new visa is produced with inkjet printing, which makes it more tamper resistant.

The second nonimmigrant visa document is the Border Crossing Card (BCC), issued to Mexican nationals. The Department has processed over seven million applications for these cards. The BCC also serves as a B1/B2 (business/tourism) visa and allows the holder to apply for admission at any U.S. port-of-entry. The BCC incorporates both a photograph and two fingerprints. The biometric information is encoded in optical memory on the card. All BCC data, including photographs and fingerprints, is also stored in the same centralized database as the MRV information. The BCC has a "machine-readable zone" that conforms to ICAO standards and can be read by standard document readers in use by INS and airlines. However, the optical memory on the BCC requires a specialized reader, which is not currently deployed by INS.

The U.S. immigrant visa is an 8.5 inch × 11 inch nonmachine-readable document with an affixed photograph of the bearer. Digital photographs are not currently collected for immigrant visas. Electronic information collected in the production of the immigrant visa is stored in the same centralized database as nonimmigrant visa information. The Department has initiated a plan, to be completed prior to October 2004, in accordance with the recently passed Patriot and Enhanced Border Security and Visa Reform Acts, to change to a machine-readable immigrant visa that incorporates a digital photograph.

Furthermore, the Department has plans to continue and expand work with two biometric identifiers—facial recognition (FR) and fingerprints. We have been testing FR for over two years, and using available technology, we will continue our ongoing program of testing our existing database of twenty million photographs. We are working closely with commercial vendors and other government agencies to improve and refine facial recognition technology. We are also expanding collection of photographs to include all individuals who are refused visas, and we are establishing uniform photo quality standards. With regard to fingerprints, we currently capture two

index fingerprints in our Mexican posts and transmit them electronically to INS for a check against their IDENT database.

A key factor to enhancing border security is implementing the Patriot and Enhanced Border Security and Visa Reform Acts, including the provision for a biometric standard for visas. We are working with INS and the National Institute of Standards and Technology (NIST) to assess the technologies, which will lead to the appropriate standard. Through working closely with the ICAO, the Department of Justice, as well as other key programs, such as INS's emerging Entry Exit system, we will determine and implement the appropriate compatible technology leading to a more secure border security system.

A more secure border security system will involve a combination of machine-assisted identity confirmation of international travelers and the judicious sharing and use of data. Machine-assisted identity confirmation and using the appropriate biometric will facilitate the movement of low-risk travelers. They also have value, used in conjunction with other inspection and screening procedures, in processing certain high-risk travelers.

Linking the centralized visa database more actively with INS and Customs systems, used at U.S. ports-of-entry, presents an identity confirmation solution for all foreign travelers who need visas to enter the United States. We have suggested to INS and Customs that we take this a step further. If visa records and the associated enrolled images in the central database were integrated with records transmitted to the Advanced Passenger Inspection System (APIS) used at ports-of-entry, the original photograph from all visa applications would be available at the time a foreign traveler was inspected. This would provide a simple and secure identity confirmation solution for a significant number of foreign travelers. More elaborate solutions are possible, but none can be achieved as quickly.

The Department advocates that different identity confirmation solutions should be considered for different classes of travelers. We do not want to adopt technological solutions that cannot be enhanced as technology advances. We will continue to work with relevant federal entities to identify the best solution for identity confirmation or machine-assisted identity confirmation, using biometrics in the overall context of border security.

AL QAEDA/FARC/IRA

Senator GREGG. There has been a House committee report which cited that there was a relationship among al Qaeda, the Colombian drug cartels, and the IRA. Are you familiar with any relationship that exists between those three terrorist organizations and criminal organizations which are either on an intelligence basis, an economic basis, or a personnel basis?

Secretary POWELL. I'm unfamiliar with the connection that we have all read about between some individuals from the IRA, who were in Colombia working with organizations in Colombia. The al Qaeda connection I have only recently become aware of, but I don't have up-to-date intelligence information on the strength of the intelligence and the reality of that three-way connection.

Senator GREGG. Is it reasonable to assume that there's cross-fertilization between groups like that?

Secretary POWELL. I think it's reasonable to assume that, but assumption is not necessarily fact. I think we have seen in the last year a lot of fertilization taking place between different terrorist organizations. With each passing day, you can begin to see different connections emerge that have to be pursued.

SUPPORT FOR THE WAR ON TERRORISM

Senator GREGG. I notice you've had some very strong success in getting specific nations, and a lot of nations, to participate in our war on terrorism, but it seems that there's been less success in what I would call international organizations, especially ones that

are affiliated with the United Nations. I'm wondering if you could give us your thoughts as to why that's the case.

Secretary POWELL. Well, we have benefitted from strong United Nations support. We got a United Nations Security Council Resolution within a day or two after the events of September 11th. We got a General Assembly resolution. We have U.N. Resolution 1373, which sets up the framework for going after terrorist finances around the world. I must say that at least at the level of the Security Council and General Assembly, I have been satisfied with their participation and cooperation in our activities. If you have a specific organization within the United Nation that you're referring to, Senator, I can certainly look at that.

Senator GREGG. Well, how about the relationships of things like the World Bank, the IMF?

Secretary POWELL. Non-U.N. organizations, but——

Senator GREGG. Right.

Secretary POWELL. We have been working with the World Bank and the IMF. I may have to go back and talk to Secretary O'Neill about it, but I'm not aware of any particular deficiency with respect to cooperation with IMF or World Bank.

[The information follows:]

Both institutions committed to greater involvement in the war on terror during the 2001 annual meetings. The IMF and World Bank called for member governments to freeze terrorist assets, establish financial intelligence units, implement U.N. instruments to counter terrorism, and provide technical assistance to better interdict terrorism financing.

The World Bank and IMF are working with the Financial Action Task Force (FATF) on developing a global anti-money laundering and terrorism financing standard to guide governments in efforts to protect financial systems from exploitation. These standards will be incorporated into IMF standard assessments, as well as in assessments of Off-shore Financial Centers (OFCs).

The IMF's OFC assessment program has been stepped up to identify how best to bring OFC legal, regulatory, and supervisory systems up to international standards. All OFC jurisdictions should be assessed by the end of 2003. The assessments will serve as a basis for providing technical assistance to help jurisdictions meet international norms.

Further, the World Bank and IMF have intensified efforts to provide technical assistance on a range of anti-terrorist financing initiatives, including work on legislation, establishment of financial intelligence units, and development of training programs. The World Bank recently announced a $40 million trust fund to provide assistance to member states in the development of financial sectors. A portion of these funds will be used to aid in the construction of viable anti-money laundering regimes that will include anti-terrorist financing legislation. In addition, the World Bank and IMF are developing a mechanism for coordinating the international community's efforts in these areas.

Successful prosecution of the war on terror depends on the efficient use of resources and institutions. We will continue to work with the IMF, World Bank, and the international community to achieve this goal.

EMBASSY KABUL

Senator GREGG. You've got $120 million in the supplemental to rebuild the Embassy in Kabul, and you've got $255 million for foreign aid to Afghanistan. So almost 50 percent, another 50 percent on top of that is going to Embassy construction. This is sort of a stark example of the cost of embassy construction in relationship to operational activity in a country. And I'm just wondering, there's been ongoing discussion we've had, but I'm just wondering if this doesn't just stand out there as a sore thumb.

Secretary POWELL. Building Embassies that meet our security requirements is expensive. General Williams, the Director of our Overseas Building Operations, has been able to reduce the overall cost of Embassies by about 20 percent. In a few high-cost capitals, he's done an even better job. When you look at the security requirements, the setback requirements, the blast requirements, the need to make sure that our Embassies are not penetrated in the process of being built by foreign intelligence services, and all of the other requirements that go into having a safe, secure, modern facility that is wired for the kind of 21st century technology that we need, it runs the price up rather quickly. So approximately $120 million is not that expensive for the kind of Embassy we need to have in a place like Kabul.

Senator GREGG. It seems like a high number, especially when you consider that we're only spending twice that amount to try to rebuild the country. We're rebuilding——

Secretary POWELL. We'll be spending a lot more than $255 million, and we've already committed a lot more than $255 million.

Senator GREGG. In this supplemental?

Secretary POWELL. Yes.

Senator GREGG. Thank you, Mr. Secretary.

Secretary POWELL. Just for the record, I think in fiscal year 2003, fiscal year 2002 Emergency Response Fund, fiscal year 2002 budget, and fiscal year 2002 supplemental, we're up to $813 million with respect to Afghanistan.

Senator GREGG. Thank you.

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

BORDER SECURITY WITH MEXICO AND CANADA

Senator MURRAY. Thank you, Mr. Chairman. And thank you, Mr. Secretary, for being here today.

I think we all know that a terrorist attack, and particularly a bioterrorist attack, wouldn't recognize State or national borders should one occur. And our neighbors to the north, in Canada, and to the south, in Mexico, could likely be affected by an attack here. And in addition, we could easily need to turn to ask them for help in terms of an attack, just as we did on September 11th, when many of our airlines were diverted to Canada, in particular. Has the State Department or the administration updated any of their bilateral agreements with Canada or Mexico regarding responses to a bioterrorism attack?

Secretary POWELL. We have ongoing programs in both Canada and Mexico to update all of our agreements, and Governor Ridge and members of my Department and other departments have put action plans together with both Canada and Mexico. Canada has been very aggressive in pursuing this action plan. Mexico has been very forthcoming with respect to bioterrorism items. I will have to get that for you for the record.

Senator MURRAY. Okay. I would appreciate hearing back from you on that.

Has the State Department been doing anything to ensure that communities along our borders are able to work cooperatively with Canada or Mexico should any kind of attack occur? Are you working directly with any of those communities?

Secretary POWELL. No, it seems that one of the domestic agencies would be doing that, but let me find out from within the administration the answer to that question and provide it to you.

Senator MURRAY. I would appreciate that very much. I think there is a concern among our border communities that they could be asked to do something out of their ability very easily, and they would like to know what they should be doing in terms of any kind of forward thinking, especially in terms of bioterrorism attack.

Thank you, Mr. Chairman. I know our time is short, so I will submit the rest of my questions.

[The information follows:]

Both Canada and Mexico responded immediately and positively to the changed circumstances of our wide-ranging commercial and security relationships in the aftermath of the September 11 attacks. The Administration signed expansive border action plans within a short time after the attacks with both countries to increase security and the economic efficiency of the borders—a nexus of interests that are inextricably linked. Several bureaus in the Department are working to implement those plans, including Western Hemisphere Affairs, Consular Affairs, Political Military Affairs, International Narcotics and Law Enforcement, and the Coordinator for Counterterrorism.

More specific action that is being taken to increase security at the Mexican and Canadian borders includes the establishment of joint steering committees with both of our neighbors, by the Department and Office of Homeland Security, to improve physical and cyber security of critical infrastructure. Sectors that will be looked at include energy, banking and finance, transportation, water, emergency response, public health, agriculture/livestock facilities, chemical/hazardous materials facilities and industries, and postal services. In prioritizing the possible threats to the border area, we will consider the cost in lives of an attack; the economic impact (immediate and consequential); impact on national defense capabilities; and effect on national morale.

A biological attack on either border would be one of several possible attack scenarios that will be analyzed in our work to implement the two border action plans. More specifically, the TOP Officials 2002 (TOPOFF 2) training exercise will simulate a contagious biological attack on the Chicago area, with cross-border consequences for Canada. The Government of Canada is an active participant in this exercise. Working with our southern neighbor, the United States and Mexico have initiated a joint working group between the Coordinator for Counterterrorism and Mexico's Bureau of Intelligence and Investigation. That working group will address the full range of terrorism issues, including weapons of mass destruction and bioterrorism.

The Department is not engaged directly with communities along the border to work cooperatively with Canada and Mexico in the event of a bioterrorism attack or other form of attack. Several domestic federal agencies, however, are involved in such local level activities. I would refer you to the Office of Homeland Security and the Federal Emergency Management Agency for more specific information in that regard.

MONEY LAUNDERING

Chairman BYRD. Senator Bennett.

Senator BENNETT. Thank you, Mr. Chairman. Mr. Secretary, I pursued this issue with Secretary O'Neill, but I want to raise it with you, because I think it does involve diplomatic relations with other countries, and it may well be that those that you've identified as front line states are particularly involved. And I'm talking about pursuing money.

Money laundering of drug money is an issue that, of course, we all pay attention to, and I'd like you to talk about what other countries have agreed to do in a diplomatic channel to do drug money laundering, but particularly with respect to homeland security. We've all seen that interdiction of terrorist money is a very signifi-

cant part of our homeland security. Are there countries that are resisting international efforts to trace money? Are there countries whose foreign ministers are saying, "That's an internal issue and the United States should butt out or somebody else should butt out, we will handle our own banking system," that might, in fact, be giving haven to this?

And, as I said to Secretary O'Neill, I'm particularly concerned about funds held by Iranians—the Iranians, that may have implications for the financing of international terrorism. We do not think of Iran as a source of funding for al Qaeda, but I think Iran may well be a major source of funding for other terrorist groups besides al Qaeda, and I'd just be interested in your comment in this whole area.

Secretary POWELL. As you know, there are states that we list as sponsors of terrorism, and Iran is one of them. Iran certainly provides support to organizations, such as Hezbollah. But for the most part, those nations that we have normal relations with or an alliance with have been very forthcoming.

I can't think of a foreign minister who has said to me, "I don't want anything to do with it. Go talk to Treasury." In a number of cases, there are domestic laws that they have to work with. Because they have to work through their parliaments and legislatures to get the necessary changes to their laws, they may not respond as quickly as we would like. The overall grade that I would give to this effort is a high grade, a B or an A, in terms of their understanding of the problem. They understand that this can affect them just as much as it affects us. They are committed to this campaign against terrorism, and they are committed to the requirements of U.N. Resolution 1373. They're working on it.

Now, they're not all working as fast, and they're not all able to do quite what we are able to do with our banking systems, but I have gotten good cooperation from those countries that are friends and allies of ours. We have to continue to work with those countries who are known as sponsors of terrorism, such as Iran, and make sure that they understand that this will just further ostracize them within the world community.

DISRUPTION OF TERRORIST FINANCING

Senator BENNETT. Do you have a gut feeling that we have, in fact, disrupted financing of terrorist groups or that we have——

Secretary POWELL. Yes.

Senator BENNETT [continuing]. A lot more to do? Or just where are we?

Secretary POWELL. I have a gut feeling that our efforts have had some success, but I also have a gut feeling right next to it that there's a lot more to do and that we're learning more with each day. I think Paul O'Neill would agree with me when I say that it is far more extensive a network and a far more complicated network to completely understand and then interdict than we might have thought 9 months ago.

Senator BENNETT. Thank you. I appreciate your focus on it. I think the more we can do in this area, the better off we are, because if there is no funding, operations become much more difficult. I've forgotten who was the political philosopher that said that the

military was an extension the economic strength of the sponsoring state, and if the sponsoring organization, whatever it might be, has no economy of its own, and we can interdict funds passing to it—you understand that.

Secretary POWELL. Yes, sir.

Senator BENNETT. Thank you very much for focusing on this. I would appreciate your continuing to do it.

Secretary POWELL. Thank you, Senator Bennett.

Chairman BYRD. Thank you, Senator Bennett. Senator Landrieu.

U.S. DEPENDENCE ON FOREIGN OIL

Senator LANDRIEU. Thank you, Mr. Secretary. I appreciate you being here this morning. Let me ask you this, a little different line of questioning. In your current position, and also in your former position, you would be probably in a perfect spot to comment. You understand that security can be achieved and enhanced a variety of different methods and ways. One way, obviously, is by strengthening our relationships with our neighbors through trade and diplomacy so that there is prosperity and an inclination towards peace because of that. We also obtain security by developing and deploying, when necessary, a powerful military that intimidates potential adversaries. But we also gain security by reducing our vulnerabilities.

One of our vulnerabilities, a growing awareness of many Americans, is that this Nation relies on a commodity from other countries to drive its economy, one particular commodity, that being foreign oil. Richard Holbrooke, one of our former Ambassadors, described our over-reliance on foreign oil as one of the greatest mistakes in American foreign policy in the last 40 years.

Do you believe that our oil dependence limits our diplomatic options? And if so, in what ways? Does our reliance on foreign oil imports compromise our commitments to human rights and values that Americans hold dear? Do you believe that energy independence through new technologies, increased efficiencies and increased domestic production would aid us in our efforts to promote American values and interests abroad?

Secretary POWELL. I'm not sure I would have characterized it quite the way that my good friend, Richard Holbrooke, did by saying that it was the greatest failure of American foreign policy over the last 40 years. It may well be a weakness of American domestic policy for not weaning ourselves from our appetite for oil and in such quantities, for having a dependence on foreign oil as well as domestic oil. But, I don't think it has necessarily contaminated our approach to nations that are the sources of that oil.

We have good relations with them. We cooperate in many ways, besides the provision of energy, and we are working with countries that have the oil but need to sell the oil. It is in their interest to be good suppliers of that which we demand. I think, however, that it would be in our interest to do more to exploit domestic sources of oil, whether it's fossil fuel or, frankly, nuclear power. This certainly is in our interest.

I think the world is also so interdependent and so complicated and our appetite is so great that to suggest that we can ultimately be free of the requirement for foreign oil supplies is not something

we're likely to achieve in, certainly, my lifetime. It's one of those commodities that crosses boundaries, that is fungible, that people need to sell, and that other people need to buy.

But, I would agree with you that we need to reduce our dependency to the extent that overseas suppliers might not have as much leverage as they have now.

Senator LANDRIEU. Could you comment—I think I have a few more minutes—could you kind of describe that leverage, if you would, you mentioned that there would be other commodities that some of these countries would sell to us. If you took oil off the table——

Secretary POWELL. I don't think that—I'm sorry. Go ahead.

U.S. INTEREST IN SAUDI ARABIA

Senator LANDRIEU. I thought I heard you say that, you know, it's not only oil. If you took oil off the table, let's say, for Saudi Arabia, what other compelling American interests—and I know there are others, but would you describe what maybe one of two of those other compelling interests would be for us?

Secretary POWELL. For Saudi Arabia, we have a 60-year friendship with a nation that is an important country in its part of the world. One cannot overlook the fact of oil and the fact that Saudi Arabia is a solid friend to the United States, a supplier to the United States of oil, and has been a reliable supplier for most of the past 60 years. There have been some interruptions, of course, in the oil crisis in the early 1970s.

But it was Saudi Arabia who, when others started to say, "Let's use oil as a weapon," sat up and said last week, "We will not use oil as a weapon." If some other country thinks that they can withhold certain quantities from the market, Saudi Arabia has always expressed a willingness in recent years to make up the difference. It's that kind of partnership and friendship that we have with Saudi Arabia and that serves our interests and serves their interest. It doesn't mean that we can't speak to them, as we did last week when they visited the United States, in strong terms about other issues that we have with respect to our campaign, our mutual campaign, against terrorism. We encouraged them to start to take actions within their society to deal with some of the challenges that their society is facing, societal challenges and economic challenges that go beyond oil, such as both a younger population that needs jobs and has to be trained for those jobs and an economy that has to diversify.

We can talk candidly to our friends, and at the same time, we both benefit from a commodity that is so valuable and that we need so much and which they provide.

Senator LANDRIEU. Well, I appreciate your comments, but I look forward to exploring this in greater detail. My time is expired, but I do think that the American people have in their mind an idea that we could, in fact, be energy independent by using new technologies, new efficiencies, and expanding our variety of energy sources, and that we would then be even more powerful as a Nation and be able to develop good relations with countries based on our values, not our needs and vulnerabilities and our weaknesses. Thank you.

Chairman BYRD. Thank you, Senator Landrieu. Senator Domenici.

Senator DOMENICI. Mr. Chairman, our seats were filled, and so I borrowed one from your side.

Chairman BYRD. You don't need to explain. Just stay right there.

REFUGEES FROM AFGHANISTAN

Senator DOMENICI. Mr. Secretary, it's the first time I've had the opportunity, because I missed your last briefing, to compliment you on your work.

In my few minutes, I want to open by recalling from yesterday's Washington Post an interview with an Afghanistan man who was in his 60s. He was in a big—it looked like one of our horse and buggies that America West, but it was a truck with 15 members of his family, including his son, and he was the spokesman. He had been gone from that country for 20-plus years because he had been run out by the warlords and by what was happening. And he was coming back. And three times, he said to the reporter, "Thank you, America. Thank you, America. Thank you, America." And what he meant was he was finally going to risk his family leaving the neighboring country and coming back to his land. He was bragging about how beautiful it looked and the rest in the story.

It seems to me we have a very heavy responsibility—one, not to over promise and, two, to do what we can to provide for a transition which will provide orderliness without which no one will invest money. And three, that we have to take care of the very serious areas when people are going hungry, or when they don't have places to live, refugee-type situations. I think if we don't do that, we risk the chance of this whole thing turning into something that is a spoiled product instead of one that will sprout and look beautiful for America in terms of what we do. Would you comment on that, please?

Secretary POWELL. I certainly agree with you, Senator, and it's a very moving and touching story when you consider how many Afghans have had to live outside of Afghanistan for the last 20 to 25 years. It is the largest refugee population in the world, with the Afghans living in Pakistan. Now, they're going back because they see hope. They see opportunity. But, above all, they see security for their family in the back of that truck.

We have an obligation to assist the Interim Authority and the next government that comes along to stabilize the country: to find jobs for these people who are returning, to help them develop the agricultural sector, to give them clean water for those kids in the back of the truck, to make sure those kinds have health care and schools, and to help them build a military and a police force that is multiethnic, that they can be proud of, and that will protect them as they go about rebuilding their lives.

President Bush recognized at the very beginning of this campaign that we would have to deal with all of these issues. We just didn't send bombers in and say, "When they're through, we're leaving." We got rid of the Taliban. We got rid of al Qaeda. They're on the run now, but we're keeping our troops there to make sure that we dig them out, so that they don't come back to haunt these people once again.

I certainly am grateful to receive the thanks, as you are, as all Americans are, of this man taking his family back in and also understand the obligation we have to that family.

QUESTIONS FOR SECRETARY O'NEILL

Senator DOMENICI. Mr. Chairman, I did not get here in time to ask of the Secretary of the Treasury, but I have three very specific questions regarding the border. Incidentally, we pay for our border infrastructure on one of our subcommittees. And last year one of the committees was generous and put in a request that I gave of them for an inventory of the infrastructure on the border. It's rather timely. It came before this terrorist attack, but we now know, from an outside auditing group, what our shortcomings are up and down our Mexican border in terms of ports of entry and the like, and same for the Canadian. Obviously, we've done a better job of maintaining and keeping adequate Canadian ports of entry, for some reason, but I thought maybe it would be interesting for the committee to know what the administration plans to do with that evaluation. It seems to me it's very front and center again, because you've got to decide whether you're going to stop more people. When you stop more people, you need more facilities, but you do get more contraband. No question about that. So could I leave that and have that as part of my questions?

Chairman BYRD. Absolutely. I'm sure Secretary O'Neill would be happy to answer those, and the committee would be glad to have the information.

MIDDLE EAST ECONOMIC INITIATIVE

Senator DOMENICI. Thank you very much. Let me just say, I note that in the supplemental you have a $525 million economic support fund for 2002. This includes $50 million for the Middle East Economic Initiative, a new program that seeks to promote private-sector-led investment and provide employment opportunities for the people throughout the region. Now, is this not your program? Is it the Secretary of Treasury's program that I'm referring to here, or is it yours?

Secretary POWELL. It's the Middle East program. It's mine.

Senator DOMENICI. Economic assistance that you're going to administer?

Secretary POWELL. Yes.

Senator DOMENICI. What is the new Middle East Economic Initiative?

Secretary POWELL. It's an initiative to help in the reconstruction effort that will get underway, hopefully, as the peace process moves forward, to generate economic activity in occupied territories and in other parts of the region.

Senator DOMENICI. Well, Mr. Chairman, others may know what that is, and it may be described in more detail, but I don't have it. I wonder if the Secretary could submit what it is——

Secretary POWELL. We'd be happy to provide it in detail.

[The information follows:]

The $50 million emergency supplemental request for the MEEI will allow us to act immediately to fund projects that will create increased economic, educational, and political opportunity across the region. At the same time, we intend to review

all of our existing regional foreign assistance programs to re-target them, as necessary, to insure they are meeting America's post-September 11 priorities and needs. However, we need the ability to begin funding projects immediately, before the assistance review is complete. Across the Middle East, we have seen that economic hopelessness and political stagnation, which breed extremism, are on the rise. Governments are facing crucial choices on issues of economic development and policy reform. The supplemental funds will be utilized to launch a high-level U.S. initiative to engage the governments and people of the Middle East in addressing fundamental issues that will shape their future.

MEEI will fund projects in each of three principal target areas: (1) Education, (2) Economic Reform/Private Sector Development, and (3) Civil Society/Rule of Law. Under the education component, we will fund basic education projects similar to those currently underway in Morocco (keeping girls in school) and Alexandria, Egypt (increased local control, establishing parent/teacher organizations). We will also fund scholarships for students to study in the United States. Under the economic reform/private sector development component, we anticipate additional funding for micro-enterprise projects, commercial law reform, and a regional Enterprise Fund modeled after the successful funds in Eastern Europe and former Soviet Union. Under the civil society/rule of law component, we are looking at a number of programs, including parliamentarian training, support for democratic reforms underway in places like Bahrain and Qatar, journalists training, and support for polling organizations and think tanks.

The MEEI supplemental funds will be used primarily to fund activities carried out by NGOs, PVOs, and contractors/grantees, both United States and indigenous. We are developing criteria to evaluate the appropriateness of organizations with which we would work. We will work closely with the IFIs under the umbrella of the partnership, but do not anticipate transferring funding from the supplemental to any of the IFIs. Similarly, the initiative will work in partnership with host governments, but we do not anticipate that funds will be utilized for government-to-government transfers. The initiative will also work in partnership with the private sector and the private philanthropic community to attempt to leverage U.S. government resources to attract additional donors.

COLOMBIA

Senator DOMENICI. Thank you very much, Mr. Chairman.

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

Senator REED. Thank you, Mr. Chairman. And thank you, Mr. Secretary.

Last week at the Foreign Operations Subcommittee hearing, we had a chance to talk about Colombia, and let me follow up with two comments for your reaction. First, I note that in the supplement, you're requesting permission to move from the very restricted counternarcotics operations to a more general one. In the words of the submission, "to support a unified campaign against narcotics trafficking, terrorist activities, and other threats to its national security."

It strikes me, from having been down there on two occasions, going out to Tres Esquinas, that the operational restrictions on our equipment and our personnel are quite severe and that suddenly moving from a very restricted mission, which essentially requires everyone that uses those helicopters to be vetted operational control, to only being in the hands of people, senior leaders who have been vetted, to a more generalized situation, it's going to be virtually—well, it's going to be very difficult to continue those types of controls, outside of vetting those human rights.

Does it make more sense to send up explicit changes to the rules that you might see as being consistent with this new generalized mission, rather than simply saying, as you are, we're going to abide by all the rules? When, in fact, I think that in practice, it might be virtually impossible to do so?

Secretary POWELL. I don't know that it's impossible. If it turns out to be impossible, then clearly, we should come back to Congress and get clarification of Congress' intent and see what rules are appropriate. In the particular request before you, we needed to remove the barriers that keeps us from doing the kinds of things that are now necessary to be done in order to permit President Pastrana and the next Colombian president to take on the threat of both narcotics traffickers and terrorists. The line that currently exists does not allow them to do that in an efficient way. Once the President ended the safe areas for the FARC and the ELN, it became clear that it was necessary for us to get this kind of legislative relief in order to deal with the comprehensive threat.

I'm more persuaded of that now than I was even when we submitted it, when I see the kinds of activities the FARC are engaging in that threaten Colombian democracy: assassination of officials, going after mayors, kidnappings, hijackings. All of these things have to be dealt with, and we need the flexibility in order to give the Colombian Government the assistance it needs to go after this kind of threat.

Senator REED. Well, again, I think it might be useful at this juncture to try to explicitly and consciously think through what changes might be required to have an operation that can be successful and also maintain fidelity to the human rights constraints that are in place.

Secretary POWELL. Yes. As you know, we did say we would maintain the fidelity to the various amendments that have bound this money and these investments, but I would be more than happy to pursue this with you, Senator Reed.

COLOMBIAN INVESTMENT IN THEIR SITUATION

Senator REED. One other related point, Mr. Secretary, and that is regardless of what we do, this effort must be significantly that of the government and the people of Colombia. And it appears that their investment in their own military forces, in their operations against the various guerilla bands in the country, has not been adequate for the task. And until we can, not just work with them, but encourage them to mobilize their own military forces, they have a huge country and a rather small army relative to that country. Their air force operations have not been as aggressive as some of their army operations. Until we do that, whatever aid we give them will not be decisive.

Secretary POWELL. We discussed this last week also, Senator, and you can be sure that when the new president comes in later this summer, this is an area we will be pursuing with him. They have to make more of an investment of their own national treasury and budget in this effort.

Senator REED. Thank you, Mr. Secretary. Thank you, Mr. Chairman.

Chairman BYRD. Senator Reed, thank you.

Senator Hutchison.

EGYPT

Senator HUTCHISON. Thank you, Mr. Chairman. And I thank you, Mr. Secretary, for taking time from your schedule for coming and visit with us.

I understand that in your opening statement, you said that some of the Arab nations were being helpful in trying to negotiate a cease-fire in the Middle East conflict right now. I have been troubled by the lack of attention by some of the moderate Arab nations to this Middle East conflict, and particularly, I have watched Egypt and their behavior, considering that we gave Egypt $1.9 billion in last year's budget. We have around that amount in next year's budget.

This is the Appropriations Committee. And I would just ask you if you believe that Egypt's behavior would warrant that kind of investment by America? Are they doing what you consider enough, in a leadership capacity, to help bring the parties together in this conflict? Or should we really look at the $1.9 billion that we have been giving to Egypt, really for many years?

Secretary POWELL. I would maintain the $1.9 billion, and we have been giving them roughly this amount in proportion to Israel for many years, as a result of the Camp David Accords. Egypt has been very helpful. President Mubarak is always there when the President calls him or when I call him. My foreign minister colleague in Egypt, Foreign Minister Mehare, has been helpful in communicating messages to the Palestinian side and working with other Arab nations to get things moving.

Over the weekend, as we were pulling together this deal that we worked on to resolve the situation around Ramallah with Chairman Arafat, I was able to call President Mubarak and reached him within a few moments' time and asked for his assistance, which he immediately offered and then acted on that offer.

They have been responsive, and I think they have been good partners. That is not to say that they are uniformly uncritical of us. Sometimes, we have debates and disagreements over issues. But, because we are close friends, these are debates and disagreements that we can resolve.

Senator HUTCHISON. So you are satisfied that this is an investment that will produce a leadership position? It appears, perhaps, that more is being done behind the scenes than would be seen out front.

Secretary POWELL. I think a lot is done out front, as well as behind the scenes. President Mubarak in Egypt has been playing a leadership role in trying to find a solution to this terrible crisis we face in the Middle East.

OTHER ARAB NATION SUPPORT

Senator HUTCHISON. Are there other Arab nations that you think are doing as much as they could? Is Saudi Arabia? Is Jordan? Is Syria at the table at all?

Secretary POWELL. I think Syria, of course, is a slightly different case. I visited with President Assad 2 weeks ago, and we noticed an immediate decrease, right after that visit in activity generated by Hezbollah, across the border between south Lebanon and north

Israel. It's not totally calm, but it's calmer than it was before. They can play a role.

Jordan and Saudi Arabia have played important roles, especially Saudi Arabia. I have to say a word about the Crown Prince's initiative that he put forward before the Arab League, which has now become the position of the Arab League. It will become one of the key elements as we move forward with our political initiative.

Just as I called President Mubarak over the weekend, I called King Abdullah, and I was able to reach him in about 10 minutes flat. I was able to reach the Saudi foreign minister repeatedly, as he was in Texas over the weekend. All of them, upon my request, acted and talked to Palestinian leaders and made sure they understood the importance of taking the deal that was on the table. These are leaders and governments that we work closely with and that are supportive of our efforts.

Senator HUTCHISON. Thank you, Mr. Secretary. Thank you, Mr. Chairman, for having these hearings.

Chairman BYRD. Thank you, Senator Hutchison.

Mr. Secretary, would you, in response to the questions by Senator Hutchison, provide for the committee information that might be included in the record concerning the investment—I believe that's the word that's been used here—investment of monies in Egypt and in Israel in accordance with the Camp David Accords: how much has been provided to Egypt over how many years, how much has been provided to Israel over how many years, so that the committee might have before it the complete record?

Secretary POWELL. I'd be pleased to do so, Mr. Chairman.

[The information follows:]

The Department believes that these funds are an investment in peace and stability in a region of essential importance to the United States' national security. Our pledge to both nations derives in large measure from our commitment to the 1979 Camp David Accords.

Assistance to Egypt helps to support a crucial partner in maintenance of regional stability and the search for a peaceful settlement of the Israeli-Palestinian conflict. Military assistance to Egypt helps to modernize Egypt's military so that it can fulfill Egypt's legitimate defense needs and work with us on important issues of regional security. Our economic assistance helps to develop a key economic pillar of the Arab world: a $100 billion economy that serves 67 million people (one-fourth of the Arab world), and a $4.7 billion-per-year trading partner, with whom we have a $3.8 billion-per-year trade surplus.

The United States maintains a steadfast commitment to Israel's security, to maintaining its qualitative military edge, and to strengthening Israel's ability to defend itself. Military assistance to Israel constitutes an important part of U.S. support for these objectives. Our economic assistance, though declining by mutual agreement with the Government of Israel, continues to support Israel's economic and political stability, and to relieve the impact of economic burdens Israel has incurred due to its isolation in the region and the unstable situation in the Middle East.

U.S. MILITARY AND ECONOMIC ASSISTANCE PROGRAM TO ISRAEL FISCAL YEARS 1949–2002

[In thousands of dollars]

Fiscal Year	Military	Economic Support Fund	Total
1949–1996	29,014,900	23,122,000	52,136,900
1997	1,800,000	1,200,000	3,000,000
1998	1,800,000	1,200,000	3,000,000
1999	1,860,000	1,080,000	2,940,000
2000	[1] 3,120,000	[2] 949,100	4,069,000
2001	1,980,000	840,000	2,820,000

U.S. MILITARY AND ECONOMIC ASSISTANCE PROGRAM TO ISRAEL FISCAL YEARS 1949–2002—Continued

[In thousands of dollars]

Fiscal Year	Military	Economic Support Fund	Total
2002	2,040,000	720,000	2,760,000
TOTAL	41,614,900	29,111,100	70,726,000

[1] Includes $1.2 billion for the Wye agreement and $1.92 billion in annual military aid.
[2] Earmarked for $960 million for fiscal year 2000 but reduced to meet the 0.38 percent rescission.

U.S. MILITARY AND ECONOMIC ASSISTANCE PROGRAM TO EGYPT FISCAL YEARS 1975–2002

[In thousands of dollars]

Fiscal Year	Military	Economic Support Fund	Food Aid [1]	Total
1975		261,200	110,712	371,912
1976		794,900	191,671	986,571
1977		699,250	192,646	891,896
1978		750,760	189,093	939,853
1979		835,000	229,706	1,064,706
1980	1,500,000	[2] 865,000	299,182	2,664,182
1981	550,000	829,000	298,353	1,677,353
1982	700,000	771,000	290,848	1,761,848
1983	900,000	750,000	257,542	1,907,542
1984	1,300,000	750,000	264,461	2,314,461
1985	1,300,000	1,065,000	[3] 236,248	2,601,248
1986	1,244,100	1,068,434	[3] 218,544	2,531,078
1987	1,300,000	819,558	171,025	2,290,583
1988	1,300,000	717,820	170,995	2,188,815
1989	1,300,000	815,000	160,203	2,275,203
1990	1,300,000	898,389	203,000	2,401,389
1991	1,300,000	780,819	220,000	[4] 2,300,819
1992	1,300,000	892,006	150,000	2,342,006
1993	1,300,000	747,000		[5] 2,047,000
1994	1,300,000	592,300		[5] 1,892,300
1995	1,300,000	973,661		2,273,661
1996	1,300,000	816,842		2,116,842
1997	1,300,000	809,093		2,109,093
1998	1,300,000	826,592		2,126,592
1999	1,300,000	859,727		2,159,727
2000	1,300,000	740,723		2,040,723
2001	1,300,000	406,300	([6])	1,706,300
2002	1,300,000	961,510	([7])	2,261,510
Total	28,294,100	22,096,884	3,854,229	54,245,213

[1] Represents obligations by year, does not include deobligations.
[2] Includes fiscal year 1979 military assistance.
[3] Includes a supplemental Cash Transfer of $500 million that was obligated over two years.
[4] Fiscal year 1991 includes $55 million of Section 416B.
[5] Public Law 480 allocations for fiscal year 1993 of $50 million and fiscal year 1994 of $35 million were not utilized by the Egyptian Government.
[6] Delay in receiving the budget allowance is the reason for this reduced amount.
[7] The fiscal year 2002 amounts are projections and include the carryover from fiscal year 2001.

COMPLIMENTS TO THE SECRETARY

Chairman BYRD. Senator Cochran.

Senator COCHRAN. Mr. Chairman, let me take my time to thank the Secretary for his patience and his complete answers in cooperation with the committee. I know that we had indicated that you would be here for about an hour, and it's been almost 2 hours, and we appreciate your cooperation and your assistance and the information you're providing to us.

I don't have any specific questions, but I want to compliment you on your performance as Secretary of State and thank you very much——

Secretary POWELL. Thank you, Senator.

Senator COCHRAN [continuing]. For all you've done for our country.

Secretary POWELL. Thank you, Senator.

Chairman BYRD. Senator DeWine, you were here earlier, and you may——

Senator DEWINE. Thank you.

Chairman BYRD [continuing]. Like to ask some questions at this point.

DRUG INTERDICTION FLIGHTS TO PERU AND COLOMBIA

Senator DEWINE. Thank you, Mr. Chairman. Thank you, Mr. Secretary, for the great job you are doing for our country. We are deeply in your debt for doing that.

Let me ask you a question. There was a report in this morning's paper about the plans to resume the drug interdiction flights in regard to Peru and Colombia. The report in the paper indicated that there would be a State Department employee who would be aboard each flight, but that the final decision about whether there would actually be a shoot-down would be by the host country's military. I wonder if you could tell us anything about that and tell us maybe a little bit about what the thought process has been as the administration has looked at this very difficult question.

Secretary POWELL. As you know, Senator, as the result of the tragic accident last year, we stopped our flights and took a very detailed look and examination of all the processes, procedures, and policies that were being followed. We have now finished that review and are prepared to move forward.

Ultimately, though, the decision to employ lethal force against an airplane that might be trafficking in drugs has to be that of the nation and not something ordered by the United States. They have to have national sovereignty over their own armed forces conducting such operations, and that has always been the premise upon which these flights have been flown. So, we will help them. We will help identify and help make sure that we know what's being gone after, but, the actual use of the lethal force and the decision to use that lethal force is a sovereign decision for the nation concerned.

Senator DEWINE. The report indicated the State Department would be doing this, as opposed to another department.

Secretary POWELL. I would prefer to provide the details of it privately and for the record.

[The information follows:]

You asked about a report in the Washington Post (April 30) concerning State Department plans to resume drug interdiction flights in Peru and Colombia. We are prepared to brief you and/or your staff on the sensitive aspects of this program at your earliest convenience.

Assistant Secretary Rand Beers, of the Bureau for International Narcotics and Law Enforcement Affairs (INL), and his senior program staff will be the briefers. Please have your staff contact Tamara Faulkner at 202–647–8708 to arrange for the briefing.

EXPANDED AUTHORITY FOR COLOMBIA

Senator DEWINE. I would appreciate that. Let me just comment, if I could, congratulate you on being so forthright about your request for expanded authority in regard to Colombia. And I think it is important that the administration continue to make the point that what is at stake here is not just the fact that drugs come from Colombia and that we consume an awful lot of drugs.

That is very, very, very important, but that is just part of the story, that this is an ally of the United States. This is a friend of the United States. This is an old democracy in this hemisphere, and it is in our national interest for this Government to survive. And I think you've been very articulate in that regard, and your comments today are very appreciated. And I just would encourage you to continue to do that.

Secretary POWELL. Thank you, Senator.

Senator DEWINE. Thank you, Mr. Secretary.

Chairman BYRD. Thank you, Senator. Senator Kohl, are you here for questions of the Secretary of State?

Senator KOHL. Yes, just briefly.

Chairman BYRD. Please proceed.

IRAQ

Senator KOHL. Thank you very much. Secretary Powell, the New York Times reported Sunday that the administration is developing plans for a major air and ground war against Iraq that might involve up to as many as 250,000 men and women. While no one here, of course, is a friend of Saddam Hussein's, and we'd all be happy to see him go, I'm concerned that, given our involvement elsewhere, that we be careful not to take on more than we can handle.

Now, there's no funding for such an effort in the supplemental request. Can you comment on that? And at what point will the administration consult with Congress about plans that it may have with regard to Iraq? And would there be a request for, if necessary, a declaration of war?

Secretary POWELL. Senator, the President does not have a military plan on his desk now of the kind described in the press story.

PALESTINIANS IN REFUGEE CAMPS

Senator KOHL. I thank you. Mr. Secretary, could you explain why it is that Palestinians continue to live in refugee camps in areas of the West Bank and Gaza that are under full Palestinian control? Shouldn't our recently committed funding to help in Palestinian reconstruction be at least devoted to building permanent housing rather than reconstructing a refugee camp? These refugees have remained in the camps on the assumption that they will return to Israel, so is it not time to dismantle those camps and allow them to live a normal life under Palestinian control?

Secretary POWELL. As you well know, Senator, this is one of the more complicated questions affecting how we arrive at a solution to the crisis in the Middle East. Some of these camps are not so much camps anymore, as you saw in some of the pictures in recent weeks. They are small towns classified as camps. The refugees are

not living in tents. They're living in buildings, but, they are still camps in order to protect their status as refugees.

One of the most difficult issues to resolve is the issue of the return of refugees to anywhere they wish to go, whether it be where they might have come from originally or where their families might have come from originally. In order to preserve that status as refugees, these camps continue to exist. Some people have moved out of them, and some are determined to live in these camps until such time as the situation is resolved. But, we are a long way's away from resolving that situation. To the extent that alternative places to live and other housing can be built to draw people from these camps and give them a choice to settle somewhere else, it certainly seems to be a smart thing to consider.

Senator KOHL. I thank you. I thank you, Mr. Chairman.

U.S. ROLE IN COLOMBIA

Chairman BYRD. Thank you, Senator Kohl.

Now, Mr. Secretary, you've been detained far beyond your expectations or ours, to begin with, and we thank you. Let me ask you about three questions, which should require short answers.

I understand that the administration does not intend to use U.S. troops or U.S. civilian contractors in a combat role in Colombia. Is that correct?

Secretary POWELL. Yes, sir.

Chairman BYRD. Would you have any problem if we included language in the supplemental that prohibits U.S. troops or U.S. civilian contractors from being involved in a combat role in Colombia?

Secretary POWELL. None that I can see, but I would like to get an administration position for you.

[The information follows:]

As you recall, you asked the Secretary if he would have any objection were the Congress to include language in the fiscal year 2002 Supplemental appropriation request that would prohibit U.S. troops or U.S. civilian contractors from being involved in a combat role in Colombia.

The Department has consulted within the Executive Branch on this question and again confirms that the Administration has no intention of using U.S. military forces or U.S. citizen civilian contractors in a combat role in Colombia. However, as a matter of principle, the Administration would object to such language written into law which could restrict flexibility to act in circumstances that cannot now be foreseen.

TIMING OF EXPANDED AUTHORITY FOR COLOMBIA

Chairman BYRD. The Government of Colombia will change hands this summer. We don't know who the next president will be. Why should we broaden our policy and increase our aid to Colombia when we don't know with whom we will be dealing a few months down the road?

Secretary POWELL. That was a question we dealt with when we considered whether we should go for the authority. The judgement we made, because the situation was so critical, was that we should ask for the authority now, recognizing that it would be authority that was going to be used, for the most part, by the next government. But, if we didn't ask for it now, the next government would come in, and we would still be looking for the legislative vehicle to hook it onto. So, we thought, even though it would apply to the few

remaining months of the Pastrana administration and after looking at who the candidates were and who's liable to come in, it seemed to us to be the wise course of action to ask for the relief now.

U.S. AID TO EGYPT AND ISRAEL

Chairman BYRD. This is my final question. Mr. Secretary, every year, we appropriate roughly $2 billion to Egypt, roughly $3 billion to Israel, in accordance with the Camp David agreement. Why shouldn't this money for each country be used as a tool to promote peace over there? Why shouldn't we say to them—why shouldn't we tell them that if they don't both work together to promote peace and to achieve a peace agreement that they cannot count on that money as forthcoming? Why can't we use that?

Here we are, we strap ourselves in this country for monies that are needed by veterans, monies that are needed for clean water, and, in many, many rural counties throughout the country, monies to improve our highways, monies to improve our health system, monies to deal with environmental problems. And yet, in accordance with those accords and the agreement reached at that time, those monies are budgeted, I'm sure, by both of those countries as though they were entitlements. They're included in the budgets.

Why shouldn't we use this money to promote the getting together of these two sides by saying, "Okay, now, this money is here. It comes from the American taxpayers. We want to see peace in the region. And if you don't hear us, then we're going to—the money is not going to be necessarily forthcoming in the future, or what hasn't been expended may not come yet"? Why shouldn't this money be used to promote stronger peace efforts on the part of both sides in that region?

Secretary POWELL. In the first instance, the money was used for that, and it produced and helped cement the peace between Egypt and Israel, a peace that has held for many, many years. It's a big piece of change, as we say in the South Bronx, and I suspect parts of West Virginia, but it has served its purpose for many years in cementing that peace between Egypt and Israel.

What will produce peace in the region now is security, confidence building between the two sides, and a political process to move forward. To start to punish either Egypt or Israel by withholding funds or in some way sanctioning them because they're not doing enough will not achieve the objective. The one who would be hurt the most, I think, would be Israel, because Egypt can't produce the peace. It's the Palestine people and the Palestinian leadership that will have to produce the peace with Israel, and that's what we're working on. So, I think withholding money or punishing one or the other side right now would not assist us in the effort to achieve peace.

Chairman BYRD. Well, I regret to hear, or read in the papers, that some of the calls by Mr. Bush go unheeded in the area. So with all of the support that this country has given to both sides in trying to help both sides, I note time after time, very recently, the requests by our own President not only go unheeded, but actions are taken that fly in the face of our President's request.

So it seems to me it's not necessarily punishing them. How long are we going to continue this, $3 billion to one side, $2 billion to the other side, how much longer are we expected to continue this?

Secretary POWELL. Mr. Chairman, even if we had peace tomorrow, those accounts would still be there. It's an obligation the United States entered into many years ago that has no end to it, until such time as an administration and a Congress together decide that it should be modified in some way or ended.

Chairman BYRD. Well, that time for modification, it would seem to me, might be affected by the attention that both sides pay to the requests of the American leader, the President.

Secretary POWELL. I think the President has put forward requests to both sides, especially the Israelis, and he put forward another request to Mr. Sharon this past Saturday. We saw that acted upon rather promptly. Although the withdrawal you're referring to didn't take place as quickly as we would have liked, it is now taking place, even though there are some outstanding issues associated with it at the Church of the Nativity in Bethlehem and in Ramallah. But, all of those are in the process of being resolved, as we sit here today.

Chairman BYRD. Mr. Secretary, we thank you for your testimony, we thank you for your time, we thank you for your service, and we look forward to seeing you again.

Secretary POWELL. Thank you.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR PETE V. DOMENICI

EMBASSY IN AFGHANISTAN

Question. Can you tell us the status of our operations in Kabul and Dushanbe currently? What is the number of State Department and other personnel, and what are their functions? How have you been funding operations thus far? Is the bulk of this supplemental funding for diplomatic security improvements or for other infrastructure and operating requirements?

Answer. We reopened our mission in Kabul on December 17, 2001, as a U.S. liaison office. On January 17, 2002, we designated our mission a U.S. embassy. We presently have twenty American State Department personnel in Kabul on a long-term temporary duty basis. These State employees perform a full range of diplomatic and consular functions, including relations with the Afghan Interim Authority, political and economic reporting, provision of consular services to American citizens, public diplomacy, and administrative and security management. The Department of Defense has ten employees performing military liaison functions. The U.S. Agency for International Development has six employees coordinating U.S. assistance to Afghanistan. The Drug Enforcement Agency of the Justice Department has two employees performing counter-narcotics activities. The Treasury Department has a financial advisor attached to the Government of Afghanistan who lives and works out of the embassy. A security force of eighty six Marines secures the compound.

Because of security concerns, the U.S. Embassy in Dushanbe has been based offshore in Almaty, Kazakhstan, since 1998. American employees reside in Almaty and travel to Dushanbe on a temporary duty basis. Since September 11, 2001, Americans have been present in Dushanbe on a rotating basis one hundred percent of the time. Operations in Dushanbe are conducted out of the Ambassador's residence. Security conditions and the lack of an adequate facility prohibit re-establishing permanent operations in Dushanbe at this time. At present, we have four State employees (the Ambassador, Deputy Chief of Mission, Political/Economic/Consular Public Affairs Officer, and a Security Officer) and one Department of Defense employee (a Defense Attaché) assigned to Embassy Dushanbe. We have also established three additional State positions (Administrative Officer, Information Programs Officer and

Public Affairs Officer), which have been filled on a temporary duty basis pending the arrival of permanent staff.

The Department has been funding immediate requirements for Kabul and Dushanbe within current Diplomatic & Consular Program and Embassy Security, Construction & Maintenance resources. To fund unbudgeted operational expenses, the Department has deferred other operating requirements pending receipt of the emergency supplemental funding.

Of the $20.3 million requested within the Diplomatic and Consular Programs appropriation, $15.3 million is for diplomatic security requirements in Kabul ($10 million) and Dushanbe ($5.3 million). The balance of $5.0 million will fund other emergent requirements related to the reopening of the mission in Kabul, including program and ICASS costs, sewage/fuel/water trucks, IT requirements, and other infrastructure needs. The $200.5 million requested within the Embassy Security, Construction and Maintenance appropriation is for new facilities in Kabul ($120.5 million) and Dushanbe ($80.0 million).

EMBASSIES IN AFGHANISTAN AND TAJIKISTAN BACKGROUND

Question. In addition to (a) $20.3 million for the Kabul and Dushanbe operations, (b) $7.5 million for public diplomacy, and (c) $8.3 for critical security and medical response programs, what other "Diplomatic and Consular Programs" are you requesting we fund with the balance of the total request of $51 million for this account. That is, with the remaining $15 million you are requesting for this account?

Answer. The Department is requesting the balance of the request, a total of $15 million, for mail decontamination and safety requirements. The Department's unclassified mail and pouch system was contaminated with anthrax spores. The requested funding will be used to clean mail rooms and mail processing facilities, decontaminate mail, replace contaminated equipment and facilities, and restart the Department's pouch system. The funding is needed to operate, equip, and secure the alternate mail processing facility until the current facility is tested and cleaned, provide for overtime and an increased workforce for manual mail processing, and clean and/or replace contaminated pouch materials and supplies.

AID TO THE CENTRAL ASIAN REPUBLICS

Question. Of the $110 million requested for "Assistance for the Independent States of the Former Soviet Union" account, after $22 million for law enforcement programs and $12 million for border security programs, what would the remaining $76 million be used for if this request is fully funded?

Answer. The remaining $76 million would be used to address root causes of support for extremism such as poverty, isolation, and lack of democracy. The vast majority of the funds are proposed for Uzbekistan, Kyrgyzstan, and Tajikistan.

We propose to increase greatly our level of effort in several key areas:

—Provision of quick and sustainable improvements in impoverished communities through improvement of local infrastructure and social services, including health care and water management.

—Creation of jobs through microcredit and small business training.

—Ending of cultural isolation by greatly expanding exchanges to the United States, providing Internet access, and by working to reform educational systems.

—Where central governments prove their reformist intentions, provision of macroeconomic technical assistance to help them institute market reforms.

—Strengthening of non-governmental organizations, independent television stations and newspapers, and human rights monitors to help them keep pressure on their governments to democratize.

Question. What is the record of cooperation thus far of these countries in cooperating on counter-narcotics and border security issues? What sorts of problems have been encountered?

Answer. Since April 2000, when the United States announced that assistance would be provided to help Central Asian states combat terrorism and illicit trafficking in weapons of mass destruction, conventional arms and narcotics, the countries of the region have generally cooperated with the United States. From fiscal years 2000 to 2002, the United States has budgeted over $87 million in assistance under this Central Asia Border Security Initiative (CASI), including $39 million in fiscal year 2001 Emergency Supplemental assistance funds to help combat terrorism in the wake of September 11.

Due to different absorptive capacities, programs under CASI have been more quickly implemented in Kazakhstan, Uzbekistan, and the Kyrgyz Republic. Also, corruption and human rights problems in the region have to be factored into our

program design. The problem with corruption dictates vetted units as the most effective means of combating narcotics trafficking. Human rights concerns place limits on our ability to engage in assistance projects with some police units. Finally, obtaining additional secure working space for those who would implement these programs has been a slow process.

HIV/AIDS GLOBAL FUND

Question. Can you tell us the criteria and process by which these 40 proposals were selected? As you know, this was a contentious issue in setting up the Fund and there were a range of views expressed by the many donor governments, businesses, and private organizations that contributed to this war chest to fight these horrible epidemics in severely affected countries.

Answer. The Global Fund encourages programs that reflect national ownership, respect country-led formulation and implementation processes, and are based on scientific, technical, and programmatic soundness and adherence to best practices. In making its funding decisions, the Fund supports proposals that build on, complement, and coordinate with existing regional and national programs (including governments, public/private partnerships, NGOs, and civil society initiatives) in support of national policies, priorities, and partnerships.

The Global Fund gives priority to proposals from countries and regions with the greatest need, based on the highest burden of disease and the least ability to bring resources to address AIDS, tuberculosis, and malaria. Proposals from countries and regions at a high risk from these diseases are also considered. Proposals to the Fund must be evidence-based, technically and developmentally sound, and must show that added resources will bring added results.

Following the first call for proposals issued by the Fund on February 4, 2002, the Fund received 385 submissions from 101 countries by the March 10 deadline. In all, these proposals requested approximately $1.15 billion in first year funding from the Global Fund. More than half of these proposals were discarded by the Secretariat staff for lacking appropriate documentation and on other technical grounds. The Secretariat then referred the 145 proposals that had met the eligibility requirements to the Technical Review Panel for consideration.

A Technical Review Panel (TRP), charged with ensuring that proposals are scientifically and technically sound, feasible and based on best practices, was a key demand of the United States during the Transitional Working Group meetings. The Panel is an independent group of 17 experts in prevention, clinical care, health education, and international development. The Panel was selected from among almost 700 nominees from around the world, and includes members from government and non-governmental organizations, the developed and developing worlds, and the public and private sectors. Panel members serve in their personal capacities as experts in their fields, not as representatives of their institutions or governments. The Board, at its April 22–24 meeting in New York, considered the recommendations of the Technical Review Panel, approved 40 proposals immediately, and decided to consider another 18 proposals when further information is received.

HIV/AIDS GLOBAL FUND BACKGROUND

Question. What types of safeguards and accountability have been set up to ensure that grant funds will be used wisely and achieve results?

Answer. The World Bank has agreed to act as the trustee for the Global Fund, with the full scope of its role yet to be defined. Currently, the Bank has established holding accounts for contributions and has agreed to manage an account for the Fund consistent with its standard trust fund practice. At its April meeting, the Board approved a contract with the World Bank governing the current relationship. Under the contract, the Bank's responsibilities are limited to receiving, holding, and disbursing Fund contributions at the direction of the Fund. This is the first step in a multi-phase process to establish an overall financial accountability framework.

The Fund expects that the Bank will have a role in downstream monetary management, but the precise nature of this role is still under discussion. There are still open questions regarding the cost of the services the Bank may offer and whether certain functions that may be performed by the Bank could effectively be performed by the private sector. Work on these financial accountability issues is an immediate priority for the Secretariat and the Board.

The Fund is looking into how to identify entities at the country level that could ensure strict fiscal accountability standards. These could include branches of international banks, local partners of international accounting firms, NGOs currently accounting for funds (e.g., those serving as USAID partners), or, in some cases, multilateral agencies, as with World Bank Social Funds or UNDP trust funds.

Funds for the first grants will not be disbursed until financial and program accountability arrangements are negotiated with recipients and questions raised by the Technical Review Panel are answered. In most cases, funds will not be disbursed in one lump sum, unless the grant award is small enough that tranches would not make sense. The Board has agreed that all proposals and grant agreements must include mandatory audit provisions, and it is expected that the Fund will contract externally for both random and scheduled audits of recipients, as well as audits of its own finances.

HIV/AIDS GLOBAL FUND

Question. What types of monitoring and evaluation procedures have been set up to ensure that grant funds will be used properly and have a measurable impact?

Answer. The Board has agreed that all proposals and grant agreements must include mandatory audit provisions, and it is expected that the Fund will contract externally for both random and scheduled audits of recipients, as well as audits of its own finances.

A Board Working Group has been meeting since March and will continue to do so to establish a framework for both project monitoring and evaluation. Each proposal will include arrangements for local monitoring and evaluation, but the Global Fund itself will take steps to verify the reports. Program monitoring will be a subject of negotiations between the Fund and grantees prior to signing grant agreements.

Continued funding of proposals will depend on performance reviews. The first proposals are approved for two years and can then be reconsidered, subject to a performance review and the availability of funds.

NEW EMBASSY CONSTRUCTION BACKGROUND

Question. The supplemental requests $200.52 million over the fiscal year 2002 appropriation for the "Embassy Security, Construction, and Maintenance" account. This amount is to be used to meet the costs of new embassy construction in Dushanbe, Tajikistan ($80 million) and the rehabilitation of the current compound in Kabul, Afghanistan ($120.52 million). (NOTE: In response to recently communicated Department concerns about the lack of availability and safety of local sewer, water, and electrical infrastructure in Kabul, the Senate has included an additional $10 million to its Supplemental Appropriations bill for the Kabul project.)

I believe that when you were up testifying in February before the Senate Foreign Relations Committee, you spoke of what good order the sixty or so Foreign Service Nationals in Kabul did in maintaining and protecting our Embassy facilities throughout the 13 years it was closed. Why then is the request for rehabilitation of that facility so high relative to the cost of building a new embassy in Tajikistan? Would it be cheaper to just start over and build a brand new embassy compound in Kabul?

Answer. The projects planned for Kabul and Dushanbe are very different. The project planned for Dushanbe is of a much smaller scale and would provide office space for approximately eighty American and Foreign Service National (FSN) employees and quarters for a small Marine Security Guard (MSG) detachment.

Kabul, on the other hand, is a much larger post, in excess of two hundred Americans and FSNs and includes much more than just the rehabilitation of the existing building. The supplemental request includes $25 million for the rehabilitation of the existing building, $33 million for the construction of a classified annex, and another $41 million for on-compound housing. Also included in the request is funding for the construction of a Marine Security Guard Quarters, General Services Office and warehouse, as well as the costs of construction security, special communications equipment, etc. The existing building is considered structurally sound, requiring only rehabilitation. To build a new embassy compound would significantly increase costs and would delay getting the embassy back into a safer, more secure operational mode.

NEW EMBASSY CONSTRUCTION

Question. The Embassy Construction account has realized efficiencies from changes in the management of Overseas Buildings Operations (OBO) and from the standardization of building designs for new embassies. However, additional efficiencies could be gained by funding the Department's overseas buildings plan for a two-year period, or perhaps for an even longer time frame. However, we still have not received the Department of State's 5-year building plan or any other document that sets out the State Department's strategic long-run capital plan. When is the State Department going to send it up here for our review?

Answer. The Bureau of Overseas Buildings Operations' (OBO) Long-Range Overseas Buildings Plan outlines the facilities requirements, including new construction and major renovations, necessary to support the Department's priority diplomatic readiness goal. This plan is a collaborative effort led by OBO and fully involves the geographic bureaus of the Department and other stakeholders. It recognizes that planning is essential to the effective management of resources.

The Plan was initially developed and published (internally) in July 2001. It was revised in April 2002 to reflect decisions made recently by the Congress and the President in the Department's fiscal year 2002 and fiscal year 2003 budgets. We anticipate that over forty copies of the revised plan will be distributed to Members of Congress, Congressional Committees, and Congressional staff in May 2002, including the Senate Budget Committee Chairman and Ranking Member.

The Department agrees that the current process of annual appropriations and Financial Plan submission results in an inefficient compression of the construction contract obligation period into the last months of the fiscal year. The Department is open to consideration of alternative approaches that can ameliorate this situation so that we can start construction on those projects approved by Congress in a more timely fashion.

AID TO PAKISTAN

Question. What progress has been made with regard to security and economic development in Pakistan with the funds already provided to it through the ongoing international assistance appropriations and the emergency supplemental assistance?

Answer. The $220 million provided to Pakistan for costs incurred while supporting Operation Enduring Freedom (OEF) was transmitted to the government in March of 2002, and has enabled continued OEF support by Pakistan.

Procurements related to all components of the $73 million Pakistan Border Security Project are proceeding. The USG has finalized a Letter of Agreement (LOA) with the Government of Pakistan for the delivery of five Huey-2 helicopters, including equipment and spare parts. These helicopters are to be delivered later this month, with 12 American technicians to assist the Pakistanis in getting the helicopters operational. Three fixed-wing aircraft will be ordered shortly, with delivery expected in three or four months. Procurement of approximately 1,305 vehicles and approximately 1,100 radios and other communication units is in process. Night-vision goggles and electronic sensor equipment and border post and infrastructure upgrades are also being procured. Finally, approximately $5 million has been set aside for training. Two professionals from the U.S. Department of Justice, Criminal Division, International Training and Development Programs (ICITAP) are on the ground to coordinate training efforts with the various Pakistani law enforcement agencies.

With very modest inputs from S/CT's Terrorist Interdiction Program (TIP) and DS's Anti-terrorism Assistance (ATA) Program, the GOP has also afforded the United States unprecedented counterterrorism cooperation. U.S. intelligence and law enforcement elements have worked closely with Pakistan to identify and detain extremists and to help seal its borders and entry points to terrorists.

By November 2001, Pakistan had frozen over $300,000 in terrorist-related assets in several banks and has embarked upon sweeping police reforms, has upgraded its immigration control system and, with close U.S. assistance, has passed new anti-terrorism finance laws. In February of this year, both countries agreed to begin counterterrorism exchanges. In the *Daniel Pearl* case, the GOP made several arrests and continues to pursue the killers. We seek to give the government of Pakistan enhanced investigative capacity so that cases developed locally could be tried in U.S. courts.

Prior to fiscal year 2002, regular U.S. economic development funds had not been programmed in Pakistan for several years due to a series of sanctions; however, after sanctions were lifted, Congress approved the Department's decision to provide a total of $600 million in fiscal year 2001 and fiscal year 2002 Economic Support Funds (ESF) for budget and balance of payments support to the government of Pakistan. This funding, programmed in November 2001, is intended to help mitigate the impact of Operation Enduring Freedom on the Pakistani economy, which has suffered due to regional instability post-September 11.

The $600 million enabled the Pakistani government to fund social sector programs in education, health and rural employment, strengthened Pakistan's balance of payments position, protected poverty reduction program expenditures, and limited borrowing. U.S. embassy staff remain in regular contact with the government of Pakistan and the donor community to follow the use of the $600 million. Pakistan's Ministry of Finance recently submitted a detailed report showing that nearly the entire grant has been made available to officials responsible for implementing the pro-

grams and has a monitoring system in place. The International Monetary Fund (IMF) and World Bank also report that the money is getting out to the provinces as new local government spending mechanisms are being implemented.

EFFECTIVE USE OF PUBLIC DIPLOMACY FUNDING

Question. In your testimony on March 12th before the Senate Appropriations Committee on Commerce, Justice, State, and the Judiciary, we were told that the public diplomacy funds were being used to take full advantage of the "global news cycle." In addition to appearances by State Department and Administration officials on Arabic television and radio programs, these funds were used to make the State Department's website on terror available in seven languages. In addition, they paid for a 25-page color publication, "The Network of Terrorism", available in 30 languages and included as an insert in the Arabic edition of News week.

I wonder whether this is a really effective use of this money? Wouldn't these funds be better spent by promoting civil society and investing in democracy programs, possibly integrated with mosque and religious networks, especially in countries such as Egypt and Pakistan?

Answer. Substantial Public Diplomacy funds from our Exchanges accounts, the funds managed by the Department, were immediately directed after September 11. These funds have supported numerous democratization programs, provided outreach to moderate Muslim communities, and targeted exchange programs of the very type you mentioned. Public Diplomacy is a multifaceted process. There are short-term, tactical issues that must be addressed. Long-term dividends, as you point out, are realized through the very exchange, democratization, and civil society programs you advocate. The Department's regional Middle East Democracy Fund will expend $5 million for Democracy programs in the region. Through our public diplomacy function, we will continue to engage in and promote our civil society and democracy programs. In some targeted markets, especially in the Islamic world, we must increase all of these activities.

In addition, electronic and print publishing are essential communication tools. They directly support the development of open societies in the Middle East. "Muslim Life in America" shows how U.S. society accommodates all religions peacefully and productively; Our standard publications offered on the Web and in hard copy include Arabic-language pamphlets including: "The Democracy Papers", "Introduction to Human Rights", "What Is Democracy", "What Is A Market Economy", "The Language of Trade", and outlines of American history, literature, government, the economy and geography.

With the funds available post 9/11, we applied them to both our immediate, tactical needs as well as our long-term interests. Initial programs were used to take the first steps into our overall public diplomacy strategy in fighting the war on terrorism. The White House set up the Coalition Information Center to coordinate and clarify our message, both within the government and with our allies. With offices in Islamabad, London, and Washington, we were able to affect the news cycle, rather than react to it. This focused our responses, which developed substantial foreign media understanding, if not support, for our military action in Afghanistan.

Our websites dealing with the Middle East and the war on terrorism have consistently topped Internet search engines since September 11th and are an important way to clearly disseminate our message to a global audience in our new communications age.

The Network of Terrorism is a publication that is among the most widely disseminated public diplomacy document ever produced by the U.S. Government. The publication features dramatic visuals, including a map showing the 81 countries that lost citizens in the World Trade Center. These visuals make the attack real and demonstrate the human toll of such actions. Since its release last November, Network has been translated into 36 languages, and we've published over 1.3 million copies. We had Network distributed as an insert in the Arabic edition of Newsweek, and major excerpts appeared in other Arab and world publications.

All of these expenditures are a necessary and effective use of our funds in the immediate aftermath of September 11th.

RUSSIA AND NON-PROLIFERATION

Question. Is the Administration working to put together a package of economic incentives to offer the Russians in return for their agreement to invest in non-proliferation programs and thereby reduce the spread of Russian weapons of mass destruction and their expertise?

Answer. The United States has provided significant resources to reduce the dangers of proliferation, yet much remains to be done. We are strongly encouraging

Russia and other G–8 governments to do more in nonproliferation and threat reduction assistance and are exploring a range of options to achieve this. No decision has been made with respect to a specific plan of action, but we will work with the Congress as we proceed.

Question. If so, should the Congress anticipate yet another supplemental in fiscal year 2002 to cover this? What level of funding or what specific types of incentives are being considered?

Answer. As no decision has been made on a specific plan of action and related resource requirements, we do not at this time anticipate a request for supplemental funding.

MIDDLE EAST ECONOMIC INITIATIVE

Question. Can you elaborate on the vision behind this new initiative?

Answer. The objective of this initiative is to open economies in the region and create greater opportunities among disadvantaged groups of people at the grass-roots level, where support or sympathy for terrorism is most prevalent. In countries across the Middle East, we have seen that economic hopelessness and political stagnation can breed extremism or support for it.

We are planning to use the $50 million requested as part of the Administration's fiscal year 2002 supplemental appropriations bill to fund new high-impact/high-visibility projects immediately in three key areas: education; rule of law/civil society; and economic reform/private sector development. In the area of education, we will establish programs aimed at maximizing education opportunity at a grassroots level throughout the region by using the following: student exchange programs such as Future Leaders Exchanges (FLEX); business internship training programs known as Special American Business Internship Training (SABIT); journalists training and exchanges; and teacher exchanges. We will increase funding for scholarship programs aimed at training and cultivating the next generation of leaders. We will also replicate the success of basic education projects currently underway, such as the USAID-funded program in Alexandria, Egypt.

Also, we will fund efforts to strengthen civil society and the rule of law. We will provide support to local and national leaders across the region who are demonstrating a commitment to political reform. We will fund projects throughout the region to assist groups, such as business associations, think tanks, polling organizations, and media organizations, working as platforms for moderate voices.

Finally, we will fund projects that create economic opportunity and clearly signal our support for necessary economic policy reforms. We will empower individuals by expanding programs that give access to credit for micro, small, and medium-size businesses and that establish an enterprise fund. We will provide increased support for reforming commercial legal systems, improving investment regimes, and encouraging transparency. We will, simultaneously, review all of our existing economic assistance programs across the region to insure that our assistance money is being spent in a manner consistent with our national interest post-September 11.

Question. Does it include a Micro-finance or Micro-credit element?

Answer. Yes. We have had significant success with our microcredit lending program, which is managed by USAID in countries such as Jordan, Egypt, Morocco, and Lebanon. We intend to work with other countries including Yemen, Algeria, Tunisia and others in the Gulf to set up similar lending outlets.

AFGHANISTAN

Question. This Congress has expressed, through legislation, its desire to ensure adequate aid is provided to the women and children in Afghanistan—two groups that have shouldered a disproportionate burden during the last fifteen years.

Please describe how U.S. aid has been targeted to those vulnerable populations?

Answer. The fundamental principle of respect for women has guided and will continue to guide all of our endeavors in Afghanistan. The United States recognizes that it is the everyday practical situation on the ground that will determine the fate of Afghanistan's women, children, internally displaced persons (IDPs), and returning refugees. This understanding guides our entire approach to the major task of Afghan reconstruction writ large.

Since the beginning of the current Afghan emergency, the Department's Bureau of Population, Refugees and Migration (PRM) has provided a total of $107.6 million to support refugees, IDPs, and other vulnerable persons. USAID has obligated or committed $166 million for food, non-food aid, and reconstruction activities, has firm plans for a further $47 million, and has $10 million in reserve. An example of a USAID program targeting children is a national health education program, focusing on the prevention and treatment of diarrheal illness, which is one of the main

causes of mortality in children under five years old. Another example of outreach to women, girls, and schools is the AID-funded publication and distribution throughout the country of over nine million primary and secondary school textbooks, a key component of the Back-to-School Program for Afghanistan.

In sum, the United States focus on Afghan women and children is an integral part of our overall approach to rebuilding the whole country. Under the Afghan Women and Children Relief Act of 2001, the Department is submitting shortly to Congress a report entitled "U.S. Support for Afghan Women, Children, and Refugees."

Question. How would you rate the Interim Authority's handling of issues related to women and children?

Answer. The Afghan Interim Authority (AIA) has taken a number of important and positive steps, including appointing women to the Cabinet, reopening education to girls, and lifting the climate of fear and repression that characterized the life of women under the Taliban. A significant number of the places in the Emergency Loya Jirga (Grand Council) that will decide the shape of the AIA's successor are to be reserved for women, although the actual number of women who will attend in June appears to be less than what had been hoped. In addition, two women have been named to the Judicial commission, tasked with revising Afghanistan's judicial system.

We have worked closely with the AIA on these issues and look forward to working with the transitional government that follows the AIA. In developing our programs for women and children, we have worked closely with the Women's Ministry and especially with the Ministries of Education, Higher Education, and Public Health. The Minister of Foreign Affairs is a co-chair, with the Minister of Women's Affairs, Sima Samar, of the U.S. Afghan Women's Council. Although the needs of Afghanistan are daunting, the AIA and the international community have made a solid beginning in meeting those challenges.

Under the Afghan Women and Children Relief Act of 2001, the Department is submitting shortly to Congress a report entitled "U.S. Support for Afghan Women, Children, and Refugees," which will provide an overview of the current situation for Afghan women and children and describe the U.S. government programs that have been established to assist them.

Chairman BYRD. There will be a brief recess to allow the folks who have been here for a little while to leave if they wish. And the Secretary of Agriculture will be appearing next. The committee stands in recess.

The committee will resume its hearings. This afternoon we have appearing before the Appropriations Committee the U.S. Department of Agriculture Secretary Ann Veneman. Secretary Veneman, we welcome you.

There are many layers of homeland defense. One of the most critical involves the programs of the U.S. Department of Agriculture. USDA is charged with protecting our food supply both in terms of safety and supply. USDA is also responsible for ensuring the safety of drinking water in our rural communities.

There is perhaps no greater potential for the destruction of confidence and for the creation of panic and for the doing of actual harm than to contaminate the Nation's food supply. If America's strong food safety programs were to be intentionally breached, consumer confidence and public health would be compromised in ways never before seen. The U.S. Department of Agriculture has the responsibility for inspections of meat and poultry products, many of which are imported, and there is little or no margin for error in maintaining the strongest food safety program possible.

Our task today is to review our safeguards for rural America to determine if those safeguards are as strong as they ought to be and, if not, to better understand what steps must be taken, and taken now, to correct any deficiencies.

Last fall, Congress initiated and approved $328 million in supplemental funding for the Department of Agriculture for homeland

security. We are interested in how those funds are being used, the extent to which the Department's fiscal year 2003 budget continues to meet the needs of homeland security and other matters important in regard to this subject. The committee wants to work with you to assure that our food and water supplies are safe and secure, and that our rural areas have all the protection and response capabilities they need.

Madam Secretary, your written statement will be made a part of the record, and after any observations by my friend, Senator Stevens, or if he is temporarily away from the committee, by Senator Cochran and Senator Kohl, then we may wish to hear your statement and proceed with the committee's questions.

Senator Cochran.

Senator COCHRAN. Mr. Chairman, thank you very much. I join you in welcoming our distinguished Secretary of Agriculture to this hearing of our Appropriations Committee. We appreciate your cooperation with the committee, and I want to take this opportunity to thank you for the good work you and your staff have committed to helping the Congress identify ways to strengthen our agriculture sector through the writing of a new farm bill.

We are closely approaching the time when this conference report will be back before both Houses of Congress, and in that legislation I think we are going to see some very important provisions relating to our economic possibilities in the agriculture sector, and I thank you for your personal attention to the drafting of that legislation.

I want to express my personal appreciation and look forward to working with you as we complete action on that legislation. I know that we have provided appropriations already in response to some of your suggestions, and look forward to working with you on other suggestions you have.

We know the Department of Agriculture has important responsibilities in the area of homeland defense, and we talked about that at hearings of the subcommittee for appropriations for the Department of Agriculture and related agencies. We look forward to hearing your observations and comments as we explore these possibilities and needs further.

Thank you very much.

Chairman BYRD. Thank you, Senator Cochran. Senator Kohl.

Senator KOHL. I have no opening statement.

Chairman BYRD. Very well. Madam Secretary, would you please proceed in any way you prefer.

STATEMENT OF HON. ANN VENEMAN, SECRETARY OF AGRICULTURE, DEPARTMENT OF AGRICULTURE

Secretary VENEMAN. Thank you, Mr. Chairman and members of the committee. I appreciate this opportunity to provide an update on the Department's efforts on homeland security. As you know, and as I have already stated, we have a longstanding commitment to food safety and securing the food supply and agriculture from various threats. Last year, just after assuming office, we dealt with the threat of foot and mouth disease as we watched the widespread outbreak in England. We strengthened our surveillance and response systems as we addressed the threat of that disease, a disease that we have not had in this country, for over 70 years.

Last fall our Department issued a report called "Food and Agricultural Policy: Taking Stock for the New Century," which looked at future issues facing the food system, from farm programs, to trade, to rural development, to conservation, to food safety.

One of the issues that we highlighted in the report was the importance of the infrastructure that protects our food supply, our food safety systems, our pest and disease protection programs, and the research that supports these important missions. Following the events of 9/11, we began examining threats to our food supply as homeland security issues. We are now concerned about intentional as well as unintentional threats.

Following September 11, we took immediate steps to secure sensitive facilities and examine vulnerabilities throughout the food chain. In the ensuing days and months, we have conducted assessments to identify the critical needs and fill security gaps. These have been coordinated within the administration and ultimately form the basis for the President's proposals that were submitted to Congress.

We also recognized the need for an internal structure to coordinate the Department's vast array of programs and communicate effectively to meet pressing security needs, so we established the USDA Office of Homeland Security, and the Homeland Security Council, which is headed by Deputy Secretary Jim Moseley, who is here today. He is, through this Council, managing on a day-to-day basis the responsibilities in this area.

This Council has three subcouncils. Each is chaired or co-chaired by a USDA subcabinet officer. These include the protection of the food supply and agricultural production, the protection of USDA facilities and other infrastructure, and the protection of USDA staff and emergency preparedness.

The Council has performed a critical role in coordinating the efforts we are undertaking, including those funded through the supplemental that was passed in January. Even before the supplemental was signed by the President, we started developing plans for the use of the funds, and I want to thank the committee for providing flexibility in the allocation. We have taken this opportunity to intensively review our needs and direct funds to fill the identified gaps.

There are a number of areas where multiple agencies are involved and are working together. We are also working with a number of other Federal agencies, with State departments of agriculture, and with the private sector and academia to coordinate and plan homeland security efforts. These are very important partnerships.

As soon as we finalized our decisions, we sent information to the Agriculture Appropriations Subcommittee on the allocation of the funds, and we subsequently provided briefings for the subcommittee staff. All of the supplemental funds have now been allocated to the agencies. The following is a breakdown of where those resources are being spent.

Over one-half of these funds, or about $177 million, is being spent to make physical and operational security improvements at key locations. This includes $64 million at the Animal Disease Center in Ames, Iowa. This allows us to immediately relocate APHIS

labs from leased space onto the main Ames campus. It also supports construction of a biosecurity level 3 large animal facility. Planning for this facility is underway, and the construction contract is expected to be awarded by the end of the next fiscal year.

There is also $23 million for Plum Island, pending the outcome of a broad, independent review of the needs and options for this work, including the needs for biosecurity level 4 facilities.

We have also directed $35 million to strengthen the Agriculture Quarantine Inspection Program, which is our first line of defense, to exclude agriculture pests and diseases. These funds are to be used to accelerate the development of an automated system in coordination with the Customs Service to better identify inspected cargo. We are also purchasing 100 rapid pathogen identification devices, and hiring additional staff to conduct intensified inspections.

$15 million has been provided to the Food Safety and Inspection Service for increased monitoring and training for inspectors on terrorist threats and expanded technical capabilities. We also directed an additional $1.5 million to hire additional inspectors for imported meat and poultry.

$15.3 million has been allocated to ARS, the Agricultural Research Service, for the development of improved rapid detection technologies for foot and mouth disease, and other diseases and pathogens.

We recognize that the Federal Government will need assistance from our cooperators at the State and local levels to adequately address homeland security threats. We plan to provide over $43 million in grants, cooperative agreements, and other assistance to States to assist in strengthening our partnership and coordination activities.

Critical efforts in this area include improved surveillance and early detection and response capabilities both for animal and plant pests and diseases, enhanced infrastructures for rapid detection, and diagnosis of animal and plant disease and pest threats. Additional capability is needed throughout the Nation so that we can quickly detect and correctly diagnose disease symptoms, and increase our capacity in each region of the country to safely dispose of animal carcasses in the event of a major disease outbreak.

Modern information technologies will greatly improve our ability to respond to plant and animal pest and disease outbreaks. We are developing a system that relies on geographic information technologies to provide capabilities for real-time mapping to predict the spread and consequences of outbreaks.

Mr. Chairman, I would like to also point out that our fiscal year 2003 budget includes a number of increases to strengthen the agricultural infrastructure and enhance homeland security. These include increases for pest and disease prevention and exclusion, surveillance, response, and research directed at threats faced by the agriculture and food system.

If approved by Congress, our budget allocations would bring our funding and staffing at ports of entry to record levels, more than doubling them from where they were just 3 years ago. We also propose funds to address the very real threat of a disruption to our computer systems. We have provided details of these proposals to the Agriculture Appropriations Subcommittee and in my written

testimony today. I urge the committee's support for these critically important proposals.

Finally, I want to point out one item in the President's pending supplemental. We are requesting an additional $75 million for the Women, Infants, and Children Program. These funds are important to ensure adequate resources to continue to meet the caseload levels we are experiencing. This is tied largely to higher than predicted growth in WIC participation and food costs. During January, the WIC Program served over 7.5 million participants, for an average of 7.46 million so far this fiscal year. We have no reason to believe that these trends will moderate during the remainder of the year.

In summary, I believe we have set up an effective structure to address the critical homeland security issues related to protection of the Nation's agriculture and food supply. We greatly appreciate the committee's interest in these critical issues and the support that you have given to our efforts.

As I mentioned, last year at this time we were facing a very serious threat of foot and mouth disease, and we saw the devastation that appeared in the United Kingdom. Those events, while not a food safety concern, led us to further strengthen our protection systems. We acted immediately to do so and, as a result, we were probably better prepared to respond in the aftermath of the tragedies of September 11. But our vigilance has not stopped, nor has our commitment to work with the Congress, the State, other Federal agencies, academia, and the private sector, to make sure that we have a strong line of defense. We will continue to work with you and your staffs to meet the rapidly evolving challenges that we face in securing our food supply and our agriculture infrastructure.

Mr. Chairman and members of the committee, that concludes my comments, and I would be happy to respond to your questions. Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF ANN M. VENEMAN

It is an honor for me to appear before you today to provide you an update on the Department of Agriculture's Homeland Security efforts.

Last January in his State of the Union message, the President described the high priority the Administration assigns to doing everything possible to protect our citizens and strengthen our Nation against the ongoing threat of terrorist attack. Initially, the Administration has focused on four key areas that will improve our ability to protect against and respond to terrorism: supporting first responders, defending against biological terrorism, securing our borders and utilizing technology and information sharing. The Department of Agriculture plays an important role in all of these areas. The President also stressed how additional spending can make America not only stronger, but, in many ways, better. For example, knowledge gained from bioterrorism research will improve public health and enhance our ability to protect against and respond to plant and animal diseases. Stricter border enforcement will help combat illegal drugs and reduce the chances of introductions of exotic diseases.

The Administration's report, *Food and Agricultural Policy: Taking Stock for the New Century*, highlights the critical need to invest in the physical and institutional infrastructure that has been a key factor in the overwhelming success of the U.S. food and agricultural system. This infrastructure encompasses all of the basic facilities, equipment, services, and institutions needed for the economic growth and efficient functioning of the food and fiber markets. Much of what we are dealing with in homeland security relies on this infrastructure as the foundation of detecting and responding to intentional threats, along with the unintentional threats of pests and diseases with which agriculture has historically dealt. Even before the events of September 11, we had taken steps to strengthen our infrastructure, particularly our

border inspection system. Now it is even more imperative that we strengthen our borders and develop the in-depth infrastructure, including State and other cooperators, that is the foundation of a secure food and agriculture system.

The Department's mission in homeland security is to provide a coordinated national strategy to secure American agriculture and Rural America from intentional harm. In so doing, we will ensure the Nation's quality of life, continuance of a secure and reliable food supply in cooperation with the Department of Health and Human Services, and maintenance of USDA operations and infrastructure. The Department has taken a number of steps to address the Nation's new priorities in light of the September 11 events, beginning with immediate steps to secure critical facilities and resources. Shortly after September 11, we established a USDA Homeland Security Council to provide policy oversight and to coordinate a Homeland Security strategy across the Department's range of programs. This structure includes three subcouncils—Protection of the Food Supply and Agricultural Production, Protecting USDA Facilities and Other Infrastructure and Protecting USDA Staff and Emergency Preparedness. Through these subcouncils, the Council is continuing to perform a key role in coordinating programs and budgets across mission areas. This includes a key role in the coordination of activities that will be supported by the $328 million in supplemental funding provided for homeland security.

We appreciate the flexibility Congress provided in the supplemental appropriations to permit us to target funds to the highest priority needs. We have employed this flexibility by taking a critical look at our programs to identify areas of potential overlap and gaps that we need to fill. Key elements in this decision making process included development of plans by agencies and review of those plans by the USDA Homeland Security Council. We are also working closely with the Office of Homeland Security in developing our plans and coordinating our security efforts to ensure that priority needs are met. We have also worked closely with the Appropriations Subcommittees on Agriculture during this process. At the completion of our internal review, we provided information to the Subcommittees on the allocation of funds. Subsequently, key staff including our budget officer provided additional details in briefings to Subcommittee staff. All funds have now been allocated to the agencies and I am pleased to report that we have a number of critical efforts underway.

Funds from the Supplemental will be used to protect the food supply and agricultural production, protect USDA facilities and other agricultural infrastructure, and to protect USDA staff and manage emergency preparedness.

In appropriating the funds, Congress recognized the critical need to upgrade security in the Department's extensive field infrastructure. Of the $328 million, over one-half, about $177 million, is being directed to physical and operational security improvements and facility construction at key locations. Included is $64 million for improvements at the Ames, Iowa animal disease research and diagnostic center and $23 million for improvements at the Plum Island animal disease facilities. We are taking immediate steps to use $14.1 million provided in the supplemental to relocate APHIS laboratories from local leased space to semi-permanent space on the main campus at Ames. Further, I am pleased to inform the Committee that planning is already underway for the new complex at Ames. We expect to complete planning and award the contract for construction of the biosafety level 3—BSL–3—large animal facility using $50 million provided in the supplemental by the end of next fiscal year. The Plum Island funds have been made available pending the outcome of a broader independent review of the needs and options for such a facility and the potential need for a facility that would allow us to work on diseases requiring biosafety level 4—BSL–4—protection. In addition, nearly $47 million is being used to make security and operational improvements at ARS and APHIS locations and $43 million is being used to upgrade other critical USDA facilities and enhance our cyber security efforts.

Consistent with language in the appropriation, $35 million is being made available to strengthen the Agricultural Quarantine Inspection program, our first line of defense to exclude agricultural pests and diseases at the borders. These funds will allow us to accelerate the development of an Automated Targeting System to better identify cargo to be inspected in coordination with the Customs Service. In addition, the funds will allow the procurement of 100 rapid pathogen identification devices to screen baggage at the highest risk locations and will permit hiring and training of additional staff to conduct intensified inspection operations.

The supplemental provided $15 million for the Food Safety and Inspection Service to increase monitoring and surveillance, increase education and training for inspectors regarding terrorist threats, expand laboratory capabilities, enhance technical assistance to State and local entities and improve facility security. We are also directing an additional $1.5 million from funds provided to the Office of the Secretary to strengthen inspection of imported meat and poultry products.

ARS will devote $15.3 million to pursue research and data development to improve the technology for rapid detection of pathogens that pose the greatest threats to U.S. agriculture, especially FMD. This work is expected to yield applicable results in one to two years. Further, ARS will validate rapid detection systems for laboratory and field use. ARS will provide APHIS with disease-specific reagents for rapid detection tests based upon an agreed set of priorities. ARS and APHIS will collaborate in the field testing of these rapid diagnostic systems and new systems as they become available.

Clearly, the magnitude and distribution of the Nation's food and agriculture system makes it imperative that USDA's cooperators at the State and local levels be full participants in protecting this system from threats. Recognizing this need, and the unique abilities that many of these institutions can provide, we are allocating a portion of the funds to enhance our partnerships in mutually beneficial ways. A total of over $43 million in grants and cooperative agreements will enhance:

Surveillance and preparedness for animal and plant health threats.—As surveillance and response are ultimately conducted at the local level, USDA intends to work with its State, Tribal, and land-grant university cooperators to develop greater depth in early detection and response capabilities. To increase our ability for enhanced surveillance and response to potential food-borne events, we work closely with the Centers for Disease Control and Prevention in surveillance programs, such as PulseNet and Food Net, for USDA-regulated products. Funds provided in the supplemental will support equipment, training, and other items to assist them in meeting emergency preparedness standards established under the National Animal Health Emergency Management System (NAHEMS). NAHEMS is a comprehensive system that includes Federal, State, and community governments; voluntary organizations; academic institutions; and industry groups to address animal health emergencies. Funds will also support improved pest detection through the Cooperative Agricultural Pest Survey (CAPS). The CAPS provides the network for APHIS and States to target plant pest species and response activities.

Rapid detection and diagnosis of animal and plant disease threats.—Key to effective response is quick and correct diagnosis of disease symptoms. Because existing USDA facilities may be overwhelmed in an outbreak, we will assist cooperators to enhance their infrastructures to provide redundancy in a network of diagnostic abilities. This includes grants to assist States in developing animal disease diagnostic laboratory capacity, as part of an effort to upgrade existing animal health laboratory infrastructure. This will ensure that a comprehensive, coordinated and modernized system is in place to address the emergent biological and chemical threats to animal agriculture and the security of the U.S. food supply. This also includes upgrading facilities to meet biocontainment requirements, equipping laboratories to perform rapid and accurate standard methods, supporting quality assurance initiatives, and conducting training. In addition, there is a need to develop BSL–3 diagnostic capacity for the States and regions, integrate sample and test result reporting into the national databases, and make animal disease emergency management protocols consistent with agreed upon national standards. A plant and animal disease diagnostic database will be developed to provide to practitioners and others information on test procedures, experts, and identification data. These efforts will supplement other initiatives and provide APHIS back-up and independent confirmation of diagnostic results. Funds will also support land-grant university hubs that will enhance the education and training of Extension educators and laboratory personnel in current and emerging diagnostic techniques.

Disposal of animal carcasses.—APHIS will provide funds to a limited number of States to purchase tissue digestive systems. These digesters will be placed in each region to be used as necessary for the disposal of animals infected with scrapie, chronic wasting disease and other existing or emerging and foreign animal diseases.

Providing USDA decision-makers information pertinent to an outbreak.—We are initiating the development of a security analysis system that will greatly enhance the ability to respond to pest and disease outbreaks. The project uses geographic information system and other data to provide real-time mapping projections for use in predicting how diseases will spread and which agricultural products will be affected. This information will help identify the spatial and economic consequences of both outbreaks and epidemic threat scenarios.

Further, in order to effectively meet the challenge of implementing a broad array of homeland security activities in a well coordinated manner, the Department's Homeland Security Council will need support. I am in the process of assembling a small staff within the Office of the Secretary dedicated to homeland security issues. This staff will be challenged with providing the ongoing support to the USDA Homeland Security Council and coordinating all functions of USDA into one homeland security effort, whether it is responding to a threat or an emergency in concert with

Federal, State, and local government entities, or assisting all sectors of the agricultural industry in a coordinated way to understand, prepare for, and mitigate a potential threat. In addition to a coordinating function, this staff will provide coordinated interagency liaison. An example would be information from the intelligence community. The Department will need to develop a relationship with appropriate government agencies in the business of understanding threats to our Nation, and obviously threats to our agriculture and food systems.

Finally, recognizing the dynamic nature of the potential threats we face, we thought it prudent to set aside a modest portion of the supplemental pending the outcome of further assessments and to meet needs not initially identified in the review process. Now that the most urgent efforts are underway, we are taking steps to allocate those reserves.

Many of the efforts we are beginning with supplemental funds this year are continued and expanded in our proposed fiscal year 2003 budget. The budget recognizes the critical need for additional safeguards to this infrastructure as key elements in the Department's efforts to strengthen its homeland security activities. The budget includes increased funding to strengthen key elements in this infrastructure.

Specifically:

—Strengthening point-of-entry inspection programs by providing additional inspectors, expanding canine teams and state-of-the-art high-definition x-ray machines at high risk ports-of-entry on the Canadian and Mexican borders, in Hawaii, and elsewhere. The placement of equipment at airports will be coordinated with the Federal Security Manager at that airport.

—Improving the Department's capability to assess and monitor outbreaks of diseases in foreign countries that have the potential to spread to the United States.

—Increased plant and animal health monitoring to enhance the ability to quickly identify and respond to outbreaks that may occur.

—Increased support for FSIS food safety activities.

—Increased research for improved detection, identification, diagnostic and vaccination methods to identify and control threats to animal and plant agriculture.

—Strengthening the Department's cyber security program, particularly to ensure the survivability of information by enhancing intrusion detection and prevention operations.

—Funding to continue the physical and operational security upgrades started with the fiscal year 2002 supplemental funds, and to meet other unforeseen needs.

There are two items for USDA in the President's supplemental request pending before this Committee. First, we are requesting $75 million for the Special Supplemental Nutrition Program for Women, Infants and Children—WIC—to ensure the availability of sufficient funding to meet the caseload levels we are experiencing. The need for these additional funds is tied largely to higher than anticipated growth in WIC participation and food costs. During January, the most recent data available, the program served over 7.5 million participants, for an average of 7.46 million so far this fiscal year. We do not have any indication that these trends will moderate during the remainder of the year. Second, the Administration identified $9 million of funds for the Watershed Rehabilitation Program to be canceled as an offset to needs proposed in the supplemental. This program was first funded in fiscal year 2002 and is not proposed for continued funding in the President's fiscal year 2003 Budget.

In summary, Mr. Chairman and members of the Committee, I believe we have set up an effective structure to address the critical homeland security issues related to protection of the Nation's agriculture and food supply. This structure will ensure coordination within the Department and with the Office of Homeland Security. We greatly appreciate the Committee's interest in these critical issues and the support you have given to our efforts. We are committed to continuing to work with you and your staff to meet the rapidly evolving challenges we face in securing our food supply and agricultural infrastructure.

That concludes my statement. I will be pleased to respond to questions that you may have.

BIOGRAPHICAL SKETCH OF ANN M. VENEMAN

Ann M. Veneman was sworn in as the 27th Secretary of the U.S. Department of Agriculture (USDA) on January 20, 2001. Her lifelong commitment to food and farm issues, along with her bipartisan approach to solving problems and confronting new

challenges, are reasons that explain why she was chosen by President George W. Bush to serve in his Cabinet and unanimously confirmed by the U.S. Senate.

Growing up on a family farm in a small rural community, Ann Veneman understands well the issues important to America's farmers and ranchers. She has spent much of her career dedicated to food and agriculture issues and advancing sound U.S. farm and food policies.

President Bush has often said that the spirit of the American farmer is emblematic of the spirit of America, signifying the values of hard work, faith and entrepreneurship. Secretary Veneman believes strongly in these principles and since taking office, has worked to foster economic opportunities for farmers and ranchers, ensure a safe and wholesome food supply, protect agriculture against pests and diseases, encourage conservation and environmental stewardship, invest in rural communities, and support the next generation of agricultural leaders through new educational opportunities.

Secretary Veneman brings a wealth of knowledge and experience to the USDA. She is no stranger to managing the complexity of a large government agency and working with the Congress. Her management style encourages teamwork, innovation, and mutual respect in forging common sense solutions to issues facing American agriculture.

From 1991 to 1993, Veneman served as USDA's Deputy Secretary, the Department's second-highest position. She also served as Deputy Undersecretary of Agriculture for International Affairs and Commodity Programs from 1989 to 1991. Veneman joined the USDA's Foreign Agricultural Service in 1986 and served as Associate Administrator until 1989. From 1995 to 1999, Veneman served as Secretary of the California Department of Food and Agriculture (CDFA), managing agricultural programs and services for the nation's largest and most diverse agricultural producing state.

Secretary Veneman's extensive background and experience has been valuable since taking office as American agriculture has confronted critical issues such as new farm policy, international trade, homeland security, environmental stewardship and food safety.

Within months of taking office, Secretary Veneman released the Bush Administration's vision for American agriculture through the publication of *Food and Agricultural Policy: Taking Stock for the New Century*. This publication outlines the Administration's priorities for farm sector policy, trade expansion, infrastructure enhancement, conservation and the environment, rural communities, nutrition and food assistance, and USDA program integration. The report, available on USDA's website at http://www.usda.gov/ has received widespread praise for its candor and forward-looking vision.

Secretary Veneman has played a key role in eliminating trade barriers and expanding opportunities for American farmers through new export markets. She has worked closely with U.S. Trade Representative Robert Zoellick, helping lead to the successful launch of a new round of trade negotiations for the World Trade Organization.

Following a devastating outbreak of foot and mouth disease in parts of Europe and the tragic events of September 11th, Secretary Veneman and her team acted swiftly to respond to potential threats and continues working to strengthen USDA's protection systems. The Secretary has been an advocate for strong pest and disease, food safety and research programs to ensure U.S. agriculture and consumers have a safe, wholesome food supply and the infrastructure to protect it.

Secretary Veneman has been a strong advocate of agriculture education and established the "Leaders of Tomorrow" initiative to strengthen USDA education programs, particularly those involved with mentoring young adults.

The Secretary earned her bachelor's degree in political science from the University of California, Davis, a master's degree in public policy from the University of California, Berkeley, and a juris doctorate degree from the University of California, Hastings College of Law. In a personal capacity, she serves as a board member of the Close Up Foundation, a nonpartisan civic education organization.

Chairman BYRD. Thank you, Madam Secretary.

The Chair calls on Senator Kohl as chairman of the Agriculture Appropriations Subcommittee.

STATEMENT OF SENATOR KOHL

Senator KOHL. Thank you very much, Senator Byrd, and I thank you, Senator Byrd, for holding this hearing today. Our goal is to

find out the status of the emergency supplemental funding provided to USDA in January for homeland security activities, and also to assess the need for more such funding in the upcoming supplemental appropriations bill.

Secretary Veneman, as you previously noted, after September 11 Congress acted without delay to provide homeland security funds to all Federal agencies, including $328 million to USDA. I appreciate the letter I received from you in late March describing how USDA eventually plans to spend this money. However, the subcommittee has not been informed of what the actual obligations are to be. I appreciate the chance to find out why that is, and to discuss in more detail what USDA's detailed plans are.

One final comment before I start my questions, Madam Secretary. USDA and the subcommittee have the same goals for homeland security, making sure that our food and drug supply is safe from terrorist attack. We need to act, of course, as partners in the important endeavor. The subcommittee wants to be well informed, as I am sure you want to inform us of USDA's homeland defense activities.

Madam Secretary, The Washington Post recently reported that more than 140 employees in Washington area airports have been indicted on charges of falsifying information about their identities, or criminal past, on applications for work near planes, runways, and cargo. Apparently airlines contractors, airports, and private security companies conduct these reviews piecemeal, and as a result, illegal immigrants and felons do slip through the process.

USDA INSPECTION PERSONNEL

USDA employs thousands of inspection personnel at airports, seaports, and border crossings stations who play a significant role in the protection of our food supply and agriculture in general, so does the USDA require that inspection personnel have appropriate background checks or security clearances when hiring them?

Secretary VENEMAN. We do, Senator. The USDA follows the procedures that are established by the Office of Personnel Management for selecting personnel, and that includes conducting background checks for the USDA inspection personnel during the hiring process. Then it conducts follow-up investigations on any employees if there is misconduct. In addition, we have certain inspector positions, particularly in our APHIS area, that have access to some sensitive information and therefore have security clearances, such as the APHIS inspectors who work in airports, and they are in areas for which security clearances are required.

I would also note that only U.S. citizens can hold civil service appointments in the U.S. Government.

Senator KOHL. Well, what about inspection staff that were in place prior to September 11? Do they all have security clearances?

Secretary VENEMAN. It is my understanding that they all have had background checks. The higher level of security clearance is limited to certain employees who have access to other sensitive information or sensitive areas, but I would again point out the Office of Personnel Management does conduct the basic background check for Federal employees for all of our inspection personnel in our plants.

CHRONIC WASTING DISEASE

Senator KOHL. Madam Secretary, I was glad to see in your testimony that you identified the quick eradication of animal diseases like chronic wasting disease that has recently plagued Wisconsin's deer population as an appropriate use of homeland security funds. Just last week, the Milwaukee Journal Sentinel ran a story about a number of young people in this country who have died over the past several years from something called CJD. These young men were deer hunters who regularly ate venison.

I do not want to sound alarmist, because there is now no established link between chronic wasting disease and human health. However, I remember that in 1995, then British Prime Minister Major publicly stated that people could not get mad cow disease or its variant, and then 1 year later his health secretary had to retract that statement, and of course we all remember the public health crisis that followed.

During your recent trip to Wisconsin, you heard first-hand of the magnitude of the chronic wasting disease problem in our State. Under Secretary Hawks is planning to visit Wisconsin next month to meet with officials to determine what can be done to better coordinate State and Federal activities to respond to this disease.

I am pleased that Mr. Hawks will travel to Wisconsin. However, I would like to hope that Mr. Hawks can do more than simply tell us that we have a problem, because we know we have a problem. Tests have come back positive, and now we need some action, and more specifically, the State needs a commitment of Federal dollars to monitor, test and eradicate this potentially devastating animal disease, so we would like to know today how you plan on providing assistance to States like Wisconsin to respond to animal diseases like chronic wasting disease, and will you be sure that Mr. Hawks, when he visits Wisconsin in a few weeks, is prepared to announce a decision on when funding might be available?

Secretary VENEMAN. Senator, as you indicated, I did visit Wisconsin just last week. We visited the forest products lab as part of our Earth Day activities, and in the process of doing that we had the opportunity afterwards to meet with a number of State officials and someone from your staff about chronic wasting disease in Wisconsin. I was certainly appreciative of the opportunity to learn more about the situation, because it is a relatively new, emerging situation in your State.

We have been dealing with chronic wasting disease in a number of other States. We have allocated approximately $15 million to eradication efforts in that regard, and this has been primarily dealing with domestic herds, because that is what we have jurisdiction over.

The situation in Wisconsin is a little more difficult, because as you know, the finds have also been in wild herds. I was very surprised to hear, by the way, you have more deer in Wisconsin than you have cows, so this is a very serious issue in Wisconsin because of the number of deer that you have.

Mr. Hawks, as you indicated, is preparing to come to Wisconsin to discuss this with officials. I felt that my conversations with State cabinet members were very productive. The fish and wildlife direc-

tor as well as the secretary of natural resources, both are taking this extremely seriously and recognize that we have some overlapping jurisdictions in this regard. We talked about the need for laboratory testing. While I cannot commit that we absolutely know what resources we are going to have available, I can certainly commit that we will work with the State of Wisconsin to do everything we can to deal with this disease, because we have certainly been trying to deal with it in other parts of the country.

I think you also point out some important issues with regard to the need for continued research into diseases of this sort, to understand how it moves, to understand the consequences, and so forth, and we are continuing to do that.

In addition, as you know, we did release last November a Harvard Risk Assessment on BSE, and we think that gave us a good scientific basis to move forward with our efforts in protecting our domestic livestock populations from this disease, which, while not directly related, is certainly something that has some characteristics in common.

BIOSECURITY

Senator KOHL. I thank you, Madam Secretary. In reviewing USDA's plan for spending in the fiscal year 2002 homeland security supplemental and the proposed budget for fiscal year 2003, I am pleased to note that so many plans are evident to prevent biosecurity invasions from other countries, but after the airplane hijackings and anthrax incidents last year, we also need to be very concerned with terrorists perhaps already in this country utilizing domestic resources to wreak havoc on U.S. agriculture and food supplies. What is the Department doing to ensure that adequate measures are underway to prevent attempts to utilize or spread biological agents, animal diseases, plant pests, and plant diseases that already exist in the United States?

Secretary VENEMAN. One of the things we first did after September 11 was to look very carefully at our own facilities in USDA and particularly our laboratories, of which we have a rather comprehensive network throughout the United States. We looked and solicited the assistance of our OIG, at our biosecurity within our laboratories, and we found areas where we needed improvement. So we are taking aggressive efforts to improve biosecurity in all of our laboratories, and we have done that very aggressively in terms of security measures on pathogens that we work with, on transporting those pathogens, and on cataloguing and keeping track of all of those pathogens. We have developed quite an aggressive program that is in place, but we are continuing to improve it.

We are also looking at ways where we can work with universities that we contract with to create best management practices in this regard for their laboratories and how they handle pathogens, and we have had good cooperation from those in academia who are also concerned about these issues.

We have also worked closely with HHS, the Centers for Disease Control and others who have similar issues, so that we have consistent policies throughout Government. We can learn from each other's practices on how to manage these issues so that we can secure all of those agents that we work with in our laboratories

throughout this country, which certainly are an important part of our food and agriculture network, and the research that we conduct. We do need to make sure that these laboratories are secure, and that the agents that we have in them are secure, and we are doing everything in our power to do that.

Senator KOHL. Thank you very much. My time is up.

Chairman BYRD. Thank you, Senator Kohl, for your continuing interest and good work on your subcommittee. Thank you for your participation here this morning. And this afternoon, I should add.

Senator COCHRAN. Thank you, Mr. Chairman.

FISCAL YEAR 2002 SUPPLEMENTAL FUNDING

Madam Secretary, the President's supplemental funding request, the supplemental that was submitted on March 21, does not ask for any additional appropriations for the Department of Agriculture to meet homeland security needs. Do you believe the funds that have already been appropriated are adequate to meet the Department's current needs, or are there needs that have come to your attention that we should know about that ought to be funded in this next appropriations bill?

Secretary VENEMAN. Senator, we believe that the amount that was allocated in this last supplemental should be adequate for our current needs and, in fact, some can be carried over into 2003 as well. We are aggressively looking at every vulnerability that we may have and trying to target funds to those areas of greatest vulnerability.

In addition, as I indicated in my opening remarks, we do have new moneys that are requested in the 2003 budget for both pest and disease prevention and eradication, as well as for food safety. We are really looking at record budgets in both of these areas. As you know, Senator, we had been talking about the importance of these parts of the USDA mission for a number of months before September 11 and since we have actively engaged in homeland security efforts.

We are continuing to strengthen these systems in every way that we can, and that includes not only strengthening what is going on in our own Department, but also strengthening our relationships with the States and those who are going to be the first responders in the event, the unfortunate event that anything might happen.

So at this point we believe that the initial supplemental that we received will give us adequate resources to do what we believe needs to be done in the relative short term over the rest of this fiscal year and the next fiscal year, in addition to the 2003 appropriations that we have requested.

HOMELAND SECURITY SUPPLEMENTAL

Senator COCHRAN. In the bill that appropriated the funds for supplemental needs that you mentioned, the Department set aside some amounts for contingencies. Specifically, there was a $17.7 million fund set aside for contingencies, and an additional $16½ million for agriculture quarantine inspection purposes if there were unforeseen needs that arose.

Do you have any plans at this time for the use of those two specific areas of funding, or are those the funds you are talking about possibly carrying over into this next cycle?

Secretary VENEMAN. No, those are not the specific funds I am talking about. Some of the allocated funds would carry over into 2003 in terms of actual expenditure and outlay. For example, it is going to take some time to put the application process together for some of the grants to States. Some of those will not be actually issued until probably the beginning of 2003, so that is to some extent what I am talking about when I talk about carryover into 2003.

When we are looking at the issue of contingencies, we do have, as you know, a number of emergencies that we continue to get. We just talked with Senator Kohl about the chronic wasting disease, for example. Now, that would not necessarily come out of these funds, but we had a number of programs and requests that were submitted by various agencies that we thought needed additional review and fleshing out to determine how we could best utilize the funds. We want to utilize the funds for the areas that are most in need, have the most vulnerability, and where we can get the most return for the amount of money spent. So in putting together these contingencies, our intent was to make sure that we spend the money in the most appropriate way possible.

We do not intend to carry over these contingencies for a long period of time, and we will notify the committee immediately on the decision's made on these additional funds. We have asked agencies specifically for their additional proposals and their clarification on the proposals that were previously submitted by May 10.

Senator COCHRAN. Thank you very much.

LABORATORY SECURITY

Chairman BYRD. Thank you, Senator Cochran, for your long service on the Appropriations Committee, and especially with respect to the Appropriations Subcommittee on Agriculture.

Madam Secretary, a recent USDA Office of Inspector General report revealed that at many laboratories, inventories of highly infectious biological agents, including anthrax, were missing or were inaccurate. In one instance, a vial which contained about 3 billion doses of vesicular stomatitis, a pathogen of considerable risk to humans and cattle, was listed on the inventory, but in reality it was missing from storage.

The report also revealed that some of these laboratories, including those that stored highly infectious agents, were accessible to people outside the agency, including students and noncitizens.

What actions are being taken by the Department to correct this problem at the 330 laboratories across the country, and what preliminary cost estimates does the Department have from the vulnerability assessments that are underway?

Secretary VENEMAN. Mr. Chairman, I am not sure which OIG report you are referring to. I know there were some reports that referred to laboratories that were in other parts of the U.S. Government. I did refer, in answering Senator Kohl's question, that we did work with our Office of the Inspector General to take a comprehensive, immediate look at all our laboratories shortly after

September 11, because of the kinds of vulnerabilities that we have talked about today and that you are discussing as well, and we found that we did need to increase security, we needed to increase recordkeeping, and we are doing all of that.

As well we have, and I did not point this out earlier, contracted through the Energy Department with Sandia Labs, to do an independent review. They are experts on laboratories, and they are doing an independent review of our laboratories to assist us in determining what additional security measures we need to take in our laboratories.

As I indicated in my opening remarks, and as I stated in my written testimony, we are using moneys that have been appropriated from the supplemental appropriation to enhance our laboratory security, and we are particularly allocating those funds where we have seen through these studies the areas of greatest vulnerability.

OFFICE OF HOMELAND SECURITY

Chairman BYRD. Have you received any guidance or advice from the Director of the Office of Homeland Security, Director Ridge, with respect to funds that may be needed for these corrective actions, and which should be included in the administration's fiscal year 2002 supplemental request or the fiscal year 2003 budget?

Secretary VENEMAN. Mr. Chairman, we have worked very closely with the Office of Homeland Security coordinating the kinds of reports and studies that we have been conducting. The Office of Homeland Security has been a very important resource in helping us coordinate with other departments of Government in the area of laboratories particularly. As I have indicated, we have dealt with the agencies of HHS, the Centers for Disease Control and other laboratories.

We have also worked with the universities, but the Office of Homeland Security, while not specifically directing the way we utilize funds, has certainly been an active participant in bringing the dialogue together with other agencies to ensure that we are using the best available decisionmaking processes as we make these allocations of funds.

LABORATORY SECURITY

Chairman BYRD. My question really deals with the situation that has been brought to light by the USDA Office of Inspector General report regarding various pathogens, including anthrax, and the revelation that at many laboratories inventories of these agents showed that the agents were missing, or showed that the inventories were inaccurate, and then my question was, have you received any guidance from Director Ridge of the Office of Homeland Security or advice with respect to including funds for these corrective actions?

I am sure he did not direct you to spend so much more money or so much less money, but have you received any guidance or any directions from Mr. Ridge with regard to whether or not additional funds are needed in order to take corrective actions in the light of the Inspector General report? And I am talking about with respect

to the fiscal year 2002 supplemental request or in the fiscal year 2003 budget.

Secretary VENEMAN. Mr. Chairman, we have certainly been in touch with the Office of Homeland Security about the report that we have worked with the OIG on regarding laboratory security. Again, this is a cooperative effort that we worked on with our Inspector General's Office to look at our laboratories, and to do a comprehensive review very quickly to determine where the gaps were and where we needed to make improvements. We have allocated $177 million out of the $328 million to make physical and operational security improvements at the Department, and a substantial amount of that is being allocated to laboratory security.

Certainly, as I said, we have worked with the Office of Homeland Security both in sharing the reports and the issues we are dealing with, and we have also worked with them in showing them what we are suggesting in terms of how our funds out of the supplemental are allocated.

As I said, for example, there is a multiyear plan that was under development even before September 11 relating to one of our most critical laboratories, and that is the laboratory in Ames, Iowa. Due to the events of September 11, and due to some of the findings of the Inspector General, while we are continuing on the track of our refurbishing efforts, to some extent the focus has changed and we have quickly moved people out of auxiliary space that was being used for research onto the Ames campus itself. So we are making adjustments and accelerating our plans to improve some of these laboratories based upon the security needs that we have identified.

As to keeping track of the various kinds of biological agents that we use for research, I think this is extremely important. We take it very seriously. It was a gap that was identified early on, and is one that we are actively working on and have addressed. We now have a cataloguing system for everything. We have established new systems for signing in and signing out, and so where the gap was identified we have done everything that we can to satisfy that problem and also to take continuing measures. As I said, we are working, with the Sandia Laboratories to identify additional steps that we can take to make sure that we have the securest laboratories possible.

As far as I know, there is not any anthrax missing from any USDA laboratory. We certainly, are doing everything we can to make sure that we catalogue everything, all of the biological agents we have.

Finally, I would simply say that we are working very closely with Governor Ridge in the Office of Homeland Security. He set up a number of councils. USDA sits on the majority of those in one way or another, because we have so many overlapping jurisdictions, and we certainly appreciate the support we have gotten from that office and the tremendous working relationship that we have with that office.

Chairman BYRD. Well, we would certainly like to have that office come and tell us about these cooperative efforts that are existing between the two. I guess you cannot do anything about that.

RURAL WATER SUPPLIES

The USDA is charged with the responsibility of providing financial and technical assistance to our rural communities to have this basic necessity in life, safe and affordable, potable water. The Department of Agriculture serves thousands of rural systems continuously, and even provides technical assistance to other rural systems that have no affiliation with USDA. The President has not sought any supplemental funding for this program. What is the Department of Agriculture doing to review the vulnerability and security upgrades needed to protect our rural water supplies?

Secretary VENEMAN. Mr. Chairman, we are, as you say, involved in a number of technical support programs which relate to our rural water supplies. The Rural Utilities Service provides technical support to protect rural water systems. We have provided financial support to the National Drinking Water Clearinghouse, which is headquartered in your home State at West Virginia University, which provides training and extensive security information on protecting rural water supplies. We also have a contract with the National Rural Water Association, which provides on-site technical assistance.

I would also point out that we are working very closely on a coordinated effort on water issues with both the Environmental Protection Agency as well as the Interior Department, the Interior Department, of course, having many of the larger dams.

This is an issue we have discussed. I do have regular meetings with my counterparts in the Cabinet, but particularly in EPA and Interior, because we have so many overlapping jurisdictions, and this is an area where we are coordinating with regard to homeland security. There are funds available from the Clean Water Act to assist in rural communities as well.

Chairman BYRD. Has Homeland Security Director Tom Ridge provided the USDA with any written guidance on how to proceed to ensure that rural water supplies are safe and secure?

Secretary VENEMAN. I am not aware of any written guidance that has been provided to us. However, as I indicated, there are a number of working groups that are interagency groups that work under the direction of the Office of Homeland Security that regularly work on these issues and address the various vulnerabilities, rank the vulnerabilities and look at where resources need to be allocated.

HOMELAND SECURITY SUPPLEMENTAL

Chairman BYRD. You noted earlier, Madam Secretary, that you would be sending out applications to the States next October for the $15 million that Congress approved for emergency preparedness grants. We approved that funding on December 20. Why does it take 10 months to put out the applications, let alone the money for this food safety program?

Secretary VENEMAN. Mr. Chairman, if I said that, I misspoke. What I was trying to indicate was that because there will be an application process for some of these programs, we may be into the next fiscal year before some of the money can actually be distributed because the application process is going to take some time, not

that the applications would not be sent out until October. We are working as quickly as we can to make sure that we develop the right kind of parameters under which to operate these programs and work with the States.

I have met numerous times with the National Association of State Departments of Agriculture, and with the State Veterinarians Associations. We know that some States have greater needs or different needs than other States simply because of either the resources they have or what they have had to deal with in the past, and some are better prepared to deal with emergencies than others are. So we want to make sure that the kind of process that we have for assisting States with emergency preparedness has the right kind of application process so that the funds go to the appropriate places, and that is what we are trying to put together immediately so that the application process can begin.

If we can get some of these funds out before October, we certainly will. I simply stated to the committee that it could be into the next fiscal year.

OFFICE OF HOMELAND SECURITY

Chairman BYRD. Wouldn't this be something the Office of Homeland Security could help you to expedite?

Secretary VENEMAN. Well, certainly, again we are in close contact with the Office of Homeland Security. However, we are working closely, as I said, with the States and the Association of State Departments of Agriculture as well as the State veterinarians to identify what the needs are, how can funds be allocated and most appropriately utilized by States, and where are the greatest needs, so that we can put together the appropriate types of programs.

In addition, we are using some of the State funds to look at upgrading State and university laboratories so that they can be an expansion of the Federal laboratory system. I think this is a very needed thing. We have a lot of very good laboratories around the country that serve agriculture through universities and State departments of agriculture, so we will be looking at a slightly different process for utilizing funds to upgrade laboratories.

I would just point out that in terms of using the Office of Homeland Security it is really the departments that have the expertise in how to—for example, the Department of Agriculture certainly has the expertise in pest and disease prevention for agriculture.

Chairman BYRD. Shouldn't the Office of Homeland Security have a part in bringing all of these loose ends together and expediting the use of the funds?

Secretary VENEMAN. That is exactly what the Office of Homeland Security helps to do, is to facilitate particularly among and between agencies where we have resources that are going to be allocated, and that have been allocated. For example, we are using some of the funds under the defense supplemental, for getting the computer systems completed, that we need to adequately coordinate our systems with the U.S. Customs Service, for our border inspections.

That is going to be a very important improvement between USDA and the Customs Service, and so some of these funds are going to be utilized in that way, and that is certainly something

that has been facilitated by the Office of Homeland Security in terms of bringing the parties together and helping look at how the needs and systems can best come together.

Chairman BYRD. It seems to this chairman that the Office of Homeland Security could be very instrumental and very helpful in expediting these actions and pulling these things together. Of course, the Director is not here for us to ask him the question. You are doing a good job in attempting to explain the situation in his absence, and we thank you for that. Of the $328 million added by Congress last fall in the fiscal year 2002 supplemental, how much has been obligated to date?

HOMELAND SECURITY SUPPLEMENTAL OBLIGATIONS

Secretary VENEMAN. We have obligated from that supplemental—there was as part of that supplemental some WIC money that has been completely allocated—at least $10 million of other funds. We have approved a detailed spending plan and urged the agencies to move forward, so we think a substantial amount of this money will be allocated very quickly.

We estimate that certainly a majority of the funds will be allocated by the end of the fiscal year.

Chairman BYRD. That does not tell the committee much. When you say a majority of the funds, a majority of the funds would be $164 million, according to my old-time math, but you have not answered the question. Let me ask it again. Of the $328 million added by Congress last fall in the fiscal year 2002 supplemental, how much has been obligated to date, and for what purposes?

Secretary VENEMAN. Mr. Chairman, in my testimony we have reviewed the various purposes and the various agencies which have received the allocations. The money has for the most part been completely allocated to the agencies at this point in time. They are implementing their plans, and are now in the process of spending that money. Obviously, it is not going to all go out the door in 1 day or in 1 month, but it has been allocated, for the most part. We have tried to share to the greatest extent possible all of our plans with the committee members so that you have the knowledge of what kinds of programs we are spending the money on in the Department.

Chairman BYRD. Well, you said a few moments ago that a majority—and I will use your words—a majority of the $328 million added by the Congress last fall in the fiscal year 2002 supplemental had been obligated. Now, can you tell the committee how much has been obligated to date?

Secretary VENEMAN. My understanding of the funds actually obligated to date is just over $10 million, not counting the WIC money, all of which has been obligated, but we have allocated all but a small percentage of the money. The money that we talked about earlier has been allocated to the various projects for spending.

Chairman BYRD. What is your definition of the word, allocated? What do you mean by allocated?

Secretary VENEMAN. We have authorized it through the Department to the agencies for implementation of specific projects and priorities.

Chairman BYRD. For the record, tell the committee, please, how much has been obligated to date, and explain the hold up. This money was appropriated last December. The supplemental was enacted last December.

Secretary VENEMAN. Mr. Chairman, I am not able to give you an item-by-item allocation today, but we would be happy to provide the committee with a detailed report and continue to do that on an ongoing basis as we spend this money.

[The information follows:]

USDA has allocated the entire $328 million to the agencies to begin implementing their specific projects and plans. In addition, the entire $39 million provided in the Homeland Security Supplemental for the WIC Program has been obligated. Listed below are the actual obligations for the $328 million as of April 29, 2002.

Homeland security supplemental funds obligations to date: April 29, 2002

[In millions of dollars]

Agricultural Research Service: Salaries and Expenses	$2.20
Departmental Administration:	
Winter Olympics Command Center, Security Assessments, and Counter Measures involving: FS and ARS	1.62
Security Assessments at 80 ARS Facilities Nationwide	1.70
Design of reader/badging system (APHIS)	.06
Sandia Contract Phase II and III on Bio Level 3 Labs	1.50
USDA Mission Area Analyses and Simulations	1.20
OCPM Increased Operations	.40
Biomedical Testing and Lab Services	.88
Defensive Equipment and Structures	.28
Contract Security Services	.73
Emergency Response Equipment	.15
Emergency Operations Center	.22
NFC and KC Physical Security Surveys	.04
Office of the Inspector General: Salaries and Expenses	.18
TOTAL TO DATE	11.16

Chairman BYRD. Very well. We would be happy to have that on an ongoing basis. Did you request or receive any written guidance from the Office of Homeland Security on the allocation of these homeland defense funds?

Secretary VENEMAN. We have not received any written guidance. We have, as I indicated before, Mr. Chairman, worked with the Office of Homeland Security in terms of sharing with them the principal areas where we thought the funds ought to be allocated. Again, it is in our Department where we have the expertise and the people who are able to determine where the primary gaps are in terms of the spending priorities, so we have certainly kept the Office of Homeland Security apprised and worked with them, but as far as I know, we have not obtained specific written guidance.

Chairman BYRD. Very well. Any further questions? Senator Cochran.

Senator COCHRAN. Just one observation, Mr. Chairman. I think it needs to be said that this Department has done a very aggressive job in allocating resources to ensure that we continue to maintain the safest food supply in the world, and that our citizens here are free from threat of personal illness and death because of the many procedures and inspection services that are administered by the Department of Agriculture.

I think the record is quite impressive, and in animals and diseases which we talked about earlier in this hearing we are making

sure, as I understand the testimony, that our laboratories are the most modern that money can buy, and that the services that are provided throughout our country to safeguard human health as well as animal health are made available through State agencies and through Department of Agriculture resources all over the country. And it is a lot to keep up with, and I know that you are making every effort to ensure that the highest possible quality of protection is afforded, and I appreciate your diligence and the diligence of your staff in helping make sure that you discharge these responsibilities in a way that reflects credit on all of us.

Thank you.

Secretary VENEMAN. Thank you.

Chairman BYRD. Senator Cochran, I thank you for helping to make this possible. The record of performance is good, and a great deal of credit, if I may use that word, should go to the Congress and to the Appropriations Committees of the Congress and the subcommittees who do such a fine job in regard to oversight of the funds, and I, as the chairman of the full committee, want to thank you for the splendid performance that you have rendered over the years in this regard.

And I thank you, Madam Secretary, for your appearance here today, and for the testimony you have given, and the committee will want to continue to work with you in doing everything we possibly can jointly on the side of the executive branch and on the side of the legislative branch, two equal branches, to make our country and our people secure. And if we can be helpful, let us know, and we will let you know in return if we think the Department can be helpful.

We will continue to watch your performance with great interest, and we will continue to try to assure the American people that their elected representatives and those who are appointed are on the job and working in the interest of the safety of our homeland.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR PATTY MURRAY

Question. Secretary Veneman, USDA recently disqualified three Somali-American grocers in Seattle from participating in the Food Stamp Program. Those decisions came several months after a federal raid on one of the three stores. The store raided by federal agents had no ties to al-Qaida, but it was unfortunate enough to be located next door to a money-wiring business that was suspected of terrorist ties. The store owner reportedly lost tens of thousands of dollars in that raid.

As you can imagine, USDA's enforcement actions under the Food Stamp Program has caused great concern within my state's minority communities. They wonder whether the federal government is finding new, creative ways to hurt their businesses and their families.

I recognize USDA has procedures for identifying and investigating suspicious behavior in the Food Stamp Program. Clearly, we need to make sure stores are playing by the rules.

However, post-September 11, I believe the department has an additional burden to explain its enforcement actions. Recognizing there is an administrative review process underway, I would hope you could look into this situation and keep me posted on any new developments.

Answer. I will ask the Food and Nutrition Service (FNS) to provide, for the record, an update on this situation.

[The information follows:]

FNS has responded to a number of inquiries in recent weeks on the situation with three Somali stores in the Seattle area that have been permanently disqualified from the Food Stamp Program for trafficking. The action was taken in December 2001 and was based on suspicious pattern of EBT transactions identified through our ALERT system. ALERT looks at EBT transactions for all retailers in a given geographic area, and, using certain scans identifies transactions that may indicate trafficking. Of all of the ways in which potential traffickers can come to FNS' attention, ALERT is the most free of bias since it is based solely on transactional data. In the case of these stores, the FNS analysis was for the period April-September 2001.

As indicated in Senator Murray's statement, these cases are now in administrative review. We are in the process of also responding to FOIA requests by the attorneys. We are unable to determine when a decision may be forthcoming since it may be predicated by requests made by the stores' attorneys.

We continue to stay involved with this situation and will keep you posted on any new developments.

Question. Secretary Veneman, I know you agree that our land grant universities are critical partners in fighting bioterrorism. Unfortunately, state budgets are tight and federal funding for constructing or securing research facilities is minimal. Yet, Agricultural Research Service scientists often use university facilities to conduct their research.

I understand that the Farm Bill authorizes funding for biosecurity upgrades at land grant universities. Do you believe the federal government has a role to play in helping our land grant universities upgrade their research facilities and to improve security at these sites where so much federal research is done?

Answer. We do agree that the land-grant universities are critical partners in fighting bioterrorism and that the Federal government should provide financial support to universities as they assume specific responsibilities. The Department has allocated over $43 million of the funds provided in the Emergency Supplemental for grants and cooperative agreements to support efforts of our non-Federal cooperators at the State and local levels, and a substantial amount of this funding will be going to land grant universities.

The farm bill does indeed authorize a program of competitive grants to make security upgrades at university laboratories and the criteria suggested by the conferees would give priority in awarding grants to those facilities and institutions that could play a critical role in responding to a bioterrorist incident.

Question. Secretary Veneman, I've read through your testimony and I am pleased to see the department is investing in cooperative agreements with the states. In your testimony, you specifically reference the National Animal Health Emergency Management System.

I believe a key part of that Emergency Management System is a National Animal Health Laboratory Network, which your department has been working on with a variety of partners. In my state, Washington State University is a leader in animal disease diagnostics.

While I appreciate your commitment to cooperative agreements, it's clear that $43 million will not be enough. In fact, the laboratory network component that I just mentioned has been estimated to cost $70 million for a one-time upgrade of state facilities, and $22 million in future years to help maintain. The states are currently investing millions of dollars in these facilities.

What role do you see USDA playing in supporting a truly national, interconnected network of animal health diagnostic labs?

Answer. USDA supports an effective laboratory system to promptly diagnose animal disease symptoms. We are currently evaluating the National Animal Health Emergency Management System proposal which is a comprehensive system that includes Federal, State, and community governments; voluntary organizations; academic institutions; and industry groups to address animal health emergencies. We are also considering the full range of activities non-Federal laboratories may be called upon to perform in an emergency, including diagnostics and backup capacity to Federal laboratories and for carcass disposal. Our evaluation will include recommendations for appropriate levels of support for these activities.

QUESTIONS SUBMITTED BY SENATOR MARY L. LANDRIEU

Question. In the aftermath of September 11, according to USDA officials, USDA is increasing the inspection staff at U.S. ports of entry, such as New Orleans, by adding up to 500 people. Have these people been added? Where are they being assigned? If they have not been added, why not, and when will this be accomplished?

Answer. Since September 11, 2001, the Animal and Plant Health Inspection Service has hired more than 350 inspectional staff, excluding veterinary medical officers. APHIS is attempting to fill the remaining positions as quickly as possible with qualified persons. In New Orleans, APHIS is in the process of hiring 6 Plant Protection and Quarantine staff. The following table details States where four or more staff have been hired.

Inspectional Positions Hired Since Sept. 11, 2001 by State

State	*# of New Hires*
Alaska	5
California	65
Florida	82
Georgia	6
Hawaii	13
Indiana	4
Illinois	12
Michigan	12
New Jersey	6
New York	7
Pennsylvania	11
Texas	21
Utah	4
Washington	14
Puerto Rico	12
Virgin Islands	4
Other States	74
Total Hired	352

Question. Responsibility for ensuring the safety of our national food supply and for protecting the U.S. agricultural system remains scattered among roughly a dozen federal agencies and hundreds of state and local agencies. Experiences such as Foot-and-Mouth Disease and Mad Cow Disease underscore the need to improve coordination and communications between agencies. What has USDA done to assure our farmers that they can deal with a minimum of regulatory agencies when emergencies such as this occur?

Answer. USDA has developed plans to provide a quick, coordinated, efficient response in case of a foreign animal disease outbreak. USDA's Animal and Plant Health Inspection Service (APHIS) has a strong system in place for detecting and responding to outbreaks of foreign animal diseases, including foot-and-mouth disease (FMD). This FMD plan involves close cooperation with other Federal agencies and State authorities. The Bovine Spongiform Encephalopathy (BSE) Response Plan details comprehensive instructions for USDA staff outlining who is to do what, when, where, and which steps should be taken to make a definitive diagnosis of BSE. The plan has been shared with other Government agencies, such as the Food and Drug Administration, the Centers for Disease Control and Prevention, the National Institutes of Health, and stakeholders such as the Animal Ag Coalition.

Question. Agriculture terrorism is probable for many reasons including that low tech approaches can be used, very little security and biosecurity exists in agriculture with immense acreage and public access over livestock pens in saleyards, and the United States has a concentrated livestock industry with 4 packing plants doing approximately 90 percent of the country's red meat slaughter. What is USDA doing to work directly with our livestock and crop farmers to increase biosecurity at the farm level and at livestock markets and crop storage plants?

Answer. Since September 11, the Department's field staff has been working with the livestock and grain industries to develop protocols that would increase the vigilance at feedlots, stockyards, slaughter plants, large dairies, grain elevators and other locations that could be vulnerable to biological attacks by terrorists. To bolster this effort, the Department has allocated $43 million of the Emergency Supplemental for grants to States to help provide the Nation with an in-depth capacity for (1) surveillance and preparedness for animal and plant health threats, (2) rapid detection and diagnosis of animal and plant disease pathogens, (3) providing decision-makers with pertinent information in the event of an outbreak, and (4) disposal of animal carcasses.

Question. I understand that the department has established a USDA Homeland Security Council to coordinate department-wide homeland security issues with responsibility for protecting the food supply and production, protecting the USDA fa-

cilities and infrastructure, and protecting staff and managing emergency preparedness. What plans does this council have to accomplish these goals?

Answer. The Council establishes overall USDA homeland security policy, coordinates department-wide homeland security issues, approves budgets and other major commitments, appoints USDA representation to interagency or other external groups, tracks progress of high priority homeland security objectives resolves issues between agencies and provides external communications.

Question. The Council has taken a critical look at our programs funded through the supplemental to identify areas of potential overlap and gaps that need to be filled. Key elements in the decision process included development of plans by agencies and reviews of those plans by the Council. We are also working closely with the Office of Homeland Security in developing our plans and coordinating our security efforts to ensure that priority needs are met.

What is the council's budget?

Answer. There is no separate budget for the Council and the Working Group. The budget for the staff support (and related contract expenditures) for the 17 months between now and the end of fiscal year 2003 is $2.8 million.

Question. Is this council up and running?

Answer. Yes. The USDA Homeland Security Council is comprised of the Department's subcabinet officers aligned into three sub-councils that serve to cut through the organizational and programmatic boundaries of the Department. This structure serves to facilitate a more coordinated program to enhance the security of the nation's food system than would be the case were we to rely solely upon our normal service delivery and regulatory mechanisms. There is also a Homeland Security Working Group made up of key agency administrators and other senior staff, which generally meets weekly to coordinate and share information at the organizational level, one level below the Council itself. A major responsibility of the Homeland Security Staff will be to coordinate USDA's homeland security activities with federal, state and local agencies and with agriculture industry representatives. Up to now, most of this interagency, intergovernmental, and industry coordination has been performed by key professional staff within the Office of the Secretary and the offices of the most affected mission areas (Food Safety, Marketing and Regulatory Programs, and Research, Education and Economics).

Question. How many, and what type of emergency management and homeland security critical positions are vacant in USDA?

Answer. Using funds appropriated in the Defense Appropriations Act, we are presently establishing a six-person, high-level staff dedicated to providing professional support to the Council. Additionally, APHIS will hire and train 16 new staff to enhance the smuggling interdiction program, 2 veterinarians to coordinate FMD control activities throughout South America and Asia and approximately 148 more inspection staff for AQI activities. FSIS will increase their staff years from 80 to 100 for import inspectors.

Question. How will this council work with other federal departments and agencies in a collaborative way?

Answer. The Council assures that information, research, and resources are shared and activities coordinated with other Federal agencies. The Department has a liaison assigned to the Office of Homeland Security. Our staff are actively engaged in collaboration with OMB, HHS, FBI, DOJ and other agencies.

Question. How will the goals of this council benefit and protect the grass-roots farmers who are producing food animals and crops to feed our citizens?

Answer. The goals of this Council are already helping protect grass-roots farmers who are producing crops and livestock. The Department's field staff has been working with the livestock and grain industries to develop protocols that would increase the vigilance at feedlots, stockyards, slaughter plants, large dairies, grain elevators and other locations which could be vulnerable to biological attack by terrorists. The Council also serves a key role in coordinating the efforts of a number of agencies in this regard.

Question. What plans does this council and USDA have in working with the states and with private veterinary practitioners to provide protection and services to our agriculture families and industries?

Answer. The Department has allocated $43 million of the Emergency Supplemental for grants to States to help provide the Nation with an in-depth capacity for (1) surveillance and preparedness for animal and plant health threats, (2) rapid detection and diagnosis of animal and plant disease pathogens, (3) providing decision-makers with pertinent information in the event of an outbreak, and (4) disposal of animal carcasses.

The Extension Disaster Education Network also builds on the current network of extension agents who are trained to help people and communities deal with natural

disasters. Funds would be used to develop educational materials and to recruit and train personnel to deliver information at times of crisis.

Question. Is there a mechanism for first-line responders such as private veterinary practitioners, diagnostic laboratories, and extension personnel to apply for grants to develop emergency management agriculture plans?

Answer. The mechanism for extending these grants to the most promising proposals is under development.

Question. Money was appropriated in the fiscal year 2002 budget to begin the joint consolidation and modernization of animal health diagnostic laboratories in Ames, Iowa. This is an important part of our agriculture homeland security system. However, there are no proposed monies to continue to accelerate this important project in the fiscal year 2003 President's proposed budget and I understand the department wants to use monies from supplemental funds allocated after September 11. It is my understanding the supplemental funds were to be used to assist current programs—not for the continued development and construction of the joint laboratory project. How does the department propose to complete the consolidation and modernization of the animal health diagnostic laboratories in Ames without the request for monies to do so?

Answer. Actually, the Emergency Supplemental includes $50 million for the construction of the BSL–3 large animal building, a major component of the new USDA Ames Animal Facility. Planning for this facility is underway now and planning for other components of the complex will begin in July 2002. Under the schedule we are on, we will be prepared to award contracts for construction of the other components of the complex in fiscal year 2004, if funding is available.

QUESTIONS SUBMITTED BY SENATOR JACK REED

FOOD SAFETY

Question. Madam Secretary, in the post-9/11 environment, many Americans are concerned about the safety of the food they eat.

Do you believe that potential terrorist attacks pose a serious threat to the safety of our food supply? Could you describe your Department's activities to protect our food supply against potential attacks, including how the Department is coordinating with FDA?

Answer. The Department of Agriculture takes very seriously the possibility of a bioterrorist action against the food supply. A number of steps have been taken to strengthen the agricultural infrastructure to protect the food supply against potential attacks. As a result of the devastating outbreak of Foot-and-Mouth Disease that hit the United Kingdom and other parts of Europe, the Department conducted an intense review of its safeguarding programs. Actions have been taken to increase the number of inspection personnel at U.S. ports of entry by nearly 40 percent and double the number of inspection dog teams from levels 2 years ago. Additionally, training exercises, as well as more communications and technical assistance, have been conducted and improved to ensure readiness should an animal, pest or food emergency occur. With regard to protecting the meat, poultry, and egg products supply from intentional attack, we have placed our food inspectors on heightened alert regarding potential food security threats in the production environment and has initiated training for its inspectors and compliance personnel in threat recognition and interdiction techniques. We are also planning to use $1.5 million of the funds provided by the Homeland Security Supplemental to hire 20 additional import inspectors for a total of 100 import inspectors.

We have also increased our efforts to coordinate biosecurity efforts within the Department, as well as with other Federal, State, and local agencies, consumer and industry groups. The Department has a strong emergency preparedness plan in place to respond to an intentional attack on the meat, poultry, or egg products supply. FSIS recently formed the Food Biosecurity Action Team (F–BAT) to coordinate and facilitate all activities pertaining to biosecurity, countering terrorism, and emergency preparedness. F–BAT coordinates with the Food Emergency Rapid Response and Evaluation Team (FERRET), which is the Department-wide mechanism to ensure expeditious and effective response in the event of a food security threat. USDA is also a participant in the Food Threat Preparedness Network, (PrepNet), which functions across departments to ensure food security throughout the government. PrepNet is co-chaired by the FSIS Administrator and the Director of the Center for Food Safety and Applied Nutrition (CFSAN) at the Food and Drug Administration (FDA). This group is a strong example of USDA's commitment to working with other public health agencies to take proactive measures against bioterrorist threats

against the food supply. Other members of PrepNet include Animal and Plant Health Inspection Service, the Centers for Disease Control and Prevention, the Department of Defense, and the Environmental Protection Agency.

Question. With these collaborative groups in place, the Department is well situated to respond to food safety threats to our nation's food supply, regardless of whether they occur as a result of intentional or accidental action. We will continue to coordinate its prevention and response activities on all levels, both internally and externally among all stakeholders.

If there were a bioterror event involving our food supply, who would be in charge?

Answer. In the event of a bioterrorism attack on the food supply, the Food Preparedness Network (PrepNet) would be immediately activated. PrepNet is jointly overseen by the Under Secretary for Food Safety at USDA and the Special Advisor for Bioterrorism at Health and Human Services (HHS). At the working level, PrepNet activities are directed by the Administrator of FSIS (in the case of meat and poultry) and the Director of CFSAN (all other foods). PrepNet would coordinate its activities with law enforcement offices, such as the FBI, and with the White House Office of Homeland Security through the Deputy Secretaries' offices of USDA and HHS.

The Deputy Secretary oversees a vast, department-wide internal structure devoted to biosecurity needs, which includes those related to the food supply and agricultural production.

USDA continues to strengthen homeland security planning and preparedness related to food safety. FSIS has received $16.5 million to increase monitoring, provide training to inspectors, and to expand technical capabilities. In addition, proposed increased spending is outlined in USDA's fiscal year 2003 budget, which would provide record support for pest and disease protection systems and food safety programs.

Question. I understand that neither the FDA nor USDA has mandatory recall authority for food. If we find that a given product is making people sick, and we suspect it's a bio-terror agent, what tools does government have to recall food? Do we rely on states to make that call? Or on the food processors? What if it's an imported product that may have been contaminated by terrorists?

Answer. If there is reason to believe that product is adulterated or misbranded and has entered commerce, FSIS works with the industry to ensure that all product is quickly removed and recalled from commerce. FSIS may request that a company recall product or a company may do so on its own. FSIS has never had a company refuse to recall a product at the request of FSIS. As an alternative to a recall, FSIS may detain or seize adulterated or misbranded product. I have asked FSIS to provide a more detailed response to your question for the record.

[The information follows:]

FSIS receives and responds to product-specific information seven days a week from a number of sources, including FSIS laboratories, inspection staff, enforcement staff, industry establishments, consumers, other Federal entities, such as FDA, and State for foreign food safety authorities. The procedures FSIS has in place are designed to handle any kind of food safety emergency, whether it is naturally occurring or a planned assault on the food supply.

Product information received by FSIS is reviewed by the Agency's Recall Staff and, if appropriate, with the establishments that produced the product. After a preliminary investigation and determination that a recall potentially is warranted, FSIS forms a Recall Committee, including scientists, technical experts, field inspection managers, enforcement personnel, and congressional and public affairs representatives. The Committee reviews all available data and determines whether there is reason to believe that product that is adulterated or misbranded has entered the stream of commerce. If this is the case, the Committee assigns a classification to the situation based on the health risk presented by the product. Class I means that reasonable probability exists that an implicated product may cause serious health consequences or death if consumed (for example, a ready-to-eat product that was contaminated with Listeria Monocytogenes. Class II means there is a remote possibility of adverse health consequences, such as a product containing very small, non-toxic foreign material. Class III means that the product would not cause adverse health consequences, such as if the product is economically adulterated. When the hazards are unique or unusual, the Recall Committee consults with the FSIS Health Hazard Evaluation Board to assess the risk associated with consumption of the product. The Recall Committee also identifies production and distribution information so that all the recalled food can be identified and returned.

When its work is completed and a recall is found to be warranted, the Recall Committee advises the company of its recommendation that a Class I, II, or III recall be conducted. The Committee also provides an opportunity for the firm to offer any

information it wishes FSIS to consider regarding the recall. The Recall Committee then considers all information and makes a final recommendation to the FSIS Deputy Administrator for Public Health and Science.

Recall procedures are the same for domestic and imported product. If a problem is found with imported product after it has entered the United States, it is treated the same as domestic product with regard to disposition. It cannot be re-exported; and must be either destroyed or converted to animal food, expect in some specific cases where it can be further processed or re-labeled to bring it into compliance with U.S. regulatory requirements.

For every recall, FSIS notifies the public through press releases and with Recall Notification Reports (RNRs), which are sent electronically to Federal, State, and local food safety and public health officials. The press release and RNR are also posted on the FSIS Recall web site.

FSIS has a dedicated electronic database of recall information through which each recall is tracked from the point of initiation until it is closed. FSIS enforcement personnel perform effectiveness checks to ensure that recalled products are being removed from distribution channels. Additionally, FSIS maintains a database of information on product recalls associated with outbreaks of foodborne illness. The Agency's field epidemiology officers work cooperatively with State public health officials and the Centers for Disease Control and Prevention (CDC) to initiate and trace back recalled product to determine possible linkages to foodborne illness or outbreaks. This is followed by laboratory analysis of food product samples. State investigators and CDC can compare patient isolates to meat isolates using Pulsed Field Gel Electrophoresis (PFGE) patterns, or "genetic fingerprints" to help establish the link between a particular food vehicle and cases of human illness. This information is helpful in conjunction with other evidence (HACCP plans, sanitation records, and epidemiological data) in assisting the FSIS recall and human health staff to determine the source of the outbreak.

Question. Do you support mandatory recall authority for USDA?

Answer. The Administration has not taken a position on whether legislation is needed giving mandatory recall authority and other enforcement measures to improve food safety.

Question. What are the most critical food safety threats and what resources do federal agencies need to be fully prepared?

Answer. USDA has in place a number of programs aimed at protecting the agricultural infrastructure from a variety of food safety threats, including pests and diseases that can cause serious harm to agriculture and the food system. In addition, we have food safety programs designed to reduce all types of hazards in the food supply, whether they are chemical, physical, or microbiological. These programs have been very successful and are recognized worldwide as the most appropriate means for controlling food contamination, whether intentional or unintentional. The 2003 budget includes increased funding to strengthen training and technology to enhance homeland security and protect agriculture and the food supply. Highlights of these increases include: (A) $19 million increase in the AQI program for improved point-of-entry inspection programs; (B) $5 million increase to strengthen the capability of APHIS to assess and monitor outbreaks of diseases in foreign countries that have the potential to spread to this country; (C) $48 million increase for plant and animal health monitoring; (D) $12 million increase for other APHIS programs to expand diagnostic, response, management, and other scientific and technical services; (E) $28 million increase to support FSIS food safety activities; and (F) $34 million to support research aimed at protecting the Nation's agriculture and food system.

Question. Do we need a single food safety agency or do you believe the current bifurcated system is effective for handling potential terrorist threats to our food supply?

Answer. The Administration's report, *Food and Agricultural Policy: Taking Stock for the New Century*, indicates that where possible, Federal policies and programs must be coordinated and integrated to reduce duplication of effort, regulatory burden, and program cost. This is especially important for the food safety area where several agencies share regulatory responsibilities or have a role in research, development, and implementation of food safety policies. At this time, the Administration has not taken a position on whether it is necessary to develop alternative organizational food safety structures.

Question. The fiscal year 2002 supplemental provides $75 million for USDA to provide resources to finance rising participation in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) and increased costs of WIC food and administration.

Is $75 million sufficient to growing needs under the WIC program, and what are your anticipated needs in the coming fiscal year?

Answer. We believe that the proposed supplemental for $75 million for the WIC program is sufficient to ensure unrestricted access to the program for eligible women, who choose to participate, and their children. The President's fiscal year 2003 budget requests a base appropriation of $4.6 million and a contingency reserve of $150 million. The Department remains confident that this request is sufficient to meet anticipated demand for program services in the coming fiscal year.

QUESTIONS SUBMITTED BY SENATOR BEN NIGHTHORSE CAMPBELL

Question. There has been a lot of money appropriated to each cabinet member for the sole purpose of Homeland Security. As I see it, the Food Safety and Inspection Service (FSIS) will carry most of the load for the USDA's contribution to the security of the United States and its food supply. It troubles me that very little of the food that enters this country is inspected.

How can the United States be expected to protect itself if we cannot be 100 percent certain that the food we eat is safe?

Answer. FSIS has an extensive program in place to ensure that imported meat and poultry products meet U.S. food safety requirements, including foreign equivalency audits, on-site inspection of foreign establishments exporting products to the United States, and reinspection of imported products at ports-of-entry by specially trained inspection personnel. FSIS in-plant inspectors inspect imported products that are further processed in domestic meat and poultry establishments. In addition, ARS provides research support and we are strengthening APHIS to keep diseases out of the country that would affect the food supply.

Question. Should the FSIS be more closely working with other government agencies (Customs) to better inspect the foodstuffs coming into the United States?

Answer. Using funds provided by the Homeland Security Supplemental, FSIS will hire an additional 20 import inspectors, an increase of 25 percent, for a total of 100. The inspectors will be located at various ports-of-entry to augment the existing inspection force. Some funds will also be allocated to support improvements in information system linkages among FSIS, the Animal and Plant Health Inspection Service (APHIS), and U.S. Customs Service that are used to identify shipments of prohibited food animals and food products into the United States.

Since September 11, FSIS has placed increased attention on the need to coordinate biosecurity efforts within the Agency and Department, as well as with other Federal, State, and local agencies, consumer and industry groups. The Agency has a strong emergency preparedness plan in place to respond to an intentional attack on the meat, poultry, or egg products supply. FSIS recently formed the Food Biosecurity Action Team (F–BAT) to coordinate and facilitate all activities pertaining to biosecurity, countering terrorism, and emergency preparedness within the Agency.

Within the Department, F–BAT coordinates with FERRET—the Food Emergency Rapid Response and Evaluation Team—the Department-wide mechanism to ensure expeditious and effective response in the event of a food security threat. FSIS also is a participant in the Food Threat Preparedness Network, (PrepNet), which functions across departments to ensure food security throughout the government. PrepNet is co-chaired by the FSIS Administrator and the Director of the Center for Food Safety and Applied Nutrition (CFSAN) at the Food and Drug Administration (FDA). This group is a strong example of USDA's commitment to working with other public health agencies to take proactive measures against bioterrorist threats against the food supply. Other members of PrepNet include APHIS, the Centers for Disease Control and Prevention, the Department of Defense, and the Environmental Protection Agency.

With these collaborative groups in place, FSIS is well situated to respond to food safety threats to our nation's food supply, regardless of whether they occur as a result of intentional or accidental action. FSIS will continue to coordinate its prevention and response activities on all levels, both internally and externally among all stakeholders.

Question. After September 11th, there was a fear raised of cropdusters passing over populations and spreading clouds of various dangerous chemical agents over populous areas. I'm not sure that this threat is over, but I am wondering what is the USDA doing to protect against the spread of harmful chemical agents over fields where the country's corn, wheat, or other grains are grown?

Answer. The USDA cooperates in a number of programs that involve the aerial application of materials to control plant and animal pests.

Most of the aircraft used in USDA programs are required to maintain radio communication with program personnel on the ground. Contract applicators are also

"checked-in" each morning before starting program operations. In many cases, global positioning systems (GPS) are used to monitor exactly where the aircraft have traveled.

Several things would have to happen in order for someone to discharge dangerous materials in an inappropriate manner from an aircraft. They would have to: (1) be trained in how to operate the specific aircraft; (2) overcome ground security measures and gain access to the aircraft; (3) gain access to a large amount of a "restricted use" material, and get it loaded into the aircraft without being noticed by ground personnel; (4) be able to start the loaded aircraft and get airborne without being noticed; and (5) be familiar with local terrain in order to find their target area.

Question. What types of reserves (or contingency plan that you are able to discuss) does the United States have in the event of a catastrophic attack on our nation's agricultural producers?

Answer. The Department has offices in every major agricultural county in the nation. Our staffs at the Farm Service Agency and the Cooperative State Research, Education and Extension Service are in close contact with farmers and ranchers. They stand ready to quickly communicate the need to respond to terrorist threats or to bring experts to the scene of a possible terrorist attack. APHIS' Surveillance and Emergency Program Planning and Coordination Staff plans and coordinates exotic plant pest emergency programs and they collaborate with stakeholders to develop and implement policies to strengthen the emergency response capabilities. They also coordinate the planning and development of budget proposals to transfer funds from the Commodity Credit Corporation to support exotic emergency program activities.

COMMITTEE RECESS

Chairman BYRD. Now, the next hearing will occur on Thursday. The full committee will meet in open session at 10 a.m., and at 2:30 p.m. on Thursday, May 2, in room SD–192 of the Dirksen Senate Office Building. The subject of the hearing will be homeland security and the fiscal year 2002 supplemental appropriations. The witnesses at that time will be Hon. Norman Y. Mineta, Secretary of Transportation, who will appear before the committee at 10 a.m. He will be followed by Hon. Tommy Thompson, Secretary of Health and Human Services, at circa 11 a.m., and he will be followed by the Attorney General Hon. John Ashcroft at 2:30 p.m., who will then be followed by Joe M. Allbaugh, Director of FEMA, on that date. And until that time, the committee will stand in recess.

[Whereupon, at 2:05 p.m., Tuesday, April 30, the committee was recessed, to reconvene at 10 a.m., Thursday, May 2.]

HOMELAND SECURITY AND THE FISCAL YEAR 2002 SUPPLEMENTAL APPROPRIATIONS BILL

THURSDAY, MAY 2, 2002

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

The committee met at 10:05 a.m., in room SD–192, Dirksen Senate Office Building, Hon. Robert C. Byrd (chairman) presiding.

Present: Senators Byrd, Harkin, Kohl, Murray, Dorgan, Durbin, Reed, Stevens, Cochran, Specter, Domenici, Burns, Shelby, Gregg, and DeWine.

OPENING STATEMENT OF CHAIRMAN ROBERT C. BYRD

Chairman BYRD. The committee will come to order. I am informed that my colleague, Senator Stevens, is on his way, but I am told that it would be his wish that I proceed for the time being.

Today marks the Senate Appropriations Committee's fourth day of homeland defense hearings. So far, the committee has heard about significant needs at the State and local levels. The committee has been asked to devote considerable resources to law enforcement, emergency health response, ports, utilities, fire fighters, and so many other priority areas. We have learned that while the American people expect their homeland security to be an absolute, at this point it is nothing more than an aspiration.

On Tuesday, we heard from three Cabinet Secretaries. Today, we will hear from four others. Last year, the Commerce, Justice, State Subcommittee led by Senator Gregg and Senator Hollings held 3 days of hearings to assess the readiness capabilities of 46 Federal agencies responsible for dealing with a terrorist act.

One thing that emerged from those hours of hearings is that our Nation's homeland defense is falling victim to bureaucratic turf battles. Instead of a seamless procedure that is met without resistance by Federal agencies, homeland defense priorities are mired in conflicting department missions. The one person with the responsibility and the authority to cut through that conflict and to help resolve those turf battles is gagged by his own Administration. Director Ridge is the one person in this Administration who does not have a conflicted mission. He is the single figure with the responsibility to protect the lives and property of the American people from terrorist attack. He has been given that mission through an executive order by the President.

This committee wants to help Director Ridge to fulfill his mission. This committee has shown its commitment to homeland security when Members crafted the emergency supplemental bill last

December that included substantial funds for bioterrorism, first responder training, and transportation security. We addressed immediate needs in food and water safety, nuclear security, and border security. This committee has not been shy about funding the critical safety needs of this Nation, nor will we be shy in the days ahead, but I do fear that we will not have the entire homeland security plan, nor will we have an understanding of the priorities that Director Ridge feels ought to be addressed immediately without his testimony.

I must note that later this morning Director Ridge is scheduled to provide a briefing to Senators on the topic of border security. This orchestrated event, apparently orchestrated event, comes on the precise date that Senator Stevens, the Ranking Member of this committee, and I, the Chairman of this committee, offered an opportunity for Director Ridge to testify before this committee. Instead of allowing Director Ridge to testify before this Senate Appropriations Committee, the Administration would rather trivialize homeland security with these made-for-television stunts.

This committee is engaged in serious business, crafting legislation to address the many, many critical vulnerabilities in our homeland defenses. This committee is seeking information as we make funding decisions that will affect the safety of every single American in this country.

To make the best possible decisions, we have asked for the advice of this Administration point man on homeland security. If Director Ridge will appear before our committee, we will welcome him in formal, open, public hearings. The invitation is open, but if the Administration continues to deny the bipartisan request, the committee will simply have to do its best without him. The committee cannot be distracted from our efforts by these sophomoric political antics. The committee has a job to do, and the committee will do it.

Just this week, the Brookings Institution released a comprehensive study of the Administration's current homeland security policy. The Brookings team found a number of shortfalls in the current Administration approach, including the fact that the primary missing ingredient from all of the debate and the discussions is a clear, coherent plan that identifies our most critical vulnerabilities and the steps necessary to address those vulnerabilities.

The Administration testimony that we have heard to date focuses on steps taken to prevent the type of attacks we have already suffered. Little attention has been paid to the real vulnerabilities that we all know do exist. That again is why we want to hear from Director Ridge.

Secretary Mineta today will speak to issues involving the Transportation Department, but he does not have the whole picture when it comes to homeland security, nor does Attorney General Ashcroft, Secretary Thompson, or Director Allbaugh. Each Cabinet Secretary and agency head holds a piece of the puzzle, but only Mr. Ridge is privy to the whole picture, and that is what the American people need to see.

I continue to hope that the President will come to realize the seriousness of this matter, acknowledge the public's right to know, and allow Director Ridge to testify in open hearings before this

Senate Appropriations Committee. Now, I want to turn to Senator Stevens, my colleague, for any comment he wishes to make at this point.

[The statements follow:]

PREPARED STATEMENT OF CHAIRMAN ROBERT C. BYRD

Today marks the Senate Appropriations Committee's fourth day of homeland defense hearings. So far, the committee has heard about significant needs at the state and local levels. We have been asked to devote considerable resources to law enforcement, emergency health response, ports, utilities, firefighters, and so many other priority areas. We have learned that, while the American people expect their homeland security to be an absolute, at this point it is nothing more than an aspiration.

On Tuesday, we heard from three Cabinet secretaries, and today we will hear from four more. Last year, the Commerce-Justice-State Subcommittee, led by Senator Gregg and Senator Hollings, held three days of hearings to assess the readiness capabilities of forty-six federal agencies responsible for dealing with a terrorist act. One thing which emerged in all of those hours of hearings is that our nation's homeland defense is falling victim to bureaucratic turf battles. Instead of a seamless procedure that is met without resistance by federal agencies, homeland defense priorities are mired in conflicting department missions. And the one person with the responsibility and the authority to cut through that conflict and to resolve those turf battles is gagged by his own Administration.

Tom Ridge is the one person in this Administration who does not have a conflicted mission. He is the single figure with the responsibility to protect the lives and property of the American people from terrorist attack.

This committee wants to help Director Ridge. This committee has shown its commitment to homeland security when members crafted the emergency supplemental bill last December that included substantial funds for bioterrorism, first responder training, and transportation security. We addressed immediate needs in food and water safety, nuclear security, and border security. We have not been shy about funding the critical safety needs of this nation, nor will we be in the days ahead. But I fear that we will not have the entire homeland security plan nor an understanding of the priorities that Director Ridge feels ought to be addressed immediately without his testimony.

I must note that, later this morning, Director Ridge will provide a briefing to Senators on the topic of border security. This orchestrated event comes on the precise date that Senator Stevens and I offered to Tom Ridge to testify before this committee. But, instead of allowing Director Ridge to testify, the Administration would rather trivialize homeland security with these made-for-television stunts.

This Committee is engaged in serious business, crafting legislation to address the many, many critical vulnerabilities in our homeland defenses. We are seeking information as we make funding decisions that will affect the safety of every single American. And, to make the best possible decisions, we have asked for the advice of this Administration's point man on homeland security. If Mr. Ridge will appear before our committee, we will welcome him. The invitation is open. But if the Administration continues to deny our bipartisan requests, we will do our best without him. We cannot be distracted from our efforts by these sophomoric political antics. We have a job to do, and we will do it.

Just this week, the Brookings Institution released a comprehensive study of the Administration's current homeland security policies. The Brookings team found a number of shortfalls in the current Administration approach, including the fact that the primary missing ingredient from all of the debate and discussion is a clear, coherent plan that identifies our most critical vulnerabilities and the steps necessary to address those vulnerabilities. The Administration testimony that we have heard to date focuses on steps taken to prevent the type of attacks we have already suffered; little attention has been paid to the real vulnerabilities that we all know exist. That, again, is why we want to hear from Director Ridge.

Secretary Mineta today will speak to issues involving the Transportation Department, but he does not have the whole picture when it comes to homeland security. Nor does Attorney General Ashcroft, Secretary Thompson, or Director Allbaugh. Each Cabinet secretary and agency head holds a piece of the puzzle, but only Mr. Ridge is privy to the whole picture, and that is what the American people need to see. I continue to hope that the President will come to realize the seriousness of this matter, acknowledge the public's right to know, and allow Director Ridge to testify.

Secretary Mineta, no federal agency was more immediately and more stunningly affected by the events of September 11 than yours. Increased airport security is probably the most visible aspect of America's new focus on homeland security, and transportation security remains at the top of our list of national concerns.

Airport security is one issue, and a very important one, but as this Committee heard during our first round of Homeland Security hearings, port security is another extremely important element of homeland security.

I look forward to hearing your comments on the state of our national transportation policies and infrastructure as they relate to homeland security, and on what steps you are taking to strengthen transportation security, both for passengers traveling in this country, and for goods entering our ports.

PREPARED STATEMENT OF SENATOR TIM JOHNSON

Mr. Chairman, I thank you and Senator Stevens for organizing today's hearing on homeland security and the fiscal year 2002 Supplemental Appropriations bill. Securing our nation from the threat of future terrorist attacks remains our highest priority, and your continued leadership on this issue is greatly appreciated. The seriousness and diversity of the threats we face make this a difficult challenge. However, I remain confident that by working together, the Congress and the Administration will do what is needed to keep the American people safe.

Once again, we are fortunate to have a distinguished panel of witnesses appearing before the Committee today. Secretary of Transportation Norman Mineta, Secretary of Health and Human Services Tommy Thompson, Attorney General John Ashcroft, and FEMA Director Joe Allbaugh will share with the Committee how their agencies and departments are addressing our homeland security needs.

The events of September 11 propelled the Department of Transportation into the forefront of our homeland security debate. Soon after the tragedies of September 11, Congress passed legislation to tighten security at America's airports, which I believe has made travel in the United States safer.

However, reports have emerged about continuing security lapses. Moreover, there is concern about whether there are sufficient resources for future security needs, especially for small airports. I introduced legislation after the attacks that would give small airports the resources needed for additional security equipment. It is important to remember that two of the terrorists began their trip in Portland, Maine, a town that is smaller than Rapid City, South Dakota. Small airports are required to meet many of the security requirements that were enacted into law, and Congress and the Administration have a responsibility to help them meet those standards.

The fiscal year 2002 Supplemental request includes $2.4 billion to fund and operate the Transportation Security Administration (TSA). This will provide funding for initial contracted airport screeners and for hiring federal airport screeners, managers, and checkpoint law enforcement officers. The Department of Transportation is still implementing the new airport security requirements, but I encourage Secretary Mineta to continue to investigate vulnerabilities at our nation's airports and to work with Congress to ensure adequate funds are being appropriated to transportation security needs.

September 11 also awakened us to the potentially devastating consequences of a bio-terrorist attack on the United States. In my discussions with South Dakota health officials, it has become clear to me that we cannot mount a successful response to bio-terrorism or other public health threats without substantially improving the core capacities of local health agencies. As a result, I have worked with my colleagues on legislation to direct federal funds to state and local health officials.

I was very pleased that last year Congress provided Health and Human Services $3.3 billion for emergency expenses related to countering potential biological, disease, and chemical threats to civilian populations. Much of this funding was directed to hospitals, clinics, and health care facilities for grants to improve their capacity to respond to bio-terrorist threats.

Providing funds so that local hospitals have both the equipment and knowledge necessary to quickly respond to a potential threat should be one of Secretary Thompson's highest priorities. It was surprising to me that the fiscal year 2002 Supplemental request did not include any additional funds for bio-terrorism response. I hope Secretary Thompson will explain to the Committee how the previously appropriated funds are being spent, and will also tell us about any unmet needs.

The Department of Justice has also been on the front lines of our response to the September 11 attacks, both tracking down information on those involved in the at-

tacks and working to prevent future terrorist acts against the United States. This afternoon, we will hear from Attorney General John Ashcroft.

The fiscal year 2002 Supplemental request contains two important items for the Department of Justice. First, is a request for $5.8 million for the Automated Biometric Identification System/Integrated Automated Fingerprint Identification System project. This system is designed to assist the Immigration and Naturalization Service in determining if a suspect is subject to a Want/Warrant posting or is on the FBI's Criminal Master File. Funding this technology is critical to making the recently passed Enhanced Border Security and Visa Entry Reform Act an effective tool to secure U.S. borders and points of entry.

The Supplemental request also includes funding for the FBI's multi-agency Task Force to deny entry into the United States by foreign terrorists. The $100 million in this request will provide space and support infrastructure for the Task Force.

Currently, the Department of Justice administers the Equipment Acquisition Grant program through the Office for Domestic Preparedness. This grant program is a vital source of federal funds for equipping first responders. There is a proposal to move the Office for Domestic Preparedness from the Department of Justice to FEMA. I would like to hear more about the consequences of this proposal, but I am generally supportive of the idea that FEMA should take the lead in building state and local capacity to respond to disaster situations.

One of the common themes of these hearings is that we must provide local agencies with sufficient funds to fulfill their homeland security missions, including adequately equipping and training our first responders. Work in this area has already begun, thanks in large part to Senator Byrd's insistence that we make a down payment on homeland security needs in last year's budget.

As a result of that money, the South Dakota Division of Emergency Management is providing equipment acquisition grants to South Dakota cities to identify, isolate, and clean-up hazardous materials. FEMA is providing grants to local firefighters to make certain they have the equipment necessary to respond to new threats. Federal dollars are being used to upgrade ambulance services across South Dakota with new computers and software that will streamline data collection and improve communications. These resources will allow the ambulance services to communicate and share information in the event of a widespread bio-terrorism attack.

The fiscal year 2002 Supplemental request includes $327 million for FEMA to provide additional grants to the states and localities for planning, equipment, and training to respond to chemical and biological attacks. As FEMA moves forward in distributing these funds, I would encourage Director Allbaugh to pay particular attention to ensuring first responders are able to achieve a high degree of compatibility in equipment and communications with federal, state, and local officials.

Mr. Chairman, once again thank you for your dedication to the issue of homeland security. I appreciate you calling today's hearing and the witnesses' willingness to come before the Committee to share with us how they are responding to our homeland security needs.

STATEMENT OF SENATOR TED STEVENS

Senator STEVENS. Thank you, and good morning to Secretary Mineta. Mr. Chairman, in my position I do agree with you about the need to have Governor Ridge appear before us so that we can obtain the whole picture of how these pieces fit together. I am sure you understand I cannot subscribe to the other comments you have made, although I understand them, and understand why you make them, and I seem to recall making similar remarks myself about the last Administration at times, so I understand your frustration.

But before I make a comment about my good friend the Secretary of Transportation, let me say this. I see behind the Secretary Admiral Loy, and one of the main reasons that I have joined with you on the request to have Governor Ridge come up is that I keep hearing rumors that the Coast Guard is going to be merged with other agencies in terms of homeland defense objectives.

The Coast Guard is our lifeline in a State that has half the coastline in the United States. They are more than law enforcement. They are search and rescue. They probably deliver more babies than most ambulances in major cities. They are our real savior in

many ways in a State that has such a sparse population spread out in an area over one-fifth the size of the United States. I am deeply concerned about the rumor that this agency might become a homeland defense agency rather than the guardian of our coasts and enforcement of our fisheries laws.

But let me say this, Secretary Mineta is before us as I think the one man that demonstrates the kind of leadership that is required by crisis. When he ordered every commercial airline to land, not to go back to where they came from and not to get where they were intended to go immediately, but to land, he saved many lives, and he really, I think, put the aviation industry into high gear to deal with a crisis. So I welcome my friend and all of our friend, the Secretary of Transportation, and look forward to his comments.

Chairman BYRD. Mr. Secretary, no Federal agency was more immediately and more stunningly affected by the events of September 11 than yours. Increased airport security is probably the most visible aspect of America's new focus on homeland security, and transportation security remains at the top of our list of national concerns.

Airport security is one issue, a very important one, but as this committee heard during our first round of homeland security hearings, port security is another extremely important element of homeland security. I look forward to hearing your comments on the state of our national transportation policies and infrastructure as they relate to homeland security, and on what steps you are taking to strengthen transportation security both for passengers traveling in this country and for goods entering our ports.

I will first of all, before asking any questions of my own, turn to the Chairman and the Ranking Member of the Subcommittee on Transportation for any statements they may have. Now, we have a crowded witness list and, Mr. Secretary, if you can keep your answers as brief as you possibly can. I would appreciate it. I know how strongly you feel about these matters. As a former Member of Congress you are probably as used, as we are, to saying what we think and taking our time, but we do have to move along, and if you would make your responses as brief as possible and do whatever you can to help us to secure as much information as we can, it would be helpful to this committee and its future deliberations with respect to the appropriations. The Chairman will appreciate that.

Mr. Secretary, I am reminded you should make your presentation first, if you will proceed.

STATEMENT OF HON. NORMAN Y. MINETA, SECRETARY OF TRANSPORTATION, DEPARTMENT OF TRANSPORTATION

Secretary MINETA. Thank you very much, Mr. Chairman. To you, Mr. Chairman, and to Senator Stevens and members of this committee, let me thank you first of all for your leadership during this time. I have appreciated not only the leadership, but the counsel and the friendship that all of you have extended to me in this position, and the counsel has been very, very good.

I want to thank the Senate for its support and encouragement as we continue to establish the new Transportation Security Administration, now known as TSA. The Department is working dili-

gently to meet the deadlines that were established in the Aviation and Transportation Security Act, and as mandated by Congress, and I am proud of the work achieved to date at the Department of Transportation.

DEPARTMENT OF TRANSPORTATION ACCOMPLISHMENTS

We successfully established a system for screening all checked baggage by the January 18 deadline. On February 17, TSA assumed civil aviation security functions that were previously performed by the FAA. It also assumed airline screening company contracts until the Federal security screeners are hired, trained, and assigned, and deployed to all U.S. airports.

Over the next several months, we are working to federalize the screening contracts, hire and train passenger screeners before the November 19 deadline, and then hire and train baggage screeners before the December 31 deadline, recruit and train Federal Security Directors at our 429 commercial airports, and then hire and train Federal and State law enforcement officers at every local airport throughout our Nation.

Although aviation security has to date been the major emphasis at the Transportation Security Agency, or Administration, we must also remain focused on potential threats, as you have indicated, Mr. Chairman, in other transportation systems. The Department of Transportation is working to address those vulnerabilities in our Nation's ports and waterways.

Every day, thousands of containers enter the U.S. ports from abroad, providing possible avenues for terrorist threats. Since September 11, we have been taking critical steps to improve port security, including number one, the Coast Guard has enhanced its presence to protect critical bridges, port facilities, and other infrastructure, and has issued an emergency regulation requiring 96 hours of advance notice for ships that are arriving in U.S. ports.

The Coast Guard is also tracking high interest vessels entering our ports, and is providing intelligence on the people, cargo, and vessels to appropriate agencies. We have also deployed Sea Marshals and small boat escorts to accompany vessels containing critical cargoes and those traveling through sensitive areas. The Maritime Administration is working jointly with the United States Customs Service, businesses, carriers, and governmental agencies to enhance security practices for containers. And finally, we are actively working with the Congress on enactment of port security legislation.

Now, since surface transportation security is a priority, because every American depends on our Nation's highways, mass transit and rail systems to get us where we need to go, the Federal Highway Administration has increased their efforts to heighten security and protect vital connectors to our ports, railroads, and military bases.

The Federal Motor Carrier Safety Administration is working to ensure that trucks crossing the borders into the United States have been properly inspected and meet security and safety requirements.

The Federal Transit Administration is assessing the security of transit assets, subway tunnels and stations.

The Federal Railroad Administration is assisting industry in conducting security assessments of the freight rail system, and assisting Amtrak in developing a plan for using the $100 million in emergency supplemental funding for securing the New York City tunnels.

Pipeline security is another priority at the Department of Transportation. We have improved communications with Federal, State, and industry partners, ensuring that threat warnings are available on a real-time basis.

To address some of the needs for improved communication right after the horrific attacks of September 11, I established within the Department of Transportation the National Infrastructure Security Committee, a coordinated effort to address transportation security. Through several direct action groups, the NISC has evaluated transportation's structural vulnerabilities and recommended improvements. In addition, to address the critical issue of cargo security, the Department of Transportation spearheaded the establishment of a Container Working Group, cochaired with the United States Customs Service, that includes representatives from 7 other Federal departments. The Office of Homeland Security provides coordination and oversight for this initiative.

Thanks to the Congress, we received nearly $2 billion in supplemental funds in the aftermath of the September 11 events. As a result, we have been able to press forward on many fronts. Because of your support, I was able to announce the new port security grant program from which TSA will distribute some $93.3 million to improve airport security, or seaport security, pardon me.

REQUEST FOR CONTINUED CONGRESSIONAL SUPPORT

Today, I must ask for your continued support in providing the resources we need to meet the continuing challenges before us during the remaining months of fiscal year 2002 and in fiscal year 2003. In March, President Bush requested $4.4 billion in 2002 supplemental funds for TSA through this year, and the passage of the President's request is critical. In addition, the same supplemental request includes $255 million for homeland and port security activities assigned to the Coast Guard, $19.3 million for the Federal Motor Carrier Safety Administration to strengthen oversight at the U.S. borders both with Mexico and Canada, and $3.5 million to upgrade the Department of Transportation's Crisis Management Center into a new Transportation Information Operations Center, called TIOC.

The proposed TIOC will be a 24-hours-per-day, 7-days-per-week operation that will collect, analyze, and distribute information pertaining to the impacts of natural and man-made disaster, and national security-related events as they affect transportation, and your support will be critical to achieving the goals and the deadlines that the Congress has set for us for the remainder of the balance of this fiscal year.

Your support is also critical to our success in 2003. Added emphasis on homeland security is reflected throughout the President's 2003 request. In total, the 2003 President's request for DOT includes $8.6 billion for homeland security, and this includes $4.8 billion for the first full year operation of TSA. In addition, funding is

requested for the Coast Guard to provide expanded operations to meet homeland security needs while maintaining traditional safety and law enforcement missions.

So I look forward to working with this committee on the specific requests that are before you as you consider our 2003 appropriations request. I believe that we are on the right path to success in strengthening our homeland security at this critical juncture in our Nation's history. I am confident that with your continued support, together we will provide all Americans with a safe, reliable, efficient, and secure transportation system. We owe this to the American people, and they will expect nothing less.

Mr. Chairman, I ask unanimous consent that my entire written testimony be made a part of the record, and yield the balance of my time.

Chairman BYRD. Without objection, the entire statement will appear in the record as though read in its entirety.

[The statement follows:]

PREPARED STATEMENT OF NORMAN Y. MINETA

Good morning Mr. Chairman, Senator Stevens, and members of the Committee. I am pleased to have the opportunity to appear before you today to discuss the ongoing work of the Department of Transportation (DOT) in addressing our Nation's homeland security challenges. The events of September 11th underscore the importance of transportation security as a major part of America's homeland security. Protecting airports, seaports, railroads, bridges, highways, and mass transportation facilities against the threat of terrorism is imperative. The terrorist attacks have resulted in a renewed focus on the security of our transportation systems and we at DOT are moving forward aggressively to meet these challenges on several fronts.

Today, I would like to share with you some of the initiatives underway at the Department that I believe demonstrate our commitment to improving homeland security for all Americans and to ask for your support in providing the resources we need to get the job done as quickly and efficiently as possible.

Protecting our Nation's Airways

Let me begin by thanking the Congress for its support and encouragement as we continue to establish the new Transportation Security Administration (TSA). The Department is working diligently to meet the deadlines established in the Aviation and Transportation Security Act and I am proud of the work achieved to date. This new Agency has met each of its deadlines, and is on the path to continued success.

TSA successfully established a system for screening all checked baggage by the January 18th deadline. It required continuous use of bulk explosive detection systems (EDS) to screen checked bags at those airports where EDS are located, and ensured the use of positive passenger bag match for checked baggage screening at those airports where EDS is currently unavailable. TSA has provided other security improvements as well, including greater use of trace explosive detection systems (ETD) on checked baggage, more use of explosive detection canine teams, and physical inspection of checked bags.

TSA developed a plan for training Federal screeners, which was written with input from leading government and private sector training experts. It also issued interim final rules to implement the $2.50 September 11th Passenger Security Fee on airline tickets sold on or after February 1st, as well as the Aviation Security Infrastructure Fee that will be paid by air carriers to help finance TSA operations. In addition, United States and foreign air carriers now electronically transmit passenger and crew manifests to the U.S. Customs Service prior to arrival, and the Federal Aviation Administration (FAA) issued its guidelines for flight crews who face threats onboard an aircraft.

On February 17, the Under Secretary of Transportation for Security took over all civil aviation security functions performed by the FAA. On that date, the TSA also assumed airline-screening company contracts in the interim until Federal security screeners can be hired, trained and assigned to all U.S. airport security screening checkpoints. TSA also published a rule requiring certain aircraft operators using aircraft weighing 12,500 pounds or more to implement a security program that includes criminal history records checks on their flight crews and restricted access to

the flight deck. These security regulations apply to both all-cargo and small scheduled and charter passenger aircraft not already covered by a security program, and will take effect on June 24, 2002.

Additional key components of securing our airports will be a combination of technology and alternative inspection methods. The use of explosive detection equipment is a vital part of our enhanced baggage-screening program. TSA is committed to ensuring that every available explosive detection system and device will be continuously used.

We are confronted with numerous initiatives over the next several weeks and months, and need your support to be successful in meeting these challenges. We must Federalize the screening contracts; hire and train passenger screeners to meet the November 19, 2002 deadline; hire and train baggage screeners to meet the December 31, 2002 deadline; recruit and train Federal Security Directors at 429 airports; and hire and train a mix of Federal and State law enforcement officers to support our efforts at all local airports.

These new initiatives are among many the TSA is using to achieve its aviation security goals. I would now like to discuss some specific security initiatives involving TSA and other parts of DOT.

Protecting our Nation's Waterways and Maritime Borders

Although aviation security has to date been the major emphasis at TSA, we must also remain focused on the threats to our homeland from vulnerabilities in other transportation systems as well. TSA is working closely with the other Operating Administrations within DOT—the United States Coast Guard, the Maritime Administration, and the Saint Lawrence Seaway Development Corporation—to address potential vulnerabilities in our Nation's ports and waterways.

Every day thousands of containers enter our U.S. ports and waterways from abroad providing another possible avenue for a terrorist threat. Since September 11th the Department has taken a number of critical steps to improve port security:

—The Coast Guard has enhanced its presence to protect critical bridges, port facilities, and other infrastructure.

—The Coast Guard, in collaboration with the U.S. Customs Service, has issued an emergency regulation requiring 96-hour advance notice of arrival for ships entering U.S. ports, and is taking steps to make this a standard operating procedure by the summer of 2002.

—The Coast Guard Intelligence Coordination Center, working with the Office of Naval Intelligence, has been tracking high-interest vessels entering our ports and is providing intelligence on the people, cargoes and vessels to operational commanders and interested agencies.

—The Coast Guard has deployed Sea Marshals and small boat escorts to accompany vessels containing critical cargoes and those traveling through sensitive areas. The Coast Guard is assessing ports to make Federal, State, and local government agencies and other appropriate stakeholders aware of the susceptibility of all facets of maritime critical infrastructure.

—The Maritime Administration is working jointly with U.S. Customs, exporters and importers, carriers and governments to establish business and security practices that will push the Nation's virtual borders outward to the point of loading of containers.

—The Coast Guard has engaged the International Maritime Organization (IMO) in the development of international maritime security procedures that we hope will be adopted by the IMO later this year.

—The Maritime Administration, Research and Special Programs Administration, and TSA are working to examine ways that advanced technologies, including "smart cards" and biometrics, can be used throughout the maritime and related industries in order to accurately identify employees working in security-sensitive areas.

—The Research and Special Programs Administration is leading an effort within DOT to identify innovative concepts or new applications of proven technology, methods, or processes for improving security of containers throughout global transportation supply chains.

—The St. Lawrence Seaway Development Corporation has been working closely with its Canadian counterpart and the Coast Guard to heighten security on the St. Lawrence River and ensure the protection of ocean access to our Great Lakes ports. These initiatives illustrate some of the many ongoing activities underway at the Department to address security concerns affecting our ports and waterways. Also, we are actively working with the Senate and the House on enactment of port security legislation in this Congress.

Improving Border Security

In the aftermath of the September 11th attacks, we know we cannot have border security without effective transportation security. But President Bush and I believe that America can and must accommodate both reliable security and economic growth. Within the last four months this Administration has signed "smart border" accords with both Canada and Mexico precisely to develop joint action plans to ensure the secure and efficient flow of people and goods across not only our borders, but across trade corridors that stretch from northern Canada to southern Mexico and beyond. Transportation security and effective border management are different sides of the same coin. As the lead Federal department for Intelligent Transportation Systems, and overseeing the transportation systems that move both people and goods, I am proud of the Department's role in supporting innovative projects that pull together key Federal and State agencies for transportation safety, security and efficiency.

Protecting Surface Transportation Facilities

Surface transportation security must also be a priority focus for our Department. Every American depends on our Nation's highways, and mass transit and rail systems to get us where we need to go. The Federal Highway Administration (FHWA) has increased efforts to heighten security and surveillance of critical highway infrastructure including vital connectors to our ports, railroads, and military bases. FHWA is working with State Departments of Transportation and local transportation officials to conduct vulnerability assessments and to establish protection strategies. Furthermore, the Federal Motor Carrier Safety Administration is working to ensure that trucks crossing the borders into the United States have been properly inspected and meet security and safety requirements.

The Federal Transit Administration (FTA) is assessing the security of high-risk transit assets including vulnerabilities in subway tunnels and stations where large numbers of people converge and where an attack would cause the greatest disruption to transportation services. FTA is working with local systems to develop best practices to improve communication systems and develop emergency response plans.

Similarly, the Federal Railroad Administration (FRA) is assisting the rail industry in conducting security assessments of our freight rail system. The security of hazardous materials including radioactive materials and defense related shipments are two areas that have received special emphasis. FRA is also assisting Amtrak in enhancing the security and safety of New York City tunnels under the East and Hudson Rivers. FRA is currently developing with Amtrak a grant agreement specifying the projects that will utilize the $100 million in emergency supplemental funds provided to Amtrak for improving the security of these tunnels. Funds are anticipated to be obligated shortly.

Another area of concern with respect to public safety is the security of our Nation's pipeline systems. To keep our pipelines secure to the maximum extent possible, we have streamlined the communication process with our Federal, State and industry partners, to ensure security information and threat warnings are available on a real-time basis. The Research and Special Programs Administration continues to focus on implementing a coordinated set of protocols for our inspectors to use to verify that operators are putting security practices into place at critical facilities.

Coordination Both Within DOT and Among Other Agencies

A key element in our continued success to address our homeland security objectives requires improvements in communication and coordination among DOT Operating Administrations, and other Federal agencies.

To address some of the need for improved communication, last fall I established the National Infrastructure Security Committee (NISC), a coordinated effort to address transportation security. Through several direct action groups, the NISC has evaluated transportation infrastructure vulnerabilities, security protocols, and processes, and recommended changes to improve security. The work of this committee has led to the establishment of several key intra-departmental groups to tackle very specific security issues.

In addition, DOT spearheaded the establishment of a Container Working Group, established through the NISC in December. The Container Working group is co-chaired with the U.S. Customs Service and includes representatives from the Departments of Defense, Energy, Commerce, Justice, Agriculture, Health and Human Services (Food and Drug Administration) and others. The Office of Homeland Security provides coordination and oversight for this initiative.

Working Together with the Office of Homeland Security and Federal, State, and Local Agencies

The challenge to improve our homeland security requires a coordinated effort among State, and local government agencies, as well as the private sector. Communication among these entities is key to assisting our officials at all levels to protect and defend against future terrorist attacks, and to effectively manage incidents should they occur.

To help meet these needs, the Administration has implemented a uniform national threat advisory system to inform Federal agencies, State and local officials, as well as the private sector, of terrorist threats and appropriate protective actions. The President's Budget for fiscal year 2003 supports this effort by funding the development and implementation of secure information systems to streamline the dissemination of critical homeland security information. The Department is requesting funding to upgrade its current Crisis Management Center into a new Transportation Information Operations Center (TIOC). The proposed TIOC will be the centralized information center for the Department of Transportation and will serve as the Secretary's information center. The proposed TIOC will be a "24 hours per day, 7 days per week" center that will collect, analyze, and distribute information pertaining to the impacts of natural or human made disasters, national security related events, and special events and incidents as they affect transportation infrastructure and systems.

We are working with the States, airport authorities, and local governments as TSA transitions to a Federal workforce of screeners and law enforcement personnel. In addition, we will be working with States, localities, and airports through the newly appointed Federal Security Directors. The Federal Security Directors are the front-line managers who will bring a standardized airport security system across America, and will work with the public to ensure that airline passengers know in advance of new security procedures.

TSA will also rely on assistance from the States, airport authorities, and local law-enforcement agencies as it rolls out pilot programs to test security procedures. For instance, the State of Maryland is helping the TSA by supporting the use of the Baltimore-Washington International Airport as a laboratory site to study airport security operations, test TSA deployment techniques and technology, and pilot the deployment of the new screener workforce. This type of real-life coordinated support is key to our continued success.

Resource Requirements

As we continue to move forward in addressing the requirements established in the Aviation and Transportation Security Act, I have focused my efforts intensively on complying with or exceeding the deadlines established in the new law. In my view, the Department must consider the law's tight deadlines as promises made to the American people, and we will do everything possible to keep these promises.

Thanks to the support of the President and the Congress, the Department received nearly $2 billion in supplemental appropriations in the aftermath of the September 11th events. As a result, we have been able to press forward on many fronts and have been able to make great strides in establishing TSA, making airports and aircraft more secure and enhancing the Coast Guard's presence on our waterways. Also because of this support, I was able to announce the implementation of the Port Security Grants Program, from which TSA will distribute $93.3 million in grant money to seaports to finance port security assessments and the costs related to enhancing facility and operational security. These important achievements would not have been possible without the additional financial support you provided that has gotten us through the past seven months.

Now I must ask for your continued support in providing the resources we need to meet the continuing challenges before us during the remaining months of fiscal year 2002 and in fiscal year 2003. In March, the President requested $4.4 billion in fiscal year 2002 supplemental funds to support the continuing operation of the Transportation Security Administration through fiscal year 2002. Absent these additional resources, we will have to look further within the Administration to develop options to ensure the availability of funds within existing authorities to maintain operations beyond the end of the month. The passage of the President's supplemental request is necessary for TSA to meet the remainder of its statutory obligations.

In addition, the same supplemental request includes $255 million for homeland and port security activities to be carried out by the U.S. Coast Guard, $19.3 million for the Federal Motor Carrier Safety Administration to strengthen motor carrier oversight at the U.S. land borders with Mexico and Canada, and $3.5 million to upgrade DOT's current Crisis Management Center into a new Transportation Informa-

tion Operations Center. This center will serve as a point of contact for other Federal, State, local and industry groups and will ensure an efficient and coordinated response from the Department in the event of future crises. These fiscal year 2002 financial resources request will be critical to achieving our goals and the deadlines Congress set for us for the remainder of the fiscal year.

Your support is also critical to our planning for fiscal year 2003. Added emphasis on homeland security is reflected throughout the President's fiscal year 2003 request for resources for personnel, technology and equipment to meet transportation security challenges. In total, the fiscal year 2003 President's request for DOT includes $8.6 billion in homeland security related needs. This includes $4.8 billion for the first full year of operation for the Transportation Security Administration. In addition, funding is requested for the Coast Guard at a level that will enable this critical service to continue to provide its expanded operations required to meet our homeland security needs while maintaining its traditional safety and law enforcement missions. I look forward to working with this Committee on the specific requirements as you consider our fiscal year 2003 appropriations request.

I believe we are on the right path to success in strengthening our homeland security at this critical time in our Nation's history. I am confident that with your continued support we will be able to provide all Americans with a safe, reliable, efficient, and secure transportation system. We owe this to the American people and they will expect nothing less. I want to again thank you for your continued support of our Department and I would be happy to answer any questions.

Chairman BYRD. Now, the plan is this. The Chairman of the subcommittee, Senator Murray, will proceed with questions. She will have 10 minutes, then she will be followed by the Ranking Member of the Subcommittee on Transportation, Senator Shelby. He will have 10 minutes. I will then follow with some questions, as will Senator Stevens, then the committee will proceed to have other members of the committee on both sides, those who are listed as having come to the meeting in order, as nearly so as possible, and please keep your answers as brief as you can, Mr. Secretary.

Senator Murray.

Senator MURRAY. Thank you, Mr. Chairman, and let me just briefly associate myself with Senator Stevens' comments regarding merging the Coast Guard into another agency. I concur with that.

I am pleased that Secretary Mineta is here with us today. He was not able to testify before the Transportation Subcommittee earlier this year because of surgery, and I am happy he is on the mend and able to join us today.

SCREENING CHECKED BAGGAGE

His agency has the massive task of getting the Transportation Security Administration up and running. Even though President Bush signed the Aviation and Transportation Security Act back in November, we are just now coming to grips with the overall cost of this new agency. One of the more expensive assignments given to the agency is to screen every piece of checked airline baggage for explosive by the end of this calendar year.

Within the last several weeks, there has been a quiet but fiercely fought battle between the Department of Transportation and OMB over how to implement this and other requirements of the Transportation Security Act. In fact, an entire month passed between the time that the Administration submitted its supplemental request for $4.4 billion for this agency and the time that they sat down to tell us precisely what they wanted to spend it on.

To his credit, Secretary Mineta sat down with me as soon as the battle between OMB and DOT was resolved. Our subcommittee is now beginning to get the details on how the Administration plans

to move forward and frankly, Mr. Chairman, I find some of the details disturbing. It appears that the negotiations between DOT and OMB have resulted in the Administration cutting by more than half the number of explosive detection systems that will be deployed within the airports around the country.

Instead of using the larger machines that you feed bags into to be scanned, the DOT instead plans to deploy thousands of cheaper, less cumbersome trace detection systems. Those are much cheaper desktop devices that do a quick vacuum of bags to determine if there is any residual traces of explosives. Some airports are currently using these to screen laptop computers.

When the Administration announced their new plan, a lot of people breathed a sigh of relief. The airports are relieved because they will not need to make room for the much larger explosive detection systems. OMB was relieved because the trace detection machines are much cheaper, and the airlines were relieved, because they have complained that the failure rate of the larger machines is too high, but I believe and am concerned that the Administration's plan for deploying all these trace detection machines has a flaw that is going to create huge challenges for our airlines that are already posting record losses.

AIRLINE PASSENGER PRIVACY

Yesterday, Mr. Chairman, I received a briefing on the Department of Transportation's intended protocol on how they will use thousands of trace detection machines. In order for these trace detection machines to have the identical explosive detection capability as the larger, EDS machines, a lot of passengers are going to have their baggage opened by the screening personnel right there in the terminal.

Now, I do not want to get into classified matters here, but it is fair to say that more than half of all of our passengers who are subject to trace detection screening will have their bags opened as they are checking in for the flight. Currently, there are no plans to assure the privacy and dignity of these airline passengers while Federal employees go through their baggage.

If the Administration intends to follow this course, I think they had better act and act fast to develop a methodology that will allow passengers some privacy and dignity as Federal employees are opening their bags in full view of other passengers. If they do not, we are going to give passengers yet one more reason to choose to drive to their destination or simply not travel at all.

I recognize the need for security. We all do. But passengers will not fly if they expect to be treated like criminals from the minute they enter the terminal. They will not fly if a long line of passengers is going to be peering into their baggage. We have got to find a way to give the American flying public the assurance that they can travel with some basic level of privacy and dignity, and meet the security needs that we all know are out there.

Mr. Secretary, I discussed my concern over passenger privacy with you last week and with the Deputy Secretary yesterday, and I do not believe we can expect passengers to accept the notion that their bags are going to be opened in the middle of the terminal for all other passengers to see while they are waiting in line to get

their boarding pass. What alternatives are you investigating that might grant the passengers some basic level of privacy and dignity, and how is it going to work?

Secretary MINETA. First of all, with regard to the use of the ETDs, the explosive trace detectors, their most effective use will be through the use of the ETDs with an open bag environment. The open bag environment does not mean a dumping of the bag. All you have to do is take that swab and put it around——

Senator MURRAY. But the bag will be open?

PRIVACY AREAS FOR SCREENING BAGGAGE

Secretary MINETA. It will be open. Now, they can go to a secure area behind a privacy panel.

Senator MURRAY. Are we providing for those secure areas?

Secretary MINETA. We are, or we will take them to a private room.

Senator MURRAY. Are those private rooms available now in airports?

Secretary MINETA. Those are not all available, but one of the things we are doing, as we have at BWI, where our laboratory at Concourse C is, we have tried various schemes on how to deal with this. Now, at BWI there is a private room. There is also a screened area where the person can go behind after getting their bag off the conveyor, and after having been wanded, then go behind the screened area or go to the private room.

Senator MURRAY. Will we have that provided for at all airports by the end of the year, when these trace detection systems will be in place?

[The information follows:]

As TSA begins the roll-out process of Federalizing 429 airports, site surveys are being conducted to establish the optimal design and configuration of passenger checkpoints based on lessons learned at Baltimore Washington International Airport. The ability to provide private secondary screening at checkpoints is being considered in the design and reconfiguration process.

Secretary MINETA. I hope there will be some kind of facility. I know I went through this screening last week, because under our system, if you come into a destination by one airline and you leave by another airline, as I did coming out of Milwaukee last week, my bag had to be checked. I was a selectee, so everything I had had to be gone through, so they took me to a screened area, and I was then wanded. The EDT was put into the bag.

Senator MURRAY. I think you are aware that is unique in the country, in terms of taking you to a secure private area in order to look——

Secretary MINETA. No, I would think if you are dumping bags in an open area right now, with our new training protocol, our new method of operation, maybe some airports and some of our operations have not caught up with what we are requiring of them, but the basic requirement is that there is no bag dump, but that they are taken to a secured, marked-off area, or to a private room.

Senator MURRAY. But you will have the requirement in place by the end of the year?

Secretary MINETA. That is our intention.

Senator MURRAY. For the more than half of the bags that will be opened?

Secretary MINETA. For the bags that will be opened, we intend to have them, again, handled in that manner.

EXPLOSIVE DETECTION SYSTEMS VERSUS EXPLOSIVE TRACE DETECTORS

Senator MURRAY. Well, Mr. Secretary, the larger explosive detection machines do not require bags to be open when they are screened for explosives, and in earlier briefings you provided to Senator Shelby and me, you said that you expected to procure roughly 2,200 explosive detection machines. Now you are telling us you intend to procure less than 1,000. The difference will be made up by 5,000 trace detector machines you intend to deploy. How much was this decision driven by OMB's insistence on constraining costs, versus the practical challenges of procuring and deploying so many explosive detection machines?

Secretary MINETA. Well, first of all, it was a question of balancing limited financial resources. We did take a look at this original—when we took the original Aviation and Transportation Security Act and we saw in there the requirement for explosive detection systems, it was thought that that meant explosive detection system machines, the CT, the computer tomography type machine. Then as we took a look at the whole need that we had at 429 commercial airports, and looking at the need for 2,200 machines, it was—really, in terms of budget, it was just very, very large.

And the question also comes up, what other alternatives are there? Well, when you take a look at the EDS machines and there are 35 percent or so false positives, then we knew we had to have something to back up what the machine told us to look at. That was the ETD, so it is a combination of ETD plus the basic EDS.

Senator MURRAY. But it was a basic budget-driven decision?

Secretary MINETA. No, because as we looked at it we found these machines are very effective, and in looking at category X, 1, 2, 3, 4 kinds of airports, and when you have 3 million bags a day to deal with, 90 percent of the passengers are going through 100 airports a day, so we figured we could use the CT machine at category X and 1, which might be this many airports. At the other airports we then would be able to use trace detectors, and as we went through the protocol on this we found that the combination of CT plus ETD here at the major airports, or the ETDs, are equivalent in terms of security detection.

IMPACT OF SCREENING PROCEDURES ON RURAL COMMUNITIES

Senator MURRAY. My time is running out. I do want to ask one final question that goes to that. Do you expect to use the trace detection systems at only the busiest airports, three-quarters of the Nation's——

Secretary MINETA. I am sorry, the EDS plus the ETD.

Senator MURRAY. At three-quarters of the Nation's airports there are going to be exclusively trace detection systems, as I understand, and I am concerned about the impact of the proposal on air service to our smaller cities and rural communities. At present, the economics of the airline industry are dismal, and a large number

of rural communities are being threatened with a loss of air service.

Unless we find a dignified way to open all of the passengers' bags at these rural airports, I am really concerned that even fewer people are going to fly out of these airports and airlines are going to abandon these points. Did you consider the impact on rural communities when you developed your methodology calling for more than half of all passengers bags to be opened at these airports using the trace detection machines?

Secretary MINETA. Again, in all of our testing of the protocols we have found them to be equivalent in terms of security and detection.

Senator MURRAY. They are equivalent in security and detection, but the trace detection systems require more than half the bags to be opened, so it is much more a requirement upon passengers to have their bags opened in front of people. My concern is, especially at small, rural airports, that passengers who are flying less than a couple of hundred miles will say, I am not going through that, I am just going to drive, and it is going to have an impact, an economic impact, unless we provide a dignified, secure way for people to have their bags opened.

Secretary MINETA. That really is what we are aiming to do through the process that we are trying to build, plus the training of the screeners.

Senator MURRAY. But the EDS machines do require fewer bags to be opened, correct?

Secretary MINETA. They do require fewer bags to be opened, but again, because of their high false rate, we still have to have the ETD backing them up.

Chairman BYRD. Senator Murray, your time is up.

Senator Shelby.

Senator SHELBY. Thank you, Mr. Chairman.

BAGGAGE SCREENING DEADLINES

Mr. Chairman, before I ask any questions I would like to offer a few comments regarding the Department of Transportation's efforts relating to homeland security. I am concerned with the Department's effort to meet the December 31 deadline to screen luggage for explosives. The Department was so focused on the explosive detection machine and finding another manufacturer, or forcing a licensing agreement, that I believe it did not finalize a plan until last week, a full 6 months after the enactment of the security act.

Now, the only way enough EDS equipment will be deployed by the December 31 deadline perhaps is if Santa Claus delivers them; who knows, Mr. Secretary? Although the plan may indeed be sound, I am concerned that the Department cannot look past the deadline and is now operating as if it is the finish line.

Mr. Chairman, this is not an effort that will conclude once we reach the December 31 deadline here. This is really an interim plan to meet the statutory deadline, as I see it. I believe, Mr. Chairman, that we must view baggage and passenger screening systems as an evolutionary process, not as a one-time deployment. This requires pursuing technology initiatives that complement our

current EDS capability and certifying the next generation of explosive detection machines.

I believe we really must continue to improve all of our aviation security systems, and to continually reevaluate their effectiveness and the nature of the threat we defend ourselves against. While we cannot afford to waste any more time, we should be careful not to fall into the trap, Mr. Secretary, of focusing exclusively on meeting artificial deadlines and forgetting that the goal here is to improve security for the passengers. The test we should hold ourselves to, I believe, is whether we have taken every prudent and effective measure to ensure the safety of the passengers, the crew, and aircraft traveling through the national air space system. That is an ongoing challenge, and one which will not be completed just because there is a deadline.

Mr. Secretary, I believe it is up to you, Deputy Secretary Jackson, and Under Secretary Magaw to provide the oversight and approve the policy guidance and to manage this effort and all others relating to standing up and staffing the TSA. If the three of you are spending your time interviewing airport security managers, or formulating procurement strategies, I fear that no one will be taking the long-term strategic view—yes, the long-term strategic view—of providing the critical internal oversight to make sure the effort does not get off-track.

CRITICAL ISSUES FACING THE DEPARTMENT OF TRANSPORTATION

I have spent most of my statement focusing on the explosive detection issue, and there are so many other critical issues regarding homeland security that I wanted to raise. They include among other things, (1) the ability to sustain the current increased pace of Coast Guard operations—that has been raised here already by Senator Stevens and Senator Murray, (2) the need to review the Deepwater procurement strategy, in light of the fact that two or three teams were disqualified because each proposal exceeded budget and schedule parameters, (3) the steps being taken to ensure Coast Guard interoperability with the Department of Defense and with State and local first responders, (4) the need for oversight to control Transportation Security Administration mission creep, or empire-building, and to keep salaries in line with those at other Federal agencies, and (5) the need to apprehend those who hold secure area badges through fraudulent means and have unfettered access to airplanes, instead of harassing honest passengers at the security checkpoints.

I hope to explore some of these issues later, but will close with one final thought, Mr. Secretary. Mr. Secretary, the Aviation and Transportation Security Act presented you, the Secretary, with the opportunity of a lifetime to stand up and staff a Federal agency from scratch. The choices you make today in terms of management programs and resources will have a lasting impact, and it is our obligation to the Nation to ensure that this agency is set on the right course from the start. I think you understand that well.

If your critics—and I hope you do not have any—want to second-guess your decisions, make it be because they thought you were too bold in protecting the flying public, not because of how long it takes to make the decisions, not because of how inaccessible people are

when policies are being formulated, and not because of how often decisions are revisited as soon as the questions are raised.

EDS PROCUREMENT CONTRACT

Mr. Secretary, I have several questions if I have got the time here. The fiscal year 2002 Transportation Appropriations Act provided $40 million in explosive detection system funding, and another $108 million in supplemental funding that was appropriated in a title of the Defense Appropriations Act. Furthermore, Congress took the historic step of appropriating $20 billion in the aftermath of the September 11 attacks and gave the Administration an unprecedented amount of discretion in allocating those funds.

With that background, and with that level of funding, why hasn't a procurement contract to acquire EDS machines been signed?

Secretary MINETA. Well, we have signed a contract for a total of 500 EDS machines from the two contractors that we have right now.

Senator SHELBY. 500 and what?

Secretary MINETA. I believe it is 500 machines, both InVision and L–3, plus we have the package of parts, which are total kits for the construction of, I believe, 300 additional machines above the 500 machines that the manufacturers will provide. Plus we have gotten from the manufacturers their intellectual property rights. What we have on the street right now is a proposal to get companies to submit to us how they would be able to go ahead by bending metal with the IPR rights that we will be giving them from both L–3 and InVision, to make sure that we get up to the necessary machines that we will have deployed by December 31 in order to do the baggage screening.

I am comfortable, as we look at what we are doing, of making sure that we have the machines manufactured in a timely way, that we will be able to deploy them to the airport to meet the December 31 date. Now, there are certain glitches that can always occur, but to the extent that we—and I guess it is like everything else. In fact, now that I think about it, I am probably walking myself into a trap. It is like a pyramid, in terms of making decisions. At the top, we really are very holistic about looking at it. We are not segmented.

The Department of Transportation to me has always been sort of a stovepipe agency, and what I am trying to say to everybody in DOT——

Chairman BYRD. Would you get right to the point, Mr. Secretary?

Secretary MINETA. We are trying to use all the resources in the Department of Transportation to deal with the mandate against us as a result of the Aviation and Transportation Security Act, so we are not being narrow. We are taking a much broader view, as you have indicated to us, so that we might be able to deal with research and development. We are not stuck with just today's technology. We have a very aggressive program at Atlantic City, at our technical center, to try to deal with new technologies.

Senator SHELBY. It is evolutionary, is it not?

Secretary MINETA. It is evolutionary. We have every salesman, 20,000 of them, approaching us about how they have some machine that will take care of everything we do, including not only detecting

explosives, but athlete's foot as well. So again we are working and looking at all of these technologies that are being presented to us so that we can evolve into the next generation, whether it is for efficiency or to look at new explosives.

Chairman BYRD. Can we please move a little faster, Mr. Secretary?

Secretary MINETA. The problem is, Mr. Chairman, we are trying to deal with new explosives that are going to come online, and we are trying to deal with this evolutionary approach that Senator Shelby has indicated.

AIRPORT EMPLOYEE BACKGROUND CHECKS

Senator SHELBY. Mr. Secretary, recently, about 150 individuals were indicted on charges of lying about their identities or criminal past in order to secure jobs with airport contractors and tenants at the Washington, D.C. area airports. All of these employees had access to the most secure areas of the airports, including access to airplanes, runways, and cargo areas. What steps can you take or have you taken to keep criminals from having unescorted access to aircraft and other security areas of the airports? It seems to me like that is a porous area of security.

Secretary MINETA. Again, these are employees who were employed by companies that have access to the airport. They may be airline employees, airport employees, catering companies for the airlines, whatever, and to me what this really says is that our aggressive oversight in checking all of these employees since we have taken over responsibility for transportation security is what surfaced these people who ought not to have been employed, or if they were employed and had no security check, that subsequently we have found out about their background and that they are all out.

We are going to continue that aggressive oversight in doing background investigations for airport people and airports, airlines, whoever has access to secure areas.

Senator SHELBY. Mr. Chairman, I have a number of other questions I would like to submit for the record.

Chairman BYRD. Very well. You have a little time remaining.

Senator SHELBY. I do not have enough time for these questions. Thank you. I will put them in the record.

Secretary MINETA. And I will respond to them.

PORT SECURITY GRANTS

Chairman BYRD. Very well. I have a few questions.

Mr. Secretary, fully 25 percent of our Nation's Gross Domestic Product is derived from international trade. 95 percent of that trade passes through our seaports. Over 6 million metal containers enter our ports every year, any one of which could contain a weapon of mass destruction or a toxic substance designed to disrupt our ports. If terrorists want to disrupt our economy, our ports make an outstanding target.

Last year, the Congress provided $93 million in direct grants for our port authorities to enhance their security efforts. Congress envisioned that appropriation as an initial down payment, but your budget is now proposing that this grant program be terminated in

2002, despite the fact that you received $700 million in applications for that $93 million.

Why do you propose to terminate this program when there is such a clear, demonstrated need for port security grants?

Secretary MINETA. If you look at the port applications we have gotten under this, there are three categories that most of these applications can be piled in. One is in terms of vulnerability assessments, the other in terms of construction of facilities, or perimeter security, and third is in terms of proof of concept. Frankly, I am not interested in proof of concept or vulnerability assessments. I think those vulnerability assessments ought to be the responsibility of the ports. If they come to us and say, hey, we need some help on this kind of facility, or in terms of perimeter security, I think that is what we ought to be involved in.

We were provided $93 million and, as you indicated, we received a flood of applications, and so we are going through those right now, and my preference is to try to deal with those that only deal with facilities and perimeter security.

In terms of our 2003 budget, again, because of the financial constraints, we feel that this is one in which we will not—at least right now we would not consider providing further moneys in 2003, although we are still taking a look at that issue as we assess where we are on the applications we have received so far. And those determinations I am hoping to make by, I believe the end of June time period, Mr. Chairman, we hope to have all of the $93 million committed.

Chairman BYRD. Well now, Congress wants to be a partner when it comes to dealing with homeland security. Congress saw fit to provide $93 million in direct grants for public port authorities to enhance their security efforts. Your budget, as I say, is now proposing that this grant program be terminated in 2003, despite the fact that you received $700 million in applications for that $93 million.

FUNDING PRIORITIES

You say that you have selected, you have narrowed these various categories down to one in which you think the emphasis should be placed. Let me ask you this question. You have testified you needed to drop from the President's request funding for some airport security equipment because of limits that were imposed by the Office of Management and Budget. If the committee here is able to provide additional resources for homeland defense programs, are there airport security or port security items that you would recommend to the committee?

Secretary MINETA. Of course, if the money is provided to us, we would assess where the priorities ought to go.

Chairman BYRD. The committee would like to know where your priorities would be. That will help us to make our decision here.

Secretary MINETA. Mr. Chairman——

Chairman BYRD. What would be your priorities?

Secretary MINETA. I would say that one of my priorities would be in the area of port security, the other area would be aviation, or EDS, aviation security equipment. The other would be law en-

forcement at local airports, and probably perimeter security at airports as well.

Chairman BYRD. Mr. Secretary, a little earlier you indicated in response to a question from the committee, as I tried to write it down, quote, a question of balancing limited financial resources.

Secretary MINETA. Absolutely.

Chairman BYRD. We are dealing with the security of the American people and the security of this Nation, and you say that there is a question of balancing limited financial resources. What would be your recommendation to this committee as to where it could best add financial resources to help you to help the American people to have security?

Secretary MINETA. Well, as I indicated, I would say first of all port or maritime security. Again, I was talking about aviation security equipment relating to passenger security. I would also think of the fact that the National Guard is being pulled out by May 15, and so we will have to provide law enforcement, as under the Aviation and Transportation Security Act we will have to have officers at every one of the screening points. And I believe the other one would be perimeter security, or what would be referred to otherwise as the physical security at the airport.

Chairman BYRD. Was port security one of those items?

Secretary MINETA. Yes, absolutely.

Chairman BYRD. Well, then I get back to my initial question. Congress provided $93 million in direct grants for our public port authorities to enhance their security efforts.

Now, we have heard from some port authorities here. We had some good testimony recently from people at the local level, first responders, and you say port security would be one of your items. I believe you listed it first, as a matter of fact, and yet your budget is now proposing that this grant program be terminated in 2003, despite the fact that you received $700 million in applications for that $93 million, applications from people at the local level, the people who probably know what their problems are and what is needed most.

Now, why don't you submit to this committee an addendum as to items that you would like for this committee to add to this budget, and you might also recommend where the committee might cut, if you wish. Now, this committee needs guidance. That is why we are holding these hearings. We want to be helpful. We want to be helpful to the Administration.

PORT VULNERABILITY ASSESSMENTS

Now let me get on with the next. You mentioned vulnerability assessments. Three weeks ago, this committee took testimony from Admiral Rick Larrabee from the Port of New York and New Jersey. He is a former Coast Guard Admiral who was sitting in his office in the World trade Center at the time the terrorists struck. He lost 76 of his coworkers. He was greatly disturbed by the fact that the Coast Guard currently plans to conduct its vulnerability assessments for the Nation's ports over a 5-year period. His port is the second largest container port in the Nation, but will not receive a vulnerability assessment until next year.

Why is your Department willing to wait 5 years to determine the vulnerabilities of these ports? Surely you do not believe a potential terrorist will wait until you have finished the work. Why are you willing to wait, and why have you not included funding in your supplemental budget request to expedite these assessments?

Secretary MINETA. I think what we were doing was responding to the congressional mandate relating to the $93 million. We never anticipated at the time that legislation was passed that there would be that kind of a flood of applications coming in, and that came in after we had submitted the supplemental for 2002.

Chairman BYRD. All right. Now, this committee is getting ready to mark up a supplemental. How can we help you? What additional funding do you need?

Secretary MINETA. I would have to go back, Mr. Chairman, and see what it is we would have to request, if there is a possibility of even submitting an additional request.

Chairman BYRD. You can submit a request to this committee.

Secretary MINETA. I would still have to coordinate with OMB on that.

Chairman BYRD. I understand, but you do not have much time to do that in. What you are saying is, you do not have much time left, you did not realize in time the needs, or you would have made that request in a supplemental. You would have gone to OMB, perhaps, or maybe you did, I do not know, but now you are facing this dilemma.

Has the Office of Homeland Security advised you that the potential threat is sufficiently low that we could wait 5 years for assessments, let alone construction of security improvements based on those assessments?

Secretary MINETA. We have not heard from them specifically, I believe, on the 5-year time frame. I would have to check. I do not believe we have heard from Homeland Security specifically on our 5-year schedule. That was done in June, and we have not heard from Homeland Security on that issue.

Chairman BYRD. I note in the White House Weekly this headline, "U.S. Remains Ill-Prepared for Another Attack." President Bush's Homeland Security Office Director, Tom Ridge, admits he does not have the answers. There is no blueprint to securing the U.S. There is no role model. I will include this statement in the record without reading it.

[The information follows:]

[From the White House Weekly, April 30, 2002]

U.S. REMAINS ILL-PREPARED FOR ANOTHER ATTACK

President Bush's Homeland Security Office Director Tom Ridge admits he doesn't have the answers. "There is no blueprint" to securing the United States. "There is no role model," he says.

But, it seems, so far so good, and not just because of all the federal attention in the post-9/11 world. Credit also goes to the locals, he says.

"At the end of the day, the homeland is secure when the hometown is secure."

Ridge arrived at an 8 a.m. Sperling Group breakfast hosted by The Christian Science Monitor last week a little nervous, probably expecting the one question never posed: Why was he balking at testifying publicly before Congress?

He skipped the Danish, strawberries, eggs and bacon in favor of coffee with cream, no sugar. But it wasn't long before he stopped wiggling his leg and foot and settled in to answer pretty much the same questions he delivered in several dozen

private congressional meetings: The federal government is providing cash and direction in the homeland security effort, but it's up to the local governments to do the job.

"We have to drive it down to the locals," he says. "We're trying to get everybody engaged, not just the federal government."

Still, he says, the country remains ill-prepared for another attack, though in better shape than on Sept. 11. "I don't believe we are where we need to be or where we want to be."

But he's not scared, says he doesn't lie awake at night, and just shrugs when questioned about the likelihood of suicide bombers.

"There's an enduring vulnerability in this country . . . we just have to accept that."

Despite some reports that Ridge backs trading civil liberties for better security, he dismissed all proposals like that put before him. Sure, he says, people will be inconvenienced with new security measures, but he isn't pushing for new databases on Americans or limiting speech.

Ridge brought with him a couple of the ideas he's promoting in his private congressional meetings, such as:

—Encouraging Wall Street to add business security and cybersecurity to an analysis of whether a publicly traded company is worth investing in. It's part of the effort to tell every company—from Victoria's Secret to General Motors—that it's up to them to provide security to their manufacturing plants, employees and consumers. "If you're for-profit . . . then I believe you should be responsible," not the government, he says.

—Create a "fast pass" for cars that regularly cross the Canadian border into the United States. It would be for regular users, workers and trucks alike, who agree to a security background check. It would turn a one- to two-hour wait at the border into "15 seconds."

—Let frequent flyers pay for quick passage onto jets. It's not an elitist thing, he says, simply a way to speed things up. Those people would to the airlines security information and probably pay a fee. And, anyway, he adds, those random searches of little old ladies and children aren't doing anything to thwart terrorists. "I don't think random checks enhance security much."

In the end, Ridge is asked how he can tell if he's had an impact, to which he compares himself to a fire marshal. "You don't learn of the fires that don't occur," he says.

INTERIM REPORT FROM THE CONTAINER WORKING GROUP

Secretary MINETA. Mr. Chairman, could I suggest that maybe I could submit to you an interim report on what our Container Working Group is doing? This is cochaired by the Department of Transportation, by the Coast Guard, and the U.S. Customs Service, as it relates to the whole issue of containers, and I think that will go a long way—we recognize that there are 6 million containers coming into the country and, as you have said, 95 percent of our world trade comes through the ports, and that has been a critical issue with me about MANPADS and chemical, biological, radiological, nuclear weapons, and dirty bombs.

Chairman BYRD. What is this you are proposing to submit to the committee?

Secretary MINETA. An interim report of our container working group.

[The information follows:]

The report to the Office of Homeland Security, entitled "Ensuring the Security of Cargo Container Transportation: Recommendations for Action," has recently been provided to the committee. In view of the fact that the document is "Law Enforcement Sensitive," a copy of the report is not provided for inclusion in the public record of the hearing.

Chairman BYRD. That is all well and good. We will be glad to have that, but we also want your advice as to how this committee

can help you to provide security to this country, and if you need additional funds, let us know.

Secretary MINETA. I appreciate that. Thank you.

Chairman BYRD. And soon.

Secretary MINETA. We will do it soon.

Chairman BYRD. I have one further question, and then I want to turn to my colleague, Senator Stevens.

TRANSPORTATION SECURITY ADMINISTRATION FUNDING

Can the Transportation Security Administration absorb a 32-percent funding cut, and shall I elaborate a little?

Secretary MINETA. I would hope you would, sir.

Chairman BYRD. The new Transportation Security Administration has funding for aviation activities totaling $2.7 billion to date. In your pending supplemental budget request, you are seeking an additional $4.4 billion to bring total funding for fiscal year 2002 to $7.1 billion. However, your budget request for fiscal year 2003 is seeking only $4.8 billion. That amount will be 32 percent less than the amount you will have for fiscal year 2002 if we approve your entire supplemental budget request. Can this agency absorb a 32-percent funding cut in fiscal year 2003? If not, do you intend to amend your budget request for this agency soon?

Secretary MINETA. First of all, let me go to the 2002 number. My figures were $4.4 billion in the supplemental, and $2.2 billion that we requested in the 2002 for a total of $6.6 billion, and I thought my 2003 request was for something like, close to $8.1 billion, so that it was not a cut.

I stand corrected. The 2003 request was $4.8 billion. I guess what we did, we put a lot of capital costs and start up costs in the 2002 budget in order to keep the 2003 budget down. When we put our budget together we had a lot of capital and one-time start up costs in the 2003, which we moved into 2002 to keep 2003 down.

Chairman BYRD. I want to keep my word with Senator Stevens. Let me yield briefly to the Chairman of the subcommittee.

Senator MURRAY. Mr. Chairman, the request for TSA is—the request for 2003 for TSA is $4.8 billion, and we still, Mr. Chairman, do not have the details of what they want for this request.

Secretary MINETA. The justification has not been submitted yet?

Senator MURRAY. No.

Secretary MINETA. I apologize. I thought I told you last week we would get that in by the end of the week.

Chairman BYRD. Very well. Now, Mr. Secretary, could you provide us with answers to those questions?

Secretary MINETA. Yes, sir.

Chairman BYRD. Plus answers to additional questions I have and which other Senators might have.

[The information follows:]

The President's 2003 budget request was an estimate based on the best information available at the time. Since the budget was submitted, TSA has been working diligently to develop a master roll-out plan and an equipment deployment plan for the Federalization of passenger and baggage screening at 429 commercial airports, a very complicated process. Many of the variables in this plan will have a direct impact on resource requirements. In addition, establishment of the budgetary base for fiscal year 2002 will have a direct impact on TSA's requirements for subsequent fiscal years. TSA is reviewing its previous budget estimates based on this updated

information and expects to have details to support the President's budget request to Congress soon.

Chairman BYRD. I will turn now to Senator Stevens for any questions he may have.

COAST GUARD FUNDING

Senator STEVENS. Thank you very much. Mr. Secretary, I will be brief. The Coast Guard is under a real heavy up tempo. I think it is severely stressed, and it is consuming, I am informed, spare parts and wearing down equipment at a very high rate because of its involvement now in homeland defense as well as the intense involvement in the containment of the Iraqi oil transfers. I do believe that it needs some additional funds, and I want to be able to address that, and I mirror my friend the Chairman in saying I hope we can find some way to get some definite amount of what is needed for that.

COMMUNICATIONS INTEROPERABILITY

I note that it is not in the budget, but my main question is about communications and interoperability. As we have held these hearings now, every single area that has come before us, local, county, State, and Federal agencies have mirrored the problem that comes to our country from the fact that we award communications contracts to the low bidder in every area, and we have got such a patchwork quilt of communications that the ability of one area to communicate with another is severely limited in time of stress.

I am reminded of my late and great friend, the astronaut Rusty Schweikart, who, as they came back on the Apollo 13 stated that he had great confidence in returning to Earth because he remembered that every bolt or bucket of bolts was manufactured by the low bidder.

Now, we have a syndrome of low bidders here, and the difficulty is, we cannot find a way to develop the interoperability. I think your Department is one of the key departments which must lead in the quest for interoperability. Your Department and FEMA, in my judgment, are the keys at the Federal level on the nondefense side.

Interoperability on the defense side has been our goal for a long time, and we are making pretty good progress there, but my question to you is, is this subject in the forefront as far as you are concerned and, if it is, what are you doing, and how much money is here to try to bring it about? It cannot come about by continuing to have each agency award the bids on the basis of low bidder alone. It must be made on the basis of the low bid in terms of the ability to assure interoperability with other systems. If we get interoperability with other systems, I am sure there will be some variation in bids, but we should no longer accept any bid for communications equipment that will not be interoperable across the board.

Secretary MINETA. Senator Stevens, I have been sensitized to that ever since the Loma Prieta Earthquake was in my district. The local fire department could not talk to Federal agencies, and it was just a mishmash, and so one of the things I keep interjecting as we are dealing with these things, especially communications,

and it is not only oral communication, but it is also cyber communication, computers. Computers in our Department cannot talk to each other. FAA cannot get INS or Customs, and so one of the recommendations we made to the Office of Homeland Security is that there be a data fusion center so that there is interoperability at the highest level so that we can exchange information.

Senator STEVENS. With due respect, that does not help the first responder.

Secretary MINETA. We are trying to do that here in terms of first responders. At the Coast Guard level we found this, at the Port of New York as well.

Senator STEVENS. They are not the first people there. The first people there are the local sheriff and the local people in any area, and in New York the first ones there were the local fire departments. They have got to be able to communicate with anyone else that comes in, so to have the communication up here is not what is needed. It has got to be a communication on a broad base throughout the first responder network.

Secretary MINETA. Exactly right. I use the Coast Guard as an example, as a first responder, but in any instance, whoever the first responder is, we want interoperability and that seamless communication system, there is no question about that.

Senator STEVENS. What I want you to tell us is whether we should legislate that no equipment can be purchased by the Federal Government unless it is interoperable with the systems that are existent at the time in that Department.

Secretary MINETA. I believe that would be a good approach, as long as it does not just deal with a sole source vendor. I think that is the other part of what we have to look at, making sure that the technology is interoperable, that we do not end up with a sole source, because otherwise the prices will go out of sight on us. Other than that, I would say sure, why not.

Senator STEVENS. The trouble is, when we had Ma Bell and we had a lot of local systems throughout the country we told the local systems they had to be interoperable with Ma Bell. We do not have that luxury now, because, as you say, the computer systems are so variable, but we can, we can legislate that we cannot buy in the Federal Government any system that is not interoperable, and that would lead the way, I think, to all the systems—they want to be interoperable with the Federal Government, but we must find some way to break this deadlock, in my opinion. I would urge you to look at it and give us some advice.

Thank you, Mr. Chairman.

Chairman BYRD. What is your response?

Secretary MINETA. Well, we do that in the Department, Mr. Chairman, in terms of what we are trying to get at in our communications and computer equipment. That is what we are driving towards right now.

Chairman BYRD. My colleague here urges you look at this and give us some advice.

Secretary MINETA. We are looking at it, and we are in our bids and practices trying to make sure that is in there. The only thing I am wary about is the whole issue of ending up with a sole vendor being able to provide something. To the extent that this expands

opportunities for routers and other kinds of equipment, that is great. I have no objection to that at all.

Senator STEVENS. Well, that is a Band Aid approach in my opinion, Norm. It will get us across the first bridge, but it will not get us across the Golden Gate. We have got to find a nationwide way of interoperability, and what happened in New York is a good example. When that equipment came into New York and could not be used because it could not communicate with the dispatchers, now, that has got to be solved, and that is transportation, my friend.

Secretary MINETA. Yes, sir.

[The information follows:]

Although reliable communications between first responders at all levels of government is critical, Federal legislation is not necessary at this time. The National Communications System and the Office of Science and Technology Policy have been working with Federal agencies in this important area. One possible solution is to establish a network of communications centers that may serve as communications bridges between first responders operating on incompatible systems.

Senator STEVENS. Mr. Chairman, thank you.

Chairman BYRD. Senator Cochran.

REIMBURSING AIRPORTS FOR SECURITY EXPENDITURES

Senator COCHRAN. Mr. Chairman, thank you very much for convening this hearing. Mr. Secretary, we appreciate your cooperation with our Appropriations Committee. The airports in my State are a little worried about the status of reimbursements for the security measures that they have already implemented in response to the mandates from the Federal Government.

My largest airport, for example, has submitted a request for reimbursement of about $431,000, and has been told that only $250,000 has been allocated for those purposes at that airport. Does this supplemental contain funds that can be used to fully reimburse airports that are small, and not the major airports in the country, for these security measures that they have had to implement in response to Federal requirements?

Secretary MINETA. What we have done is to expand the Airport Improvement Program to be eligible for reimbursing the airports for the increased security cost that they have taken on.

Senator COCHRAN. Are they going to be able to reimburse the airports for the full expenses that have been incurred, or what percentage can they anticipate getting? Is there a plan?

Secretary MINETA. I think that will be up to each individual airport using their allocated Airport Improvement Program funds. Since AIP moneys are distributed by formula, they would then be able to use their AIP moneys towards reimbursing themselves.

Senator COCHRAN. How are they going to get the money, then, for additional improvements, and aeronautical improvements that are necessary to continue operating those airports in an efficient and a safe way?

Secretary MINETA. Prior to September 11, all of our concerns were about capacity and delays. September 11 turned the tide on us in the sense that since September 11 the focus has really been more on security. Since September 11, or even in the year 2001, we

found travel starting to decline, so then it was thought in the interim to let us go ahead and use the AIP for security purposes.

We know that in 2004 and beyond, air travel will start picking up again, so I think in the interim we ought to be able to use those moneys from delay and capacity issues to deal with security, and then after fiscal year 2003, go back to using AIP funds for delay and capacity issues as we see air travel coming back in 2004.

The Air Transport Association and every major study has shown how passenger traffic has dipped right now, so for us right now, capacity and delays are not the problems. We ought to use the money right now for security purposes, and revert to a focus on capacity and delays in 2004 and beyond.

REIMBURSING JACKSON MUNICIPAL AIRPORT FOR SECURITY RELATED COSTS

Senator COCHRAN. One other reimbursement issue has been brought to my attention, and that is that FAA's facilities have been ordered to improve their security situation, too, with barriers around facilities and other changes at FAA facilities. This airport that I mentioned is the Jackson Municipal Airport, and the airport authority helped the FAA immediately before it had additional funds allocated to it by doing some of the things that the FAA is now responsible for doing itself under the direction of the Department of Transportation, and they have asked for $100 million to pay for some of those costs, or for all of those costs around the country, I guess.

The question is, does the Jackson Municipal Airport Authority stand to get any reimbursement for the cost of funds expended by it to help FAA meet its security needs now that additional funds are being asked for for FAA for that very purpose?

Secretary MINETA. Senator, I do not know the direct answer to that. Let me look at that and get an answer back for you, since it was before the advent of the program. The question is, since the advent of the program, will airports get reimbursed for what they had done?

[The information follows:]

The Department of Defense's 2002 Appropriations Act provided $175 million in supplemental funds in FAA's Grants-in-Aid for Airports account for FAA's Airports office to reimburse eligible airports' direct costs in complying with new security requirements as a result of September 11, 2001. These funds fell short of airports' total security funding demands, so FAA distributed them in a manner to assist those airports that are facing the greatest financial challenges in complying with new security directives. FAA's final allocation of the $175 million included funding 50 percent of eligible project costs at small hub airports. Jackson International Airport (a small hub) therefore received 50 percent of its requested amount, or $215,750.

While the FAA's pending supplemental request would shift funds to cover guard services at staffed air traffic control facilities, that would only be for services contracted directly by FAA. As a result, additional reimbursement will not be provided to the Jackson, Mississippi Airport Authority from the pending supplemental proposal.

Jackson and other airports may, however, choose to use their AIP formula grants for security expenses, in support of direct operating costs of the airport since AIP eligibility has been expanded (only in fiscal year 2002) to reimburse airports for security costs associated with September 11.

Senator COCHRAN. It is almost like being a good neighbor and not getting any benefit at all from things that were done in cooperation with the Federal agencies.

Secretary MINETA. I understand.

SCREENER QUALIFICATION

Senator COCHRAN. One other issue that to me is very important, I know we are in a transition period with respect to screening personnel, hiring and training of personnel, and moving to a Federal employee system. What steps are being taken to ensure that these employees are competent and trained to do their job, carry out their duties and also that they carry them out with a sense of respect and courtesy for the traveling public?

Secretary MINETA. First of all, I think in terms of the hiring and training program, I am trying to think of the National Skills Standards Board.

There is a group we turn to which is a Federal agency group dealing with qualification standards. We turned to them and asked, "Can you help us out in terms of the qualification standards that we will be using and all the people we are hiring?" We are very confident of the program that has been laid out.

One of the very basic things that Under Secretary Magaw said right from the beginning was that we want to provide world class security and world class customer service. He intends to have every passenger treated with respect and dignity, and so the whole training program has been built from that core, so that you not only have new people coming in who are by the law U.S. citizens, speak English, have proficiency in English, and have a high school diploma or GED or work experience. To me we have an elevated workforce with a good training program, so that you will find uniformity and consistency at every airport throughout the country. What people go through in Miami, San Francisco, Chicago, and Iowa will be the same, because I do not want our checkpoints to become the choke points in the revival of the aviation industry, or the revival of the economy.

So we are gearing everything to give confidence to travelers to come back to the airlines. Right now, we know they are depressed, but we want to do everything to get them back, to get their confidence back about flying again.

Senator COCHRAN. Thank you, Mr. Secretary.

REIMBURSING RURAL AIRPORTS FOR SECURITY RELATED EXPENSES

Chairman BYRD. Mr. Secretary, I am going to call on the next Senator, but at some point I would like to hear your answer to Senator Cochran's question as to whether or not there is money in the supplemental to provide rural airports with the kind of security that is needed.

Now, I am just paraphrasing the question. I do not think we got an answer to that question. I think you started talking about 2004, if there are certain moneys that are not used, et cetera, et cetera, but I am going to want a specific answer to that question, because that is the purpose of this hearing.

Secretary MINETA. Mr. Chairman, as I understood Senator Cochran's question, it was whether airports get reimbursed for past expenses prior to a new program being instituted.

Chairman BYRD. That was one of his questions, but I thought he asked a question as to whether or not there was money in the supplemental. Would you mind repeating that question?

Senator COCHRAN. Well, I was curious because of the experience that the Jackson Municipal Airport has had. They did what the Federal Government told them they needed to do. They spent $431,000. They submitted a request for reimbursement, and they were told they were allocated $250,000. My question is, do they have to live with that? Or—and they have got other things they have got to do, and I am sure there are other airports, I know there are in my State, that are doing things that cost a lot of money, and to what extent is the Federal Government going to be able to reimburse them?

They thought they were going to be reimbursed for this to the full extent of their expenditures. Now they are being told they are not going to be. Is the supplemental that is pending before this committee designed to help provide funds to make up those deficits in the small airports around the country?

Secretary MINETA. As I said earlier, what we did was to expand the eligibility under the Airport Improvement Program for the local airport to be reimbursed for those additional funds. There is no supplemental request, we have no money in the supplemental for those kinds of expanded uses.

After the program was devised, and given the money we were given by the Congress, then we found that there are more requests than the money available, so then we told airports that they could use their AIP money to draw down for reimbursement those additional law enforcement expenses and those kinds of security program expenses. There is no additional money in the supplemental for 2002 for this purpose, but there is enough money in the AIP program to be able to have airports reimburse themselves for it.

And I said the reason I felt comfortable about doing it that way is because capacity and delays were not a problem in 2001 and 2002, and I do not think in 2003, given the advance bookings on what is happening on airline travel.

[The information follows:]

If the Secretary directs an airport to institute specific security measures or activities, costs associated with these requirements are eligible for Airport Improvement Program (AIP) funding. Through the end of fiscal year 2002, this includes direct operating costs related to security. If an airport has a question on a security improvement, the airport should work with the local FAA Airports office and the Transportation Security Administration (TSA).

Senator COCHRAN. That is not good news, Mr. Chairman.

Chairman BYRD. I do not think it is a good answer, either.

Senator Domenici.

Senator DOMENICI. Mr. Secretary, first, I am glad you are feeling better. I happen to have shared a hospital with him, and that was his hip replacement. That is when I was getting well for these two little fingers that hurt.

HIRING OF TSA EMPLOYEES

But I want to ask just in three areas, just real quick, Mr. Secretary, there had been a lot of criticism, some of it implied and some direct, about the quality of help, the employees that the airlines had hired to do the work in our airports of checking luggage and checking people in, and the comments had led people like this Senator to think that maybe they had not used very qualified people, had not hired very qualified people to help with that in these various private companies, and that the amount of pay that was being paid to these people was probably minimum wage, or just slightly more.

And up here, as a result of the concern about quality of personnel, and the adequacy of these companies to do these jobs, we did something, and a lot of us did not think it was really right, but we had to get something done. We turned that job of hiring them over to the Federal Government, and we said they will set the criteria, and we gave a preference, it is my recollection, to those who were currently employed.

I wonder how that program is going? I see that as one of the most difficult of all things that the Federal Government is going to have to do in the implementation of its new safety responsibilities. Have you set new criteria for the employees that are checking American citizens as they enter these airports, and how well are you able to find qualified people for these jobs? And if you might, for the record, tell us how many of the employees of the old companies were kept in this transition.

Now, that is three questions. They are pretty forthright, and I think we need answers to them. It is very important.

[The information follows:]

It is too early to tell how many of the current contract passenger screeners will be hired as Federal screeners. All contract employees who meet the statutory requirements for the position are encouraged to apply. Experience, education and training, which are directly related to the work of the position are factors considered in the selection process. The number of contract screeners who become Federal screeners may vary greatly from airport to airport.

Secretary MINETA. Well, first of all, the Congress mandated that on February 17 we take over all of the contracts that existed between the airlines and the security companies. We executed those contracts by February 17, so we have the contracts with the companies that were in place prior to February 17, except for one. All of those employees are still with those contractors.

We have since started to hire our own Federal employees to be the screeners. We have done the recruiting, hiring, background investigations, testing, and now deploying to the various airports of our new Federal security workforce. I would imagine that the vast majority of those employees at the checkpoints are still those who were employees of these contractors prior to February 17, but it is our full intention to have the Federal workforce on the job by November 19 of this year.

In June of this year, we will be probably transitioning at 100 airports, starting to get in all of our Federal employees at that point. We are now at BWI, I believe at Gate A, B, and C, and so we are already starting that process of getting our new employees on board.

Now, in terms of preference, preference is given under the law to airline employees who were displaced by the September 11 attack, and, I believe, to veterans. Those are the only two. I do not believe we have one for present employees of contracted companies, but I believe it was airline employees displaced by September 11, and the veterans' preference. The rest of it is all mandated by law, U.S. citizen and all the other requirements that you are familiar with.

Senator DOMENICI. Are you going to be able to get these employees screened and on board?

Secretary MINETA. Yes, sir. We are doing the background investigations and I again am very comfortable with the schedule that Under Secretary Magaw has set up, and the procedures by which we are going through this, that we will have a good training program once we select the people. We have a very comprehensive examination for them to pass before we certify them to go deploy at an airport.

TSA SCREENER PAY

Senator DOMENICI. Mr. Chairman, when we were passing this law, there was kind of an undercurrent of concern as to whether the number of employees that we talked about the Federal Government hiring was an adequate number, or would it be higher, and also whether the amount of money per year for pay for these employees was a good number, or whether it was going to be substantially more.

Now, I do not know how to get a feel for that, but I think that would be important for this committee to have the earliest possible evaluation of these two issues that I just raised. Do you want to comment on them? I am almost finished.

Secretary MINETA. Mr. Chairman, may I comment?

Chairman BYRD. If you will, briefly.

Secretary MINETA. Most of the employees at the screening companies were minimum wage employees. They probably had 150, 250 percent turnover. At $8 an hour, that is $16,640 a year that they were getting paid. We were fearful that on February 17 a lot of people would leave their job as screeners, so in order to retain them, those pay levels went up to about $21,000. But we also subjected those folks to our new training regimen in order to make sure that we did not have all these people leaving. So we did have that delta of $16,000 per employee going to $21,000, which we had to absorb in order to keep them on the job, but we also made sure that they were going to treat passengers with dignity and respect, and we upgraded the screeners' training.

Chairman BYRD. Thank you. Senator Burns.

USING AIP FUNDS TO PAY FOR SECURITY IMPROVEMENTS

Senator BURNS. Thank you, Mr. Chairman. I will not take long. There are a couple of areas that I want to caution the Secretary and the committee, AIP funds are collected to build infrastructure for airports. We put on a new tax to take care of airport security and then whenever we start dipping into that, I would assume—and I am going to ask the Secretary—will those funds that have

been extracted out of the AIP funds for reimbursement to some of our airports, will that money be replaced?

Secretary MINETA. I would assume not. One of the things that this whole program, again, as you are well aware of——

Chairman BYRD. Mr. Secretary, you said you would assume not. Can you give the Senator an answer?

Secretary MINETA. I said I would assume not in terms of reimbursing the aviation trust fund for the expenditure of funds under the AIP program, for these purposes.

Chairman BYRD. Can you tell us who could give us the answer without assuming?

Secretary MINETA. I will say directly that I do not intend to reimburse the aviation trust fund.

Chairman BYRD. There is your answer, Senator.

Senator BURNS. Then we have a situation. I think we are on a very slippery slope, Mr. Secretary. To be right honest with you I am distressed with that answer, and on the case of, if there is no reimbursement in some cases, and when we have violated our law that calls for unfunded mandates put on local authorities by the Federal Government.

Secretary MINETA. But if they are eligible under the AIP program to reimburse themselves, what is the unfunded mandate? Let us say, taking this example of Jackson, Mississippi, if $450,000 is what it is going to cost them, but under this specific program relating to reimbursement to the airport for law enforcement security purposes, they are only going to get $250,000, and then we say, but the balance can be made up from drawing down against your AIP formula fund, they are going to be made whole. But to me money is fungible. The reason I feel comfortable right now is because there is a downturn, unfortunate as it is, in air travel, so we do not have the capacity and the delay problem that we have had.

We have got 2-hour lines in Seattle. Well, we ought to be able to help Seattle relieve that 2-hour security line up there, and the same thing here, because we do not have all the wherewithal we need.

Senator BURNS. Well, I think we had better monitor that very closely.

Secretary MINETA. Absolutely. I am with you.

Senator BURNS. I just think—now, so far, we have talked about an interoperability, this is one of my concerns on communications. I do not know why your computers are not talking to one another. I have no clue about that, but I want to say also, we started out with this whole thing that you thought the total, probably, increase in Federal employees would be around 28,000, because that is what we talked about when we passed the bill. I think it is going to be double that, is it not, before it is all over?

Secretary MINETA. Well, at the time, the 28,000 was as it related to passenger screening and did not include baggage screeners.

SECURITY PRIORITIES

Senator BURNS. Now, we are spending a lot of time talking about baggage screeners and explosives. That was not what happened on September 11. That was not what happened. We are spending all this time—this is a case of hijacked airplanes used as a weapon,

as a missile, and the fuel that was on those airplanes as the explosive, and it seems to me we are spending a lot of time worrying about explosives on airplanes when we should be talking more about what actually goes on with the passenger as he boards the airplane, and that requires an increased operation on their part on what goes on there.

But why are we worrying about what is going on in the belly of the airplane, because we have been pretty successful in ferreting that out without too much expenditure, and we continue to worry about explosives when it was box cutters that were the main weapon used in the hijacking of those airplanes, and so I am saying, let us not be like a moonlight horse and start jumping at shadows, and deal with the problem at hand, which was a hijacking, and that is the only concerns I have.

And also the waivers, as far as on these airports where they park, we have still got economic distress. You say you are going to get a waiver, yet they put up another expense on you, because they have got to look at each car before they park in the parking lot, and I just do not understand a lot of that, and that is the only question I have.

But I am saying that we had better put our emphasis at our weakest point, and that is the ability of certain parties to board an airplane and hijack it, because all this thing about explosives, I think you have got a bigger problem in the rail transportation with explosives than you have on the airlines.

Secretary MINETA. Senator, I have two dates——

Chairman BYRD. What is your question, Senator?

Senator BURNS. I would just ask him to respond to that.

Secretary MINETA. There are two dates that I have tattooed on my forehead. One is November 19 for passenger screening, to have all our Federal security employees on board, and the other is December 31, to have all baggage checked by EDS.

Now, I do not have a choice. I have got to do both, so when I think back to the history of Pan Am 103, and move forward from then in terms of explosives being what brought it down, and now with the new Aviation and Transportation Security Act, I have no alternative, I had to meet a November 19 date. I had to meet a January 18, February 17, May 18, November 19, and December 31 date.

Now, those are all on my sleeves. I live with those dates every day, so I am trying to comply with the law and make sure that we shoe-horn everything in terms of our responsibility to comply with the law that Congress passed, and that is what I intend to do.

Chairman BYRD. Very well. Senator DeWine.

COAST GUARD FUNDING

Senator DEWINE. Mr. Chairman, thank you very much. Mr. Secretary, thank you. I have a short statement, then a question. I agree with Senator Stevens' concern about the Coast Guard. We ask the Coast Guard to do a great deal, and frankly we are asking them to do a lot more now than they have ever done. Those of us from the Great Lakes, we are concerned about safety there, and we are concerned about commerce. Those of us who worry about, as all

Americans do, the drug trade, know what the Coast Guard is capable of doing and has done to help us in that battle.

We have all the reasons—the Coast Guard is now being deployed more because of 9/11. When we look at your supplemental request, it just seems to me that there is not enough money in there. Much of the funding, it would appear to me, will be used to address pay, annualizing programs that were started in response to September 11, but it does not necessarily help cover counterdrug, search and rescue, and other missions, really at the full 100 percent, so I am very concerned about that and about the dollar figure that I see in your supplemental request.

COAST GUARD DETECTION AND INTERDICTION OF HIGH INTEREST VESSELS

Let me ask you a specific question that has to do with merchant vessels and the ability of the Coast Guard to try to push out further away from our ports when we are able to intercept and when we are able to make an inspection. What is the Department doing to improve command, control, communications, and intelligence mechanisms so that the Coast Guard will be able to push our borders really outward and to identify and board high interest vessels before they get close enough to threaten our ports?

Secretary MINETA. First of all, on September 11, or up to that point, ships coming in were required to give us 24-hour notice. On September 11, we changed it to 96 hours of advance notice so that we are able to deal with high interest vessels. That may be tankers, passenger cruise lines, whatever may be of high interest to anybody.

We also instituted thereafter a Sea Marshal program to have Coast Guard people board the ship, and that they would be essentially in three areas. One would be up on the bridge, one would be down in the engine room, and another where the steering mechanism is located. Those are the three areas where we put Coast Guard people on high interest vessels coming into major ports.

The other is the whole issue of safety and security. There are two parts to this. One is port security units, which are Coast Guard units usually deployed overseas to help U.S. naval vessels guarding their own ships overseas. The other relates to marine safety in the continental United States. So we have port security overseas, and marine safety teams in the United States dealing with port security.

What we are doing now with the Container Working Group is to expand that work in conjunction with the U.S. Customs Service, and the Container Working Group is cochaired by the Coast Guard and U.S. Customs Service to look at the whole area of ports and marine safety.

Senator DEWINE. Well, I appreciate your answer very much, and congratulate you for the movement you have made.

Secretary MINETA. We want to thank you, Senator, for your support for the Coast Guard. It was always air, rescue, and other missions, and in those days security was a small part of the total picture.

Chairman BYRD. Can we please expedite the answers?

Senator DEWINE. Mr. Chairman, I am satisfied. Thank you very much.

Chairman BYRD. Senator Gregg.

Senator GREGG. The Secretary has been here for a long time. I have not listened to much of his testimony, so I will submit my questions.

Chairman BYRD. Senator Kohl.

SECURITY OF CHARTERED AIRCRAFT

Senator KOHL. Thank you, Mr. Chairman. Mr. Secretary, I am sure you know, the Aviation Security Act provided requirements for security for chartered aircraft. As a result of this provision, the Transportation Security Administration has authored a rule to be implemented by June for aircraft larger than 18 seats.

I have raised this issue of security charter aviation with Administrator Garvey, Deputy Secretary Jackson, and Under Secretary Magaw, as well as yourself. Despite the attention you are all focusing on this issue, I am still concerned about the threat posed by large, unsecured charter aircraft. Would your new rule prevent an individual from chartering a 747, for example, and carry on explosives and weapons? If so, I would appreciate a fully explanation, because this is not my understanding at all.

Secretary MINETA. The whole issue of how to deal with charters has been a very difficult one, and right now we do not screen baggage on charters. Let me check on that.

Now I recall this. On charters, on departure they are not screened. If they come into an airport in a secure area, then they will be screened on deplanement, but not on enplanement. I understand why you would look at me cross-eyed like that, because it is a legitimate issue and we have got to take a look at that. When we take a look at charters, it should not be much different from scheduled service, so I will make sure we examine that.

Senator KOHL. Well, I have raised the question a dozen times already, and with all due respect, the answer I get is about the same as what you are giving me here today.

You know, at the very least, Mr. Mineta, it costs approximately $200 to buy a metal-detecting hand wand, you know, so you do not go through this machine, just a hand wand at the very least that can be used to examine individuals who are bordered chartered aircraft to see what they are carrying on their body, or whatever. It does not do much good to examine them on deplanement, because obviously then it is too late.

Is it not reasonable for me to request an answer to that simple question, at least to insist that people who are getting on a chartered aircraft of size be examined with a hand-held wand to be sure that they are not getting on a plane with a gun or a knife, or whatever, and we are talking about large aircraft, as large as a 747, which can do the exact same damage, or wreak the exact same havoc as what occurred on 9/11?

Secretary MINETA. You are absolutely correct, Senator Kohl, and I will take a look at that specifically and get back to you. The charter provision right now applies to aircraft of, I believe, 12,500 pounds and over, and there ought to be a distinction between the

12,500-pound plane and the Boeing 747 or the Boeing 757 or other aircraft you are talking about, and I will take a look at that.

Senator KOHL. I will be hopeful that sometime in the very near future I can get just a reasonable response to what I think is a clear and present danger. Thank you so much.

Secretary MINETA. I will do that.

Senator KOHL. Thank you, Mr. Chairman.

Senator STEVENS. If you would yield, Senator, it seems to me, Mr. Secretary, one of the problems is if you look at the small passenger planes, private planes, they are getting more security now than the large ones. For instance, small passenger planes are taking off 30 miles from the cities, but the larger ones are still coming into the major cities because they are large passenger planes and they have to have the facilities for off-loading all of those passengers. They are coming right into the cities, whereas the small private planes are landing 30, 40 miles out of town.

I think the Senator has raised a question about really looking to the specifics of these private planes and altering the regulations to fit the situation. He is absolutely right about—those passenger planes are so large they are being chartered transcontinental. They are no different than the ones that came in and hit the Pentagon.

Thank you, Senator.

Chairman BYRD. Mr. Secretary, you have indicated you would get back to the Senator.

Secretary MINETA. Absolutely.

Chairman BYRD. This question is of interest to the whole committee. You say you will look into it?

Secretary MINETA. I will respond to you, sir.

Chairman BYRD. The committee wants a response.

Secretary MINETA. I will respond to you.

[The information follows:]

There are two types of charters, public and private. Public charters are required to have the same level of security as commercial airlines. Public charters go through airport terminals and are screened in the same fashion as other passengers or they are screened at the Fixed Base Operator facility. Private charters have not traditionally had the same level of security because there are no tickets sold to the public. We believe this is a weakness in the system. Under Secretary Magaw has directed his staff to examine the feasibility of requiring enhanced security measures for large private charter aircraft that would include screening by third parties.

Chairman BYRD. And thank you for your appearance before the committee. The chair apologizes for the length of time you have had to spend before the committee, but we thank you for your testimony. The committee will stand in recess for about 3 minutes, after which Secretary Tommy Thompson will appear before the committee.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR PATRICK J. LEAHY

Question. In light of the news reports of repeated bus bombings in Israel, what is your assessment of the security risk to the over-the-road bus system in the United States? What needs to be done to enhance the security of that system?

Answer. (FMCSA/TSA) The war on terrorism increases the risk of potential terrorist attacks in the United States. Unfortunately, the attributes that make our transportation systems efficient make them equally attractive targets to terrorist at-

tacks. Our over-the-road bus system is at high risk of attack by terrorists because of the potential for a large number of casualties, coupled with the location of bus terminals in major cities, and transporting passengers through dense urban areas and underground tunnels. Moreover, several of our large intermodal facilities (like New York's Grand Central Station and Washington D.C.'s Union Station) are internationally known icons, and may be viewed by terrorists as symbols of America.

Security for over-the-road bus operations poses a significantly greater logistical challenge than, for instance, air travel. Airport terminal access to airplanes is controlled by relatively few entry points. Conversely, over-the-road bus systems are very open in order to promote passenger accessibility, convenience, and low costs. Unlike airplanes, which make relatively few passenger transfers, buses make numerous stops along vast open and penetrable corridors. Greyhound Lines, Inc., the nation's predominant scheduled regular route passenger carrier alone has five times more passenger embarkation locations than Amtrak and the airlines combined.

The Department of Transportation is committed to achieving the highest level of security for all modes of transportation. The Federal Motor Carrier Safety Administration, in coordination with TSA, has been working in partnership with the over-the-road bus industry to improve security. A threat and vulnerability assessment of the industry is underway through the Department's Volpe National Transportation System Center in Cambridge, MA. We expect this assessment, which will also include the development of cost-effective measures for mitigating identified vulnerabilities, to be completed in the fall. The assessment will be useful in guiding the collective efforts of government and industry. It is likely that the countermeasures will include enhanced training, the implementation or modification of carrier operational procedures, and the use of technologies.

FMCSA is also working with its sister agency, the Federal Transit Administration, to modify two transit security courses for over-the-road bus company use. The over-the-road bus industry is working with us on this endeavor, also. One course is designed for drivers. The other is designed for company management. These courses will enhance the industry's ability to identify suspicious passengers and packages and to report any unusual activity to the proper authorities. A heightened awareness of potential threats can prevent attacks before they happen.

Question. What efforts are being made to ensure that safety regulations, procedures, and equipment now being installed at large airports across the country will be timely implemented at smaller airports? Is there enough money in the fiscal year 2002 transportation budget and the fiscal year 2002 supplemental for all airports—big and small—to be properly secured? Are proper measures being taken so that the unique needs of smaller airports will be adequately taken into account when security steps are imposed, such as waivers on the 300 foot rule?

Answer. (TSA) The Federalization process is ongoing and is involves airports both large and small. For example, a large airport such as New York's JFK and Wyoming's Jackson Hole both have activities underway that will involve the control of Federal Security personnel and the introduction of security technology. Moreover, the TSA has established a pilot program that covers airports of all size and classification. TSA is committed to meeting the passenger and checked baggage-screening deadlines mandated in the Aviation and Transportation Security Act with the 2002 supplemental and 2003 requests. TSA will continue to procure the services of state and local law enforcement as well as hire and deploying federal law enforcement officers. The needs of the small airport operator are being considered against the larger airports as well. Currently, and since the imposition of the 300-foot rule, airport operators have been able to submit requests for relief from the requirement and TSA staff has addressed those requests.

QUESTIONS SUBMITTED BY SENATOR PATTY MURRAY

Question. During a Subcommittee hearing earlier this year, Admiral Loy testified that one of the Coast Guard's greatest strengths was its ability to shift gears when necessary. I couldn't agree more! But one concern I have is that, when the Coast Guard boosts its efforts in one mission, its other critical missions pay a price. Last week, the U.S. Coast Guard withdrew its rulemaking relating to barges carrying bulk liquid hazardous material cargoes in order to focus its resources on rulemakings that more closely affect homeland security.

Mr. Secretary, I am deeply concerned about the Coast Guard's departure from addressing critical safety issues that just six months ago were one of its greatest priorities. What is being done to ensure that Safety and Security move forward hand in hand, and other necessary safety rulemakings are not sacrificed?

Answer. (USCG) The Coast Guard anticipates a delay in the subject rulemaking of at least 12 months; a delay that is not expected to have a deleterious effect on maritime safety. This segment of the maritime transportation sector has had a particularly safe record and the regulatory project is intended to modernize regulations that are still effective in ensuring public safety.

Since the tragic events of September 11, 2001, the Coast Guard has conducted a detailed review and evaluation of all pending rulemakings in consideration of anticipated homeland security rulemakings. This review resulted in certain safety projects that are in the early stages of rulemaking to be delayed with consideration of possible impact upon the public. To ensure that the overall regulatory agenda and priorities are current and appropriate, the Coast Guard reviews the status and priorities every three months of all regulations, and on a semi-annual basis publishes the regulatory agenda describing current and projected regulatory projects. The Coast Guard will reevaluate this and all other delayed/withdrawn projects to maintain an effective regulatory balance of safety, security, and environmental protection.

Question. Mr. Secretary, you testified today about the benefits of the Coast Guard's deployment of Sea Marshals that provide an armed security force on board certain commercial ships that have been determined to be high risk. Ships like Cruise Ships, Tankers, and Ships carrying Hazardous cargoes that might be used as a weapon or target by terrorists. I now understand that the Port of San Francisco has dramatically reduced, if not eliminated altogether, their Sea Marshal Program. Is this cut back due to the loss of Coast Guard Reservists, many of whom are trained law enforcement officers who were originally performing this function? What are you doing to ensure that critical security programs are not lost due to operating constraints placed on the Coast Guard?

Answer. (USCG) The reduction in the number of Coast Guard forces, including reservists, providing a "Sea Marshal" capability is in part linked to the Reserve drawdown. The reduction is also a result of a Ports, Waterways, and Coastal Security strategy that uses risk-based decision making to match security forces with threats.

The Coast Guard has employed a "Sea Marshal" capability to mitigate certain threats posed by vessels of interest within Captain of the Port (COTP) zones of responsibility and operation. However, Sea Marshals are just one of the capabilities available to address threats to port and vessel security. The COTPs have risk matrices to assist in a thorough evaluation of the risk of vessels entering and departing ports. They select different security measures to address different levels and types of risk. All Maritime Homeland Security forces currently assigned within the Port of San Francisco post September 11th are assigned duties which span multiple programs, including vessel security and safety boardings, facility/container security inspections, harbor patrols, vessel escorts and security zone enforcement. While there has been a reduction in the number of Coast Guard personnel providing a "Sea Marshal" capability, there are adequate Coast Guard resources available to cover the port's risks.

In the months following September 11, Coast Guard operational commanders rebalanced resources to a sustainable level across all missions keeping Ports, Waterways and Coastal Security as the number one mission alongside Search and Rescue. In addition, the President's fiscal year 2003 budget request includes funding for critical Homeland Security initiatives that continue our fiscal year 2002 progress and facilitates achieving the goals of: building Maritime Domain Awareness (knowledge of people, vessels and cargo traveling on our Nation's waters); ensuring positive/controlled movement of High Interest Vessels; enhancing presence with improved deterrence and response capability; protecting critical infrastructure and ensuring Coast Guard force protection; and, increasing domestic and international outreach. The President's fiscal year 2003 request includes $7.7 million to acquire and support 160 Sea Marshal Program personnel.

Question. Mr. Secretary, even though you now require ships to submit the names of its crewmembers 96 hours before arrival, the Coast Guard cannot actually check all these names against all the necessary watch lists and clear each crewmember before the ship arrives in port. What are you doing to ensure that the Coast Guard has access to the critical information necessary to be able to make this early notification of some use?

Answer. (USCG) In association with the temporary emergency regulations implemented in October 2001 requiring 96 hour advance notification of port visits and crew lists by commercial ships enroute to U.S. ports, the Coast Guard (USCG) established the National Vessel Movement Center (NVMC). The staff of the NVMC receive the advance required notice of arrivals via either fax or email. Within two hours of receipt, the information is then input into a database which is accessible

by all USCG offices including the Marine Safety Offices or Captains of the Port who are responsible for ensuring compliance with the appropriate regulations for each of the ports within the United States. The database is called the Ship Arrival Notification System (SANS).

The name check process is carried out by the USCG Intelligence Coordination Center (ICC).

Question. At the recent meeting of the International Maritime Organization, most foreign nations rejected the notion of requiring international credentials for all vessel crews. Do you believe an international credentialing system is feasible? Is it something we should require of all ships entering the United States and Canada?

Answer. (USCG) Yes, an international credentialing system is feasible; and, the Secretary of Transportation should be granted the flexibility to develop and implement a system of positive identification for foreign merchant mariners entering all U.S. ports. The Maritime Safety Committee (MSC) Working Group on Maritime Security considered a comprehensive set of proposals to improve maritime security submitted by the United States. One of these proposals was to include in the Safety of Life at Sea (SOLAS) Convention a requirement for seafarer identification verification. The Inter-Sectional Working Group (ISWG) agreed that there was a need for an updated seafarer identification document, and that action would be sought through the revision of the International Labor Organization Seafarers' Identity Documents Convention (ILO), 1958 (No. 108). Based on this agreement, the ISWG requested the Secretary General to write to the Director-General of the ILO requesting early action on this matter. The ILO has since made significant progress internationally to develop a seafarers' ID requirement. The U.S. Department of State, Immigration and Naturalization Service, Maritime Administration, and Coast Guard officials are all working to coordinate this issue and determine how the ILO's proposals can be incorporated into the U.S. visa/passport requirements for seafarers. The United States also believes the seafarer's identification system must have the capability to gather and exchange information among member states to assure entry and exit of seafarers is only allowed to those with valid and properly issued documents.

Question. Mr. Secretary, earlier this year your Undersecretary of Transportation for Security testified about the Administration's new "Smart Border Declaration." This initiative is designed to expedite the travel of cargo across the United States-Canadian border. I am concerned about cargo that is destined for the United States will be sent to Canadian ports instead of U.S. ports because the security requirements will be more lax. Mr. Secretary, can you assure the Committee that containers coming into the United States via Canada and containers entering U.S. ports will be subject to the exact same security requirements? Will containers entering U.S. ports be more likely to be inspected by the Customs Service or the Coast Guard than containers entering through Canada?

Answer. (TSA) Our aim is to reduce the time it takes for freight to cross the border from Canada into the United States while not reducing the overall level of security. In fact, our goal is to improve our security efficiencies by utilizing technology and modifying business practices to speed the process and to properly coordinate and disseminate intelligence information to more accurately target potential harmful freight. We intend to accomplish this by setting national container security standards, administered by appropriate federal agencies, requiring that all shippers, brokers, and all persons handling freight fulfill certain security procedures before containers enter the country. We are and will continue to work closely with U.S. Customs in implementing these standards. TSA and the other DOT agencies are working with Customs to ensure that the right technology is utilized to safely accomplish this goal. The best example of this cooperative effort is the joint Container Working Group and the emerging Operation Safe Commerce initiative, both of which seek to prevent a situation as you presented.

In all probability, a higher percentage of containers entering U.S. ports directly will be inspected by U.S. personnel than containers entering through Canada but only if the Canadian containers meet equally stringent security requirements and have applied those standards to their inspections.

QUESTIONS SUBMITTED BY SENATOR JACK REED

TRANSIT SECURITY

Question. Secretary Mineta, on September 11th, transit systems evacuated thousands from Ground Zero, the Pentagon, and their environs. What steps has the Ad-

ministration taken to ensure that our nation's transit systems are protected from terrorist threats?

Answer. (FTA/TSA) While TSA has focused significant attention on aviation security mandates, the Associate Under Secretary for Maritime and Land Security (MLS) has initiated a land transportation security program that will provide the highest level of protection for all the transit systems. Working with FTA and the transit industry, we will develop enhanced security for transit systems. Outreach efforts with MLS and FTA are underway with meetings to develop an MOA delineating roles and responsibilities between the agencies in accomplishing this quickly and efficiently.

TSA will work closely with FTA and the transit industry on existing security measures, identifying the gaps, and making improvements. Efforts will continue to focus on protection, prevention, response preparedness, and recovery.

Focusing on prevention through people, we believe that counter-terrorism training enhances the performance of our first responders. We continue to support the Land Transportation Antiterrorism Training Program that was developed for transit law enforcement and security personnel who protect the land transportation system. DOT and the Department of Treasury's Federal Law Enforcement Training Center entered into a partnership and developed this program in 1999. The course is being offered to various transit agencies throughout the United States.

In the wake of September 11th, FTA undertook a five-part security initiative to enhance the security of the nation's public transportation systems and help our public transportation agencies cope with these new threats.

Assessment.—Enhancing transit security must begin with an in-depth, professional assessment of the threats to and vulnerabilities of each transit system. On December 17, 2001, FTA began deploying expert security assessment teams to the 32 largest transit agencies. The teams are using proven threat and vulnerability assessment methodologies to assess the security gaps in the agencies' high consequence assets and make specific recommendations to reduce the risks to acceptable levels. In addition, the teams are assessing the agencies' emergency response plans and the coordination of their emergency response efforts with associated fire, police, and other emergency response agencies.

The assessments are proving extremely beneficial for both the FTA and the transit agencies, even at the most well-prepared agencies. The assessments are helping to identify best practices for the industry and will assist FTA in developing a road map for future programs.

Through the assessments we have learned that transit environments have many high risk, high consequence assets. Due to the challenge of protecting these assets in a transit environment that is inherently open, it is more important than ever that agencies are able to respond as well as mitigate the impact of emergencies.

Planning.—Effective response to an act of terrorism requires instantaneous and sound decision-making in a volatile, high-pressure environment. Our largest transit operations already have emergency response plans, but need to reexamine their plans in light of today's potential threats. FTA is deploying Technical Assistance Teams to provide hands-on assistance to transit agencies as they develop and refine their emergency response plans in light of their security assessment findings and heightened terrorist threats. These plans will serve as blueprints for action in the wake of an attack. They articulate the steps to take in order to notify authorities of the incident, evacuate passengers, protect personnel and equipment, activate a unified command and communications system among transit, police, fire and emergency medical units, and restore the system to normal. This approach was successfully used to develop emergency response procedures and deliver on-site training programs to Utah Transit Authority employees in preparation for the Winter Olympics.

Testing.—In the "lessons learned" from the tragic events of September 11th, New York and Washington transit officials have emphasized how important it was that they had conducted regular emergency drills. In addition to having an emergency response plan in place, they recommend that every transit agency conduct regular emergency drills—not just fire drills—to keep skills sharp, update response plans, and build personal relationships with counterparts in the police, fire and emergency medical response organizations. FTA has recently sent a Dear Colleague Letter to the top 100 agencies to make them aware of grants available in amounts up to $50,000, for organizing and conducting emergency preparedness drills. Again, these funds will enable transit agencies to coordinate response with local and regional emergency personnel.

Training.—It is imperative that we have a transit workforce that understands security issues and is fully prepared to respond should an emergency occur. To meet this need, FTA is launching the "Connecting Communities: Emergency Prepared-

ness and Security Regional Forums." The forums kicked-off in May in Orlando, Florida, and will continue in 16 additional cities across the country. Forum registration is being offered at no charge. The forums are designed to bring together small to mid-size transit agency management and security personnel; police and fire personnel responsible for emergency management coordination; emergency medical services and hospital disaster relief coordinators; and state and local government emergency management coordinators. Participants will gain a better understanding of the roles played by each agency and begin the process of developing the plans, tools and relationships necessary to respond effectively in an emergency situation.

In addition, FTA is working with the Transportation Safety Institute (TSI) and the National Transit Institute (NTI) to expand current course offerings to a broader audience.

Technology.—The last component of our security initiative involves technology and research. First, $2 million of fiscal year 2002 research funding will be used to fund security-related transit research under the auspices of the Transit Cooperative Research Program of the National Academies of Sciences. In addition, FTA has reprioritized the fiscal year 2002 budget to devote funds to improve the Transit Safety and Security Reporting Module of the National Transit Database; and to implement the recently developed Bus Safety Program. We have also received $4 million to accelerate the implementation of the Project PROTECT chemical detection system, which is being prototyped in the Washington D.C. subway system. In order to assist all systems in the near term, however, FTA has issued guidelines for the handling of chemical and biological incidents in a subway environment.

Question. Mr. Secretary, what portion of the $4.4 billion in the President's supplemental budget request for the Transportation Security Administration will be used to address the threats facing our nation's transit systems or is all of that money slated for airline security efforts?

Answer. (TSA) The President's initial fiscal year 2002 supplemental request included operating and personnel funds for Maritime and Land Security staff. The staff is currently working to develop national security standards in all non-aviation transportation modes (maritime, highway, rail, mass transit and pipelines) to ensure the security of passengers, transportation conveyances and cargo and prevent disruption to the transportation system from terrorism, sabotage and/or other disruptive acts. The staff is working with the cognizant transportation agencies (FHWA, FTA, FRA, FMCSA, RSPA, and the Coast Guard) and industry to identify best practices. TSA will set standards, issue regulations and monitor execution in all the non-aviation modes. The President's fiscal year 2003 request now before Congress contains operational funds for these start-up efforts as well as $100 million for security grants.

Question. Secretary Mineta, in testimony before my Subcommittee on Housing and Transportation we have heard from numerous experts that the demand for new security measures is very high. Looking to the future, does the Administration plan to include new resources in next year's budget or its TEA–21 reauthorization proposal to address the threats facing our nation's transit systems?

Answer. (FTA) We are unable to provide specifics of the provisions of the TEA–21 reauthorization bill or TSA's 2004 budget requests because both are still in the formative stages. However, the Department has articulated a set of core principles that will frame our approach to the reauthorization of our surface transportation system. One of those core principles is to "address the security of the nation's transportation system".

AIRLINE SECURITY

Question. Mr. Secretary, I have been impressed with the effort you and Under Secretary Magaw have put into aviation security. Obviously, as we know from the President's supplemental request, this is not an inexpensive proposition, but quality work never is. With that said, what assurances can you give Congress that your department will not succumb to pressure from bean counters and simply assign security services to the lowest bidder?

Answer. (TSA) We agree that cost is not the only factor that should be weighed when awarding a contract. We will follow guidance to ensure that the quality of security provided is also a key factor.

Question. What is the likelihood that TSA will meet the Congressional mandate to provide 100 percent EDS (Explosive Detection Systems) screened checked bags by 31 December 2002?

Answer. (TSA) TSA remains totally committed to meeting the requirements of the congressional mandate for 100 percent screening of checked baggage.

Question. It seems to me that while we are working to catch potential terrorists coming through the gate, we should also be working to thwart these acts while in the planning and rehearsal stages—not when they have already stepped off the proverbial line of departure. Is TSA looking to develop an antiterrorism program for airport infrastructure protection?

Answer. (TSA) The Federal Security Directors are joining Anti-Terrorism Task Forces at the local level and therefore TSA is ensuring that airports are part of local anti-terrorism efforts.

QUESTIONS SUBMITTED BY SENATOR RICHARD C. SHELBY

Question. What is your plan to continue implementation of the explosive detection system requirement beyond the December 31st deadline in the Aviation and Transportation Security Act?

Answer. (TSA) TSA's focus for the remainder of 2003 will be on Research and development of next generation EDS equipment while maintaining the equipment deployed in the field.

Question. If screening baggage is a priority for the Administration, why weren't any of the 9–11 emergency funds ($20 billion) allocated to purchase and install explosive detection machines at airports?

Answer. (TSA) About $200 million was provided to the FAA from the emergency supplemental funds to support explosives detection systems efforts. In addition, $100 million in appropriated funding was provided to FAA for EDS. Lastly, the Administration requested $1.9 billion in its initial supplemental request to hire, train, and deploy roughly 22,000 baggage screeners and buy, install, and maintain about 7,000 pieces of explosives detection equipment to meet the December 31, 2002 deadline.

Question. The fiscal year 2002 supplemental request totals $27.1 billion in new spending. For FAA operations, however, the request of $100 million is to be derived by transferring funds from the FAA's two capital accounts. What effect would this transfer have on programs to modernize the national airspace system and on airport safety, capacity, and other improvement projects?

Answer. (FAA) The amount proposed for transfer represents less than two percent of the total capital funding available to the FAA in fiscal year 2002. This action would not significantly affect airport safety or capacity programs.

Question. With the National Guard withdrawing its presence at airport screening checkpoints at the end of May, the TSA has issued a security directive to local officials to place law enforcement personnel at all security screening checkpoints. Do you intend to reimburse airports and local governments for all costs associated with meeting this federal requirement? Please provide your rollout schedule for putting federal law enforcement at airports. It is my understanding that the federal government will not provide liability protection to the local governments whose officers are placed at airports. Why are you not offering liability protection when these officers are acting in a federal capacity?

Answer. (TSA) The TSA is willing to provide reasonable reimbursement for certain costs based on locality and within the allocated federal budget. We have been processing requests since approximately April 2002. Generally, overhead costs are not authorized. Reimbursable costs may include an hourly charge for "straight-time", "over-time" (if necessary), or an annual salary cost (incrementally funded) if new law enforcement personnel must be hired. Reimbursement also will be considered for benefits required by federal, state, or local law. In most cases, we are able to cover "overhead" as well as the basic rate. The rollout schedule is tentative at this time and has not been finalized.

Question. Mr. Secretary, although it is not as costly to install trace detection equipment in airports as it is to install EDS machines, the overall effort to install explosive detection equipment will be significant. Furthermore, the greater the complexity of the installation, the greater the costs will be, and the shorter the time frame for installation, the greater the costs will be. Do you have an updated cost estimate for EDS installation given last week's announcement of the intended mix of equipment TSA intends to use to meet the year-end requirement, and does that take into account variables like those I mentioned? Do you intend to require airports to use Airport Improvement Program funds to offset any funding shortfalls in this area?

Answer. (TSA) TSA has revised its average cost per EDS installation to reflect the differences between lobby installations and the more complex and costly installations in integrated installations in baggage rooms. The average cost has been revised upward to $350,000 per EDS installation.

AIP funds as well as PFC charges are among the options available to airports to fund the development of infrastructure necessary to support the operation of checked baggage screening equipment procured, installed and operated by TSA.

QUESTIONS SUBMITTED BY SENATOR ROBERT F. BENNETT

Question. Mr. Secretary, Section 110 of the Aviation and Transportation Security Act States the "Undersecretary shall provide for the screening of all passengers and property, including U.S. mail, cargo, carry-on and checked baggage, and other articles that will be carried aboard a passenger aircraft . . ." The article goes on to state, "In the case of flights and flight segments originating in the United States, the screening shall take place before boarding and shall be carried out by a Federal Government employee . . ."

Mr. Secretary, this language seems clear. It is my understanding that the Transportation Security Administration (TSA) continues to rely on airlines to perform certain screening functions, namely screening of the catering function supplied to carriers at airports. Does TSA plan to assume this function, as the law clearly intended, or will this important function continue to be delegated to the airlines?

Answer. (TSA) TSA does not plan to assume the responsibility for screening of the catering function. The Aviation and Transportation Security Act ("ATSA") distinguishes between security functions that must be performed by TSA and security functions for which TSA must set standards. 49 U.S.C. § 44901 deals with passengers and their property, and with other items accepted by an air carrier for transport. Screening functions for these categories must be carried out by federal employees, and at federal expense [1], subject to limited exceptions.[2]

In contrast, 49 U.S.C. § 44903(h), deals with services and supplies related to aircraft, and to services and amenities, including catering, provided by the air carriers for their passengers. This section requires TSA to establish standards for the performance of security functions related to such services and supplies. 49 USC § 44903(h)(4)(C) specifically mentions catering supplies and other passenger amenities and requires only that the TSA "establish procedures" for ensuring the safety and integrity of such supplies and persons providing such supplies. It does not require that Federal employees carry out the procedures created by the TSA, or that the government bear the costs associated with these procedures.

At this time, air carriers are responsible to ensure required security procedures are implemented for catering services. Currently, we are working on establishing uniform requirements for catering security in order to assure consistency across the commercial aviation system.

Question. Mr. Secretary, airlines are continuing to perform certain security functions at substantial cost. Congress' intent was for the federal government to assume ALL security functions related to aviation security and to get airlines out of the law enforcement business. Do you concur with the view that TSA should be performing ALL security functions and that airlines should be reimbursed for the responsibilities they have been performing until TSA is fully staffed and operational?

Answer. (TSA) Under ATSA, TSA was given responsibility for Federal civil aviation security policy, regulations, and law enforcement, but it was not assigned "all security functions." On February 17, 2002, TSA began to assume civil aviation security functions, as provided in ATSA. Some of these functions are security services that TSA will provide directly; other functions are of a regulatory or enforcement nature. However, many security-related functions and costs are the responsibility of private parties in the aviation industry. For instance, certain airports, air carriers, and foreign air carriers are required to have security programs for their own operations and they are responsible for these expenses. Under these security programs, and as necessitated by the operation of their businesses, the airports, air carriers, and foreign air carriers will have costs for security functions that are not TSA's responsibility and will also have employees with security duties or with duties that complement Federal security functions.

As part of their security programs, carriers employ ground security coordinators to manage the security responsibilities that they retain. Other carrier employees have limited security-related functions among their duties. These include ticket agents, who ask passengers several security-related questions before accepting their baggage, and also baggage runners, who transport bags from the carriers' facilities

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[1] The statute imposes fees on passengers and on air carriers to offset costs related to passenger and property screening. See 49 U.S.C. 44940.

[2] Under 49 U.S.C. § 44901(a) screening conducted through the CAPPS and known shipper programs is not required to be done by Federal employees.

to TSA screening locations and, after screening by TSA, to the entry point for the airport's baggage handling system. Further, as discussed in the reply to the question above, carriers are responsible for ensuring the safety and integrity of catering supplies and other passenger amenities. TSA's role in the carriers' security programs and in complementary activities is generally limited to regulation and enforcement. TSA does not perform or pay for the carriers' security programs.

QUESTIONS SUBMITTED BY SENATOR BEN NIGHTHORSE CAMPBELL

SURFACE TRANSPORTATION ISSUES

Question. One of the biggest surface transportation security issues facing the State of Colorado is the safety around tunnels on major interstates. For example, I–70 is a major transportation artery through the Rocky Mountains. It has several major tunnels, which could have security risks. From your experience, what can be done to make these tunnels safer?

Answer. (FHWA) The major road tunnels on I–70 in the state of Colorado are the Eisenhower/Johnson Memorial Tunnels near Vail and the Hanging Lake Tunnels near Glenwood Springs.

These tunnels were designed, constructed and retrofitted to be in compliance with National Fire Protection Association (NFPA) 502, Standard for Road Tunnels, Bridges and Other Limited Access Highways, and incorporate the following operational, life safety and emergency systems:

—The tunnels are fully manned, 24 hour a day, every day. There are 50 full time personnel assigned to the Eisenhower/Johnson Memorial Tunnels and 33 full time personnel at the Hanging Lake Tunnels.

—There are TV cameras installed throughout the tunnels and the closed circuit television (CCTV) system is continuously monitored at the Operations Control Center.

—Emergency and fire fighting equipment is located and maintained at the tunnel site.

—Fire water lines and fire valves are installed throughout the tunnels and are capable of providing a 500 gallons-per-minute supply of water.

—Emergency electrical power and tunnel lighting is available if the power source is destroyed or damaged.

—Emergency training of maintenance and operation personnel is conducted periodically, including first aid and medical attention.

—The existing mechanical ventilation system is capable of handling the smoke and heat of a major fire within the tunnel.

—An incident management plan, which contains an emergency response plan, exists for each tunnel facility,

Presently, all road tunnels that receive federal-aid, are in compliance with NFPA 502 and incorporate the same life safety systems as the above-mentioned tunnels. This has been the general practice during the past fifteen years.

To make the tunnels safer, against terrorist attack for example, the following additions to the existing operations could be made:

—Hire security personnel, with patrol vehicles, to patrol the approach highways to the tunnels.

—Provide advance detection of any unauthorized trucks or vehicles carrying explosives or dangerous gases. In a limited access highway there usually is a distance of several miles between the nearest on-ramp and the tunnel portals.

—Install portable blockades at tunnel portal areas to physically prevent unauthorized trucks or vehicles from entering the tunnels.

—Upgrade the medical training for tunnel personnel from first aid and medical assistance to emergency medical technicians.

—Include in the incident management plan a tunnel structural team to immediately assess any structural damage to the tunnel.

Question. Are there technologies in place that could be used to make this type of infrastructure more secure?

Answer. (FHWA) Tunnels benefit immediately from the technologies that are contained within the "intelligent infrastructure," including video surveillance, traffic flow monitoring, and traveler information. These technologies not only assist in monitoring the facility and detecting any suspicious activity, but then also serve to verify any conditions resulting from an event. They also assist in managing travelers to help them flee or avoid entering a damaged facility. Technologies that detect chemical (and possibly biological) agents may also be useful, particularly in quickly detecting possible releases in a tunnel, whether caused by a terrorist act or by a

crash involving hazardous materials. Technologies that detect heat and monitor visibility are similarly helpful. The many technologies applied regularly in tunnel management, such as those that control airflow, pumping, and illumination within the facility all contribute to increasing tunnel security.

Question. What advances in the Intelligent Transportation Systems (ITS) have been made that can be applied to transportation security?

Answer. (FHWA) Though there are no ITS systems which address the specific issue of tunnel security; however, every attempt is being made to utilize all areas of ITS to enhance the overall security of the Nation's transportation facilities. The full capability of the transportation system must be harnessed and optimized, including use of Intelligent Transportation Systems (ITS), to effectively move people and goods and to help plan for, detect, prevent, and respond to a national security event.

Planning for evacuations and quarantining.—Transportation professionals who work daily to maximize the operational efficiency of the system are key players in planning the best methods to carry out an evacuation or quarantine. They have technologies at their disposal such as advanced traffic signal systems, ITS surveillance and traffic flow monitoring systems and traffic operations centers that can detect disasters as they occur and provide a centralized response team with the tools to manage traffic on city streets, highways, and transit systems. Traffic flow information collected through vehicle count stations and ITS technologies allow planners to plan optimal evacuation routes. ITS resources such as variable message signs, highway advisory radio, 511, and the Internet provide essential ways to get information on the best routes and safe locations to travelers.

Traffic signals, surveillance and detection.—Surveillance technology may be used to monitor roads for suspicious vehicles and activities, and thus becomes a key element in detecting and preventing possible terrorist acts. Once an incident occurs, many evacuees travel only as far as the first traffic signal before they encounter delays. These same closed circuit television cameras, traffic sensors, transponders, and optical image sensors can provide information to traffic and other emergency managers to help ease traffic congestion under emergency conditions. Advanced signal systems that can be remotely changed or can automatically adapt to accommodate heavy evacuation movements are critical to an effective and safe evacuation.

Emergency communications integration and redundancy.—Integrated communications capability—sharing of traffic conditions and video images—can greatly aid coordinated emergency response. Interoperable communications between emergency responders and traffic managers through shared radio/phone systems and advanced technologies in emergency vehicles are essential. Additionally, ITS communications often employ deeply buried fiber optic cables, resulting in a hardened communication system. Such systems may be crucial if terrorist attacks damage or destroy other telecommunications facilities.

Asset tracking for commercial vehicles, transit systems, and cargo.—Asset tracking involves the use of electronic means to locate and track freight and passenger movements, whether static or in transit. The security goal of the tracking function is to quickly recognize deviations from planned routes or other baseline information, and to take measures to interrupt further movement of an errant asset within the United States and at border crossings. After an event, the tracking function may assist in determining the origin of the asset and its operator. ITS technologies also support verification of the credentials of operators of hazardous loads, and such operators at intermodal interfaces such as in the air cargo environment.

Question. Are such systems eligible for funding under the funds already allocated for homeland security?

Answer. (TSA/FHWA) Although the funds provided to date to the Transportation Security Administration for homeland security do not include any funding for any highway systems, most of the ITS systems described are already eligible for funding under various Federal-aid highway program funding categories.

ASR–11 RADAR (EAGLE COUNTY)

Question. This issue might not be crucial to the arena of national security, but in eyes of my constituents, it is equally important. We must be able to monitor flights as they come in and out of every airport in the country. Eagle County Airport, in my home state of Colorado is in desperate need of an upgraded radar system in order to accommodate the increasing number of large commercial flights landing and taking off from this airport, especially in inclement weather with low visibility. The ASR–11 was slated to be the radar for this airport, however concerns over the radar's viability have halted its installation. I understand that my colleagues, Senator Murray and Senator Stevens are also in need of the ASR–11 or

a viable alternative in their own states. What is the Department doing to develop the ASR–11 or comparable radar that will be available in the immediate future?

Answer. (FAA) We share your view that safety is the most important factor in determining how operations are handled at this airport. Air traffic procedures have been established to assure that safety is not compromised. The Denver Air Route Traffic Control Center utilizes long-range radars to vector aircraft to approximately 1,500 feet above ground level in the vicinity of Eagle County Airport. In poor visibility conditions, special procedures limiting the number of aircraft operations at the airport are implemented to assure safety.

The Federal Aviation Administration (FAA) uses benefit-cost analyses as a tool to help determine how best to utilize its resources. These analyses support those projects that provide the greatest benefit to the greatest number of aviation users. A benefit-cost study conducted for Eagle County indicated that the benefits of an Airport Surveillance Radar, Model 11 (ASR–11) radar system are significantly less than the cost of such a system.

The ASR–11 is a digitized radar that is being jointly procured by the FAA and the Department of Defense (under a DOD contract administered by the Air Force). The FAA's intent was to buy off-the-shelf radars (non developmental item) to replace the existing, aging, ASR–7 and ASR–8 radar systems that are approximately 30 and 25 years old, respectively. The FAA will be installing 112 ASR–11 systems into the National Airspace System by 2008. This new digital radar has greater capability than the system(s) it replaces, and is designed to be compatible with, and operate in conjunction with, the Standard Terminal Automation Replacement System (STARS). The contract for the procurement of ASR–11's will permit the FAA to buy additional systems in the future should they prove to be cost beneficial.

CROSS-CHECK OF PASSENGER IDENTITY

Question. As you may know or have read, two of the accused hijackers were listed on the FBI's list of terrorists to watch. We know that these men were on the planes because their names were listed on the flight manifests. Somehow, some way, these men were able to purchase tickets and board a plane despite the fact that they were on an FBI list of terrorists without any second glances. It is so easy to check whether a person is using a stolen credit card or trying to cash a bad check or has bad credit. Why is it so difficult to have a cross-check system, not only with the FBI, but with all law enforcement agencies, to see if there are any threatening or suspicious people purchasing tickets or checking onto our nation's airplanes?

Answer. (TSA) Presently, the existing law enforcement databases do not have the technical capability to interact with each other nor with private industry [airlines]. There are four main reasons that make information checking between agencies difficult; (1) different operating systems; (2) different types of data storage; (3) different types of computer hardware; and (4) interaction with private industry. Thus, technically, the current sharing of data amongst government agencies and private industry is extremely difficult.

Question. Has there been any progress made on developing such a cross-check system?

Answer. (TSA) Presently, the U.S. Intelligence Community provides threat information, which includes names of suspect persons to the TSA/FAA 24-hour Intelligence Watch. The TSA/FAA Intelligence Office works closely with the producer agency to develop appropriate unclassified versions of the information, which may be used throughout the aviation security system. That information is then provided to the air carriers. The air carrier security departments use the information to identify suspect individuals who may make reservations or attempt to fly and alert appropriate law enforcement authorities. TSA/FAA continues to work with U.S. law enforcement and intelligence agencies and with the air carriers to refine the way in which this type of information is used.

Further, the architectural design of the CAPPS II [Computer Assisted Passenger Pre-Screening System] will allow for the capability of cross-checking against any law enforcement agency database made legally available to the system. We continue to work with various government and law enforcement agencies and legal counsel in this endeavor.

FIXED BASE OPERATORS

Question. During a previous hearing with Administrator Garvey, Senator Kohl and I raised questions about the security of the fixed base operator, or FBO, at airports around the country. As it stands now, I could drive out to Manassas, rent a wet or dry plane myself, and fly anywhere or into anything I want to. This is not to mention that fuel trucks just sit around to sides of building there, just waiting

for something to happen. What types of security measures can you take to make sure that the FBO is as secure as a commercial airport?

Answer. (TSA) There are a number of changes that could be implemented to assure the security of airports that are served by Fixed Base Operators. Of course, any such plans would be subject to a grant of the necessary legislative or regulatory authority to issue rules that would address previously unregulated activities or facilities such as an FBO.

Fixed Base Operators are an important part of the allied aviation industry. In some case, the Fixed Base Operator is the heartbeat of the airport. Not only does the FBO offer services and facilities for pilots and aircraft, FBOs often function as private air terminals, albeit on a much smaller scale than their commercial airport counterparts that provide the operating environment for large passenger carrying aircraft operations.

Because of this critical role, FBOs could be brought under the same umbrella of security requirements that apply to the facilities where commercial passengers are processed. Comprehensive security plans that address access to facilities and aircraft, identification systems that determine who and what vehicles may move across airport ramps; and the requirements for security services or law enforcement presence are just a few of the improvements that could be implemented to the large number of general aviation airports that have FBOs as their focal point.

This level of regulation and control would obviously need to be tailored to the type and level of service.

Question. Have you taken any such measures so far?

Answer. (TSA) Yes, as a voluntary measure the general aviation community was provided with a set of advisory instructions following the Following the September 11, 2001, multiple terrorist attacks. Public and private airport operators were provided with a circular to address basic security responsibilities and to raise the level of security awareness for the foreseeable future. It addressed procedures for notifying law enforcement about suspicious activities.

Chairman BYRD. The committee will resume its hearings.

The committee is pleased to have appear before it this afternoon, lacking about 5 minutes, Tommy Thompson, Secretary of Health and Human Services, and we appreciate very much your appearance, Mr. Secretary, as we continue to examine the President's homeland security budget request.

At the committee's first round, we heard from several mayors and representatives of local government organizations. What they reported to us was not comforting. According to one of our witnesses, the National Association of Counties recently conducted a survey of county health departments and found that fewer than 10 percent of the county health departments in this country are fully prepared to deal with a bioterrorism crisis in their communities.

We were told flat out that the majority of county hospitals do not have the capacity to deal with a surge of casualties such as might be expected from a bioterrorism attack. One mayor reported that an emergency management official in one rural county had a three-point plan to cope with bioterrorism attack, (1) pick up the phone and call for help, (2) hope that somebody comes, (3) stack the body bags in the gym.

Mr. Secretary, it is clear that our local communities need a significant amount of help from the Federal Government if they are to be prepared to cope with a bioterrorism attack. It is clear that we must do more to expand the capacity of Federal, State, and local labs to detect bioterrorism attacks and to test samples for dangerous pathogens. The committee looks forward to hearing from you as to the assistance that the Department of Health and Human Services is providing, how you are helping our local communities to improve their ability to respond to such crisis.

We will first have your statement, and then I will turn to Senator Harkin, who is the chairman of the appropriations subcommittee that immediately has your Department under its jurisdiction, and Senator Specter, the ranking member of the subcommittee will be here shortly. After we complete your statement and turn to those two Senators for questions, the Chair may have some questions and the ranking member of the full committee. Senator Harkin will be limited to 10 minutes, Senator Specter will be limited to 10 minutes, other Senators will be limited to 5 minutes each.

The Chair apologizes to you for the length of time you have been waiting. We appreciate your patience, and we thank you very much for your appearance here, and we thank you for what you are doing to deal with this major problem that confronts our country. Why don't you begin. Your entire statement will be included in the record as though read. You may read it, or you may summarize it, whichever you prefer.

STATEMENT OF HON. TOMMY THOMPSON, SECRETARY OF HEALTH AND HUMAN SERVICES, DEPARTMENT OF HEALTH AND HUMAN SERVICES

Secretary THOMPSON. Thank you, Chairman Byrd, Senator Stevens, members of the committee. I first want to thank you for inviting me here today to discuss the President's fiscal year 2003 homeland security request. As well as the efforts of my Department of Health and Human Services to continue our preparation for bioterrorism attacks, you have all been strong advocates for building America's readiness, and on behalf of President Bush and on my own behalf, I thank you so very much for your support.

Senator Byrd, let me express my condolences on the death of your beloved dog, Billy. Lord Byron wrote of his own dog that he had——

Chairman BYRD. That is a great quote by Lord Byron. Please read it into the record.

Secretary THOMPSON. Beauty without vanity, strength without insolence, courage without ferocity. I know you felt that way about Billy, Mr. Chairman.

Chairman BYRD. That is not quite all of the quotation, but please include it, or I will. Thank you very much.

Secretary THOMPSON. I shortened it, Mr. Chairman, because of the luxury of time, sir.

Chairman BYRD. That is one statement that should not be shortened.

Secretary THOMPSON. As someone who has owned many dogs throughout my life, please know that I understand your sorrow.

Let me begin by noting our progress on bioterrorism preparedness funding to date. Within 3 weeks after the President signed the supplemental appropriation on January 10, the Department of Health and Human Services put together a program and structure for dispensing $1.1 billion to the States for public health system improvements. We gave States 20 percent of their share of the $1.1 billion program immediately, and asked them to send us by April 15 their proposals for spending the remaining 80 percent to build a stronger, more unified public health system.

The vast majority of those plans came in last week, Mr. Chairman and members. We are reviewing them. We have given 10 extensions to three States and seven territories, and given them until May 15 to prepare their proposals. We now have 11 teams in place reviewing the submitted plans. We will approve and modify them and release the funds by the end of this month.

The fiscal year 2003 bioterrorism budget request for HHS is $4.3 billion, an increase of $1.3 billion, or 45 percent above fiscal year 2002. This request constitutes the largest one-time spending increase in bioterrorism preparedness ever, and I believe we have set up our preparedness program more rapidly, Mr. Chairman, than any comparable Federal program has ever been recognized or organized.

These efforts are evidence of the President's commitment and my own to make sure that our country is ready to respond effectively and immediately should an attack occur. The President's budget supports a variety of activities to prevent, identify, and respond to incidents of bioterrorism. These include epidemic detection, response, maintaining security in the national pharmaceutical stockpile, performing research to improve our methods, training in health care service delivery, and assisting our State, local, and other Federal partners in improving our capability in order to respond to an emergency.

We continue, Mr. Chairman, to get stronger every day, and I am extremely proud of the progress we have made with your support. In short, we are building a cohesive public health system and doing so faster than many people thought possible.

The fiscal year 2003 budget request, $1.5 billion to fund State and local preparedness activities, such as improving, as you indicated, laboratory capacity, enhancing epidemiological and surveillance capacity, and improving communications systems.

Of this unprecedented request, $518 million is going to be used to build hospital preparedness, to upgrade treatment in infection-controlled areas, expend medical surge capacity, and purchase decontamination equipment. Strengthening our public health and medical systems and improving the coordination with first responders is absolutely our highest priority. We have moved quickly, and an unprecedented amount of money has been made available to States in a very short period. This is indicative of commitment to move faster and build quickly.

The fiscal year 2003 budget also includes $184 million to construct, repair, and secure facilities at the CDC, of which $120 million is for facilities directly related to bioterrorism research.

We are ensuring a ready supply of essential vaccines, and a robust national pharmaceutical stockpile. State and local public health workers and hospitals must have access to adequate supplies of medicines, and must be trained to receive and distribute these essential supplies once they are delivered, so we purchased enough antibiotics to treat 20 million individuals exposed to anthrax, and enough smallpox vaccine for every American. With the recent donation of smallpox vaccine by Aventis Pasteur, we can respond in an emergency even sooner than I had earlier anticipated.

Thanks to all of your support in the fiscal year 2002 appropriation, tremendous progress has been made, yet even with this

progress we still have a lot of work left to do. We must invest in the development of new drugs, vaccines, and diagnostic procedures. The biomedical research enterprise of this Nation is one of our greatest assets in the war against terrorism, and the President's request for the National Institutes of Health is $1.7 billion for these research activities.

Mr. Chairman, I was also personally troubled when I took over this job by the challenges faced by the FDA to ensure the safety and security of our food supply. For this reason, I requested emergency funding last year to increase inspection at our ports and across America.

With the funds this committee provided, and I thank you for that, we are now in the process of hiring 645 new field staff for food safety. Hiring and training these new inspectors is FDA's top priority. I am very pleased to be able to report to you today that FDA, as of today, has hired 624 of the 655 already, and just 3 months after these funds were provided, as these inspectors are trained, FDA will double physical examination of food imports in fiscal year 2002 and double them again in fiscal year 2003. We have also asked for an additional $17 million just for food safety, above the 2003 request.

While food safety has been FDA's most visible role in protecting against bioterrorism, I have also asked for an additional $5 million for blood safety efforts. FDA must expand its capacity to ensure the availability of safe blood and blood products at the time of an emergency.

Finally, let me note, Mr. Chairman, that we also have strong relationships with our Federal counterparts, most notably homeland security. Tom Ridge and I have a very strong working and personal relationship going back to our days as Governors. We and our teams have worked well together, and I am very pleased with our working relationship with Justice, the FBI, and Defense. We work closely together, and we share information effectively.

It was Theodore Roosevelt who reminded us that, in his words, the chief factor in achieving triumph is what has been done in thorough preparation and training before the beginning of the war. It is also our hope that our terrorist enemies will not strike again, but if they do, we are following Teddy Roosevelt's counsel. We will be ready.

Mr. Chairman, Senator Stevens, members of the committee, thank you again for your attention to these most serious matters, and for your support of the Administration's efforts. I would be pleased now to answer questions you might have.

[The statement follows:]

PREPARED STATEMENT OF TOMMY G. THOMPSON

Good morning, Chairman Byrd, Mr. Stevens and Members of the Committee, thank you for inviting me here today, to discuss the President's fiscal year 2003 request for bioterrorism preparedness efforts in the Department of Health and Human Services (HHS). I am confident that a review of the full details of our budget will demonstrate that we are proposing a balanced and aggressive approach to ensuring the safety of our nation, and improving our ability to deal with the public health consequences of bioterrorism and other public health threats and emergencies stemming from a terrorist attack.

The fiscal year 2003 bioterrorism budget request for HHS is $4.3 billion, an increase of $1.3 billion, or 45 percent, above fiscal year 2002. Of this amount, $2.3

billion is requested in the Public Health and Social Services Emergency Fund, $1.75 billion in the National Institutes of Health, $120 million in the Health Facilities Construction and Management Fund for the Centers for Disease Control and Prevention facilities, and $159 million in the Food and Drug Administration.

Under the Federal Response Plan, HHS is the lead agency within the Federal government for addressing the medical and public health consequences of all manner of mass casualty events whether terrorist-induced, accidental, or naturally occurring. This budget supports a variety of activities to prevent, identify, and respond to incidents of bioterrorism. These include epidemic detection and response; maintaining and securing the National Pharmaceutical Stockpile; performing research to improve our methods, training, and health care service delivery; and assisting our State, local and other Federal partners in improving our capability to respond to an emergency.

These activities are administered through the Centers for Disease Control and Prevention (CDC), the National Institutes of Health (NIH), the Office of Emergency Preparedness (OEP), the Health Resources and Services Administration (HRSA), the Substance Abuse and Mental Health Services Administration (SAMHSA), the Agency for Healthcare Research and Quality (AHRQ), and the Food and Drug Administration (FDA).

I take preparedness efforts very seriously. That is why I created the Office of Public Health Preparedness (OPHP) within the Office of the Secretary to direct and coordinate the Department's activities, and recruited as its first Director Dr. Donald A. Henderson, an internationally acclaimed leader in public health. In addition to the Office of Public Health Preparedness' role in improving the management and coordination of HHS's bioterrorism response, it has served as liaison with key organizations outside HHS, such as the White House Office of Homeland Security and the academic and industrial communities.

State and Local Public Health Capacity (CDC)

Our State and local public health system is our first line of defense against bioterrorism—both in terms of detecting a silent release, and coordinating a response if an attack is detected. In order to create a blanket of preparation against bioterrorism, the fiscal year 2003 budget provides $940 million in funding to State and local health departments to improve laboratory capacity, enhance epidemiological expertise in the identification and control of diseases caused by bioterrorism, and provide for better electronic communication and distance learning. This will continue the unprecedented infusion of funds provided this year for State and local health departments and their partners to equip and train themselves to respond to potential acts of bioterrorism and other public health threats and emergencies stemming from a terrorist attack.

Priorities for the use of these funds include: a fully staffed, fully trained, and properly protected public health workforce; strengthened public health laboratory capacity; increased surveillance and epidemiological capacity; secure, up-to-date information systems; and solid health communication capabilities.

We have already made a good start, but have far to go. According to an October 2001 survey to assess local preparedness for bioterrorism conducted by the National Association of County and City Health Officials: 20 percent of local public health agencies already had comprehensive response plans in place; 75 percent of local health officials indicated they were fairly or somewhat prepared for the many roles they are now being expected to play; and only 9 percent indicated that they were not prepared at all.

We all saw how overburdened local, State, and Federal labs were after the anthrax attacks, and the fear of more attacks. Improving the Laboratory Response Network is a key part of our investment. This effort enhances a system of over 100 public health labs specifically developed for identifying pathogens that could be used for bioterrorism and supports their linkages to local clinical microbiology laboratories.

My request will further expand the rapid and secure communications that are crucial to ensuring a prompt and coordinated response to an intentional release of a biological agent. Strengthening communication among clinicians, emergency rooms, infection control practitioners, hospitals, EMS, pharmaceutical companies, public health personnel and first responders is of paramount importance. To this end, CDC is making a significant investment in building the nation's public health communications infrastructure and is enhancing the Health Alert Network (HAN), a nationwide program to establish internet communications via connectivity with public health departments in at least ninety percent of our nations' counties.

The CDC will also enhance the communication backbone for next-generation disease surveillance, via the National Electronic Disease Surveillance System

(NEDSS). NEDSS is an initiative to promote the adoption of data and information system standards needed for efficient, integrated, and interoperable disease surveillance systems at the Federal, State and local levels; these standards are based on those used in clinical medicine. NEDSS and HAN are well coordinated on several fronts—connected on the Internet, developing consistent standards for States, building an information infrastructure, and training the public health work force.

These systems will assist, but never replace, the interaction of alert clinicians and well trained public health epidemiological response and outbreak control staff. We saw how that interaction worked in Florida in identifying the first case of inhalational anthrax, and how improvements were needed where several anthrax cases were not diagnosed in a timely manner. The funds I request will enable State and local health departments to improve their interaction with the clinical providers, provide essential information and training, and significantly expand epidemiological capacity. This essential combination of electronic and human systems will provide for more rapid detection of unusual outbreaks of illness that may be the result of bioterrorism, and facilitate a robust response that protects our citizens.

The Department will continue to develop and enhance workplace safety, personal protective equipment and occupational safety and health procedures and training to safeguard workplaces targeted by terrorist threats as well as the first responders on scene and the emergency responders within the health care system.

With the funding you have already provided, and the funding requested in the fiscal year 2003 budget, I look forward to telling you when I appear before you next year about the progress we as a Nation have made toward a robust public health infrastructure.

Hospital/Medical Preparedness

Our medical system must work hand in glove with the public health system in both detection of bioterrorist attack, and treatment of its victims. HRSA is responsible for leading this aspect of preparedness. HRSA will operate five programs which are requested under the Public Health and Social Services Emergency Fund in fiscal year 2003 for a total of $618 million. These programs will assist the Nation in preparing for possible Bioterrorism and other attacks. HRSA will continue the Hospital Preparedness program begun in fiscal year 2002. $235 million, an increase of $100 million, is requested to continue cooperative agreements with health departments in States and other eligible entities to care for victims of bioterrorism by: upgrading the capacity of hospitals, outpatient facilities, emergency medical services systems, and poison control centers. To address hospital infrastructure development for laboratories, infection control and decontamination issues, HRSA will use $283 million to: (1) ensure adequate hospital laboratory capacity to diagnose and report on potential biological and chemical agents that might be used by terrorists; (2) help hospitals improve their capabilities to control infection; and (3) assist hospitals with the purchase of personal protective equipment, infectious disease containment systems and other equipment for decontamination of biological and chemical agents.

HRSA will operate the new Educational Incentives for Curriculum Development and Training Program at a level of $60 million. HRSA will work with its partners in medical training and at CDC to ensure that the workforce of public health and healthcare professionals is properly equipped with the knowledge, skills and abilities to recognize indications of a terrorist event in their patients; treat their patients in a safe and appropriate manner; and rapidly and effectively alert the public health system. Working with HRSA, CDC and FDA will provide support for a series of exercises to train public health and hospital workers to work together to treat and control bioterrorist outbreaks.

HRSA will continue to operate the Emergency Medical Services for Children Program at a level of $19 million. This program will maintain support assisting States to improve care, as well as enabling States to promote regionalized care and develop systems improvements ensuring all components that an effective EMS system is in place for children.

HRSA will also continue to operate the Poison Control Center program, a vital part of the continuum of necessary emergency services needed by all Americans facing the threat of bioterrorism. Poison Control Centers will continue to enhance expert services to inquiries regarding bioterrorism, especially related to chemical exposures. This program will operate at a level of $21 million.

Coordination of State and Local Funding—HRSA and CDC

I have made it a top priority to ensure that our public health and clinical medical systems work seamlessly to protect our citizens. So while our public health and hospital preparedness programs are operated by two different agencies, we in the Office of the Secretary, and HRSA and CDC are working closely with the States to ensure

integration of our efforts at all levels. We asked States to develop their public health and hospital preparedness plans in tandem. As we review those plans, we are looking not just for completeness, but how well States and locals are working together, as well as collaboration between HRSA, CDC, and OEP. HRSA has encouraged a regional collaboration, and some states have indicated this is in place or will be in place in the near future.

Since we first sent formal guidance to States on February 19, State and local public health officials have been actively developing work plans for enhancing State and local bioterrorism preparedness of their health departments and hospitals. The deadline for receipt of these work plans was April 15. Of the 50 states HRSA received 47 state workplans and have granted three extensions, CDC received 48 state workplans and have granted two extensions. Of the four municipalities, HRSA and CDC have received all four workplans. Of the territories HRSA received two workplans and have granted three extensions, CDC received one workplan and have granted seven extensions. Our commitment is to complete review of State and municipal work plans within 30 business days of receipt. The "clock" starts when both CDC and HRSA work plans are deemed complete, and I have received a letter of endorsement from the governor, or mayor in the case of the four municipalities granted awards. Once the inter-agency HHS review teams complete their evaluations, Dr. Henderson will present their recommendations. Upon my approval that each work plan has satisfactorily addressed the critical benchmarks defined in the cooperative agreement guidance, all grant funds will become available to the States.

Federal Response Capacity

We must complement this strengthening of public health and medical systems with expanded Federal capacity, and improved coordination with first responders. For this work, the Budget includes $159 million for CDC response capacity (+18 percent), $120 million in bioterrorism funding for CDC facilities, and $150 million for coordination and response funding in the Office of the Secretary. I think we all understand the importance of a strong, vibrant CDC bioterrorism capacity. CDC deployed 588 employees in response to the World Trade Center event and the anthrax investigation, and several hundred CDC staff assisted from their regular posts. The request for CDC's internal capacity will create laboratory capacity to rapidly detect and identify agents of terrorism. It will also expand CDC capacity to identify a terrorist attack and deploy personnel, stockpile assets, and other resources in response. It will expand the number of Epidemic Intelligence Service officers, by providing a Federal Epidemiologist officer in every State, provide for 24/7 surveillance and response operations at CDC, and fund safety inspections and consultations for labs handling select biological agents.

The fiscal year 2003 budget also includes $184 million to construct, repair and secure facilities at the CDC, of which $120 million is bioterrorism funding. Priorities include the construction of an infectious disease/bioterrorism laboratory in Fort Collins, Colorado, and the completion of a second infectious disease laboratory, an environmental laboratory, and a communication and training facility in Atlanta. This funding will enable the CDC to handle the most highly infectious and lethal pathogens, including potential agents of bioterrorism. Funding will also be allocated to the ongoing maintenance of existing laboratories and support structures. My request funds all the new infectious disease and environmental health laboratory needs that CDC has identified to me.

The Office of the Secretary carries out three key roles: HHS is requesting $107 million for the Office of Emergency Preparedness, $33 million for activities coordinated by the Office of Public Health Preparedness, and $10 million for work to protect the Department's information technology infrastructure from cyber-terrorist attacks.

I am requesting funds to both expand the efforts of OEP, and integrate them with our public health and hospital preparedness efforts. The request for OEP would complete the 25 new Metropolitan Medical Response Systems (MMRS) begun in fiscal year 2002, reaching the planned total of 122. Funds will also further improve the readiness of the Disaster Medical Assistance Teams, and National Disaster Medical Systems assets OEP manages. The new Citizen Preparedness effort for which we request $10 million will seek to recruit retired and inactive medical professionals to help respond to potential attacks, and will be an integral part of our hospital preparedness activities.

I have asked OPHP to both oversee bioterrorism activities Department-wide, and fund several cross-cutting activities. These include the National Security Early Warning Surveillance activity that would deploy epidemiologists to several international population centers to provide early warning to the United States, work

with the major media networks on how to cover bioterrorism events without inciting panic, and develop multi-disciplinary response teams.

Pharmaceuticals and Vaccines

An important part of the war against terrorism is having a ready supply of essential vaccines and a robust National Pharmaceutical Stockpile. If a bioterrorism attack occurs, our State local public health workers and hospitals must have access to adequate medicines. My goals for the pharmaceutical and vaccine stockpiles include:

—*Antibiotics for anthrax*.—Maintain a sufficient quantity of antibiotics to care for 20 million exposed individuals; these antibiotics are also available for other agents, such as plague and tularemia.

—*Anthrax vaccine*.—Procure up to 25 million doses of a next-generation anthrax vaccine currently under development.

—*Smallpox*.—Have sufficient stockpiles of vaccine (and treatment for vaccine side effects) to immunize the entire population in the event of an attack.

—*Rapid deployment*.—Federal, State, and local governments are prepared to distribute NPS assets if deployed.

Thanks to your support in the fiscal year 2002 appropriation, tremendous progress has been made. The day that appropriation was signed into law, we bought 100 million doses of Cipro. You have given us the funding we need to order enough quality smallpox vaccine to protect all Americans. With the recent donation of some 1950's smallpox vaccine by Aventis, we can respond in an emergency even sooner than I had anticipated. We have also given States the first round of grants to prepare themselves to be able to use these resources in an emergency.

Even with this progress, we still have more work to do. That is why the Budget includes $650 million for procurement of vaccines and pharmaceuticals, stockpile management, and related preparedness activities. My request includes $300 million for the National Pharmaceutical Stockpile in CDC to procure additional pharmaceuticals to treat critical biological agents, ensure the proper storage and maintenance of these assets, and improve Federal, State, and local preparation to use them effectively. For smallpox, we are asking for an additional $100 million for CDC to buy vaccinia immune globulin (VIG) that would be needed to treat adverse reactions to the smallpox vaccine, continue work needed to license the new smallpox vaccine, and manage the vaccine stockpile. We also need a new anthrax vaccine. NIH is working on that research now, and NIH's fiscal year 2003 request includes $250 million for procurement of a next-generation vaccine.

NIH Research

While we stockpile the pharmaceuticals and vaccines that are available today, we must also make major investments in the development of new drugs, vaccines, and diagnostic procedures. Over the long term, the biomedical research enterprise of this Nation is one of our greatest assets in the war against terrorism. My bioterrorism request for the National Institutes of Health is $1.75 billion, including the $250 million for anthrax vaccine. The request includes $977 million for basic and applied research, $150 million for construction and renovation of extramural BioSafety Level (BSL) 3/4 facilities and $371 million for new NIH-owned BSL 3 and 4 facilities and physical security improvements to the NIH campuses. This $1.75 billion request is over a six-fold increase above NIH's bioterrorism spending in fiscal year 2002 and represents approximately 40 percent of the total NIH increase for fiscal year 2003.

NIH's bioterrorism research plan calls for NIH to: (1) expand basic research on the physiology and genetics of potential bioterrorism agents, the immune system function and response to each potential agent, and the pathogenesis of each disease; (2) accelerate discovery, development, and clinical research of next generation vaccines, therapies, and diagnostic tests, such as those using zebra chip technology, for potential bioterrorism agents; and (3) expand research infrastructure at both the intramural and extramural levels in order to be able to conduct this research in safe and up-to-date facilities. Examples of research areas include a third generation smallpox vaccine that could be used in all segments of the population, including pregnant women and people with weakened immune systems. NIH is carrying out research essential to developing drugs to treat potential bioterrorism agents, and develop vaccines for a broader range of threat agents, such as ebola.

At the heart of the NIH bioterrorism research plan is the establishment of a series of extramural Centers of Excellence for Bioterrorism and Emerging Infections, which will provide researchers with specialized equipment and tools, including biosafety level (BSL) 3 or 4 research laboratories; and conduct specialized research training. Another initiative is the use of challenge grants to attract the long-term

interest and support of industry and academia in developing biomedical tools to combat, detect, and diagnose diseases caused by bioterrorism agents.

These investments will help protect the nation from bioterrorism, and will have many positive "spin-offs" for other diseases. The planned NIAID research on microbial biology and on the pathogenesis of organisms with bioterrorism potential will certainly lead to an enhanced understanding of other more common and naturally occurring infectious diseases that afflict people here and abroad. In particular, the advancement of knowledge should have enormous positive impact on our ability to diagnose, treat and prevent major killer-diseases such as malaria, tuberculosis, HIV/AIDS, and a spectrum of emerging and re-emerging diseases such as West Nile fever, dengue, influenza, and multi-drug resistant microbes. Furthermore, and importantly, the NIAID research agenda on counter-bioterrorism will greatly enhance our understanding of the molecular and cellular mechanisms of the innate immune system and its relationship to the adaptive immune system. This clearly will help in the search for new ways to treat and prevent a variety of immune-mediated diseases such as systemic lupus erythematosus, rheumatoid arthritis and other autoimmune diseases. In addition, new insights into the mechanisms of regulation of the human immune system will have positive spinoffs for diseases such as cancer, immune-mediated neurological diseases, allergic and hypersensitivity diseases, as well as for the prevention of rejection transplanted organs.

FDA Regulatory Oversight

My request of $159 million for the Food and Drug Administration reflects the President's commitment to promote and protect the public health by ensuring that safe and effective products reach the market in a timely way, and to monitor products for continued safety after they are in use. This includes $98 million for food safety, $54 million for work on vaccines, drugs, and diagnostics, and $7 million to continue security improvements. Funding will build upon the activities begun in fiscal year 2002 for the safety of imported foods through expanded inspection and surveillance of imports; and activities related to medical products, including measures to help patients exposed to terrorist agents such as anthrax, smallpox and plague.

I brought to you my concern for the safety of our imported food supply this past year, and I applaud you for your response. With the funds you provided, we are in the process of hiring 635 new field staff for food safety. Hiring and training these new staff is one of FDA's top priorities, and I am proud to tell you that FDA hired two-thirds of these new people by April 12, just three months after these funds were enacted. As these staff come on board and come up to speed, FDA will double physical examinations of food imports in fiscal year 2002, and double them again in fiscal year 2003.

Funding will be used for the field's Operational and Administrative System for Import Support, OASIS, and computer software, including a real-time interface with multi-agency import databases to help target inspection resources and secure electronic communications. Funding will also be used for equipment for State laboratories to participate in the Electronic Laboratory Exchange network (eLexnet) and exchange information on select agents. Mobile laboratories will also be designed and purchased to enhance import capability along with the purchase of rapid detection instruments needed for rapid analysis of suspect foods for select agent toxins.

To further stretch these human and financial resources, FDA will emphasize those types of examinations that will increase the likelihood of detecting intentional acts of potential terrorism, such as looking for inconsistencies between shipping documents and the physical product, evidence of tampering, substitution, counterfeiting, or suspicious or damaged merchandise. Also, additional samples will be collected and analyses will be performed to detect toxins, poisons and microorganisms.

In addition, the new authorities included in the Bioterrorism legislation currently under consideration will substantially strengthen FDA's ability to protect the food supply and make the dollars you provide go further. The first key food safety provision would grant new authority to detain food in order to prevent potentially contaminated foods from entering into commercial channels. Currently the FDA cannot require the owners of food to hold distribution until a product's safety can be determined. This provision will ensure that we can quickly move to protect Americans in case of a future emergency. Another provision would allow the FDA to debar importers who refuse to play by the rules and repeatedly import adulterated foods into this country. A third provision would require importers to give the agency advance notice that their shipments are approaching U.S. borders. These new authorities will enhance FDA's efforts to protect the public health.

While food safety has been FDA's most visible role in protecting against bioterrorism, its other roles are just as essential. My request includes an added focus on blood safety, with an increase of $5 million for this work. FDA must expand its ca-

pacity to ensure the availability of safe blood and blood products at the time of an emergency.

As we seek to rapidly develop, produce, and procure pharmaceuticals, FDA must have the resources to provide close consultation and rapid regulatory review of drugs, diagnostic tests, and vaccines. FDA's role is to work with other agencies and the private sector to ensure that the pharmaceuticals and vaccines we buy are effective. Many of these products are still investigational—or the uses of them are. FDA needs the resources to work closely with CDC as we seek to move drugs rapidly from investigational to approved status. To accomplish this work, FDA must in some cases develop new regulatory models, as it would not be ethical to expose individuals to bioterrorist agents to test pharmaceuticals.

SAMHSA

At my request, last November SAMHSA convened a national summit, "When Terror Strikes: Addressing the Nation's Mental Health and Substance Abuse Needs—Strengthening the Homeland Through Recovery, Resilience and Readiness". This summit helped bring focus to the mental health problems arising from a bioterrorism or other traumatic event. The fiscal year 2003 budget includes $10 million to assist State and local organizations in developing solutions to these unique mental health problems. These funds would focus on the following elements: technical assistance to States to assist them in incorporating bioterrorism readiness and response into their State emergency preparedness planning; behavioral health triage in health care settings, bioterrorism crisis intervention, and dissemination of knowledge to public officials to prepare them in averting widespread public fear and panic, fear-induced overutilization of health care facilities and loss of confidence in public institutions.

Conclusion

As you can see, we have made substantial progress to date in enhancing the nation's capability to respond to biological or chemical acts of terrorism. I thank you for the resources you made available this year, and look forward to working with you to further strengthen our defenses against bioterrorism.

Mr. Chairman, that concludes my prepared remarks. I would be pleased to answer any questions you or members of the Committee may have.

Chairman BYRD. Thank you, Secretary Thompson, for your statement.

Senator Harkin.

Senator HARKIN. Thank you, Mr. Chairman, Senator Stevens, and my great working companion on this subcommittee, Senator Specter. I want to thank you for holding these very important hearings, Mr. Chairman, and I am pleased to be here today for Secretary Thompson's testimony on homeland defense.

As the chairman of the Labor, Health and Human Services, and Education Subcommittee, the homeland defense focus in our area is, of course, the area of bioterrorism. Last fall, I worked with you, Mr. Chairman, along with Senator Stevens and Senator Specter, to develop a bipartisan, $2.5 billion funding plan for bioterrorism preparedness.

I am pleased that the President signed our plan into law in January. We put the bulk of the funding, $1 billion, into improving our first responders at the State and local level. This money will help upgrade our public health departments, beef up local lab capacity, and help hospitals train staff and build much-needed surge capacity.

A few weeks ago, Mr. Secretary, I had a conference call with bioterrorism experts and first responders in my State of Iowa about their preparedness training and planning. They told me that while these funds are an important first step, much more remains to be done. They told me that our public health infrastructure needs better coordination. It requires more personnel at the local level, as

well as improved communications, and they really hit hard on the communications aspect.

While the earlier funding marked a major step forward, I think we clearly have much further to go to prepare America for a possible bioterrorist attack, and hearing your comments and reading your statement, Mr. Secretary, I want to thank you for your great leadership on this. I believe you are pointing us in the right direction. I commend you for the guidance and the direction you are giving the Department, and for the request you have made to us in this Appropriations Committee to help you meet your commitments and to do your job in meeting this threat of bioterrorism.

So Mr. Secretary, I want to thank you and all of your staff for the great working relationship and communications you have had with our staff here. I have always felt we have had a great open channel to you and to your staff to make sure that we had up-to-date information and good coordination on these policies and programs, and I appreciate that very much.

I just have a couple of questions, Mr. Chairman, that I wanted to ask. One has to do with food safety, and you hit hard on that in your opening statement. We right now have 12 different agencies governed by 35 different statutes dealing with food safety. Two days ago, the Brookings Institution released a report that recommended consolidating food inspection into a single independent agency.

I understand that recently Governor Ridge indicated he is looking at combining Federal food safety responsibilities into a single agency. Mr. Secretary, I know you have thought about this. We have spoken about it. Can you give us your thoughts on the fact that we have 12 different agencies and 35 different statutes governing food safety, and how we might better control this? Also, what are your views on what the Brookings Institute had recommended in terms of a single agency?

FOOD SAFETY

Secretary THOMPSON. Well, thank you, Senator Harkin. I am so concerned about this particular subject, as you know, Senator Harkin, and I have talked to you personally about it, and I thank you for your leadership on it.

We are not doing a good enough job, and maybe it is because it is so dispersed. Maybe it is because Agriculture and the Department of Health and Human Services have divided functions. There needs to be better coordination without a doubt, and I think the more we study this, more recommendations come forth. I think the stronger we become, the better off we will be.

In regards to the Brookings study, I think it should be reviewed. I know Tom Ridge is looking at it. I know we are looking at it through FDA. I know Ann Veneman is looking at it through the Department of Agriculture, and I think these are all positive things.

I know Senator Durbin from Illinois is also passionate about this, and I think we should set up a committee and really get down and roll up our sleeves and start looking at the possibility of either consolidation or better coordination. We have good coordination, but I think it can all be improved, and we can do a better job, Senator.

Senator HARKIN. Well, thank you, Mr. Secretary, and again, we do need your best thoughts and your best input into this. Of course we will wait to see what Governor Ridge might recommend also, but I really believe that this year we have got to do something about moving in that direction. Maybe we cannot do it all at once, but we have got to start moving in that direction and find some way of coordinating this.

I keep pointing out, I do not have the exact dollar figures in my head, but right now, in terms of food inspection in the United States, USDA does about 20 percent of inspecting food. FDA does about 80 percent.

Secretary THOMPSON. With 20 percent of the resources.

Senator HARKIN. But it is just the other way around with the resources. USDA gets about 80 percent of the resources, and FDA gets about 20 percent of the resources. Somehow, this has got to be worked into a more coherent and streamlined agency.

I have worked with Senator Durbin. We have drafted legislation, and I do not know if that is the exact right way to go, but we need the expertise of your Department and others on how we can better coordinate this. I hope we can start moving, and I think the fact that 9/11 happened, that now perhaps we can focus. That event focused our attention, and perhaps now we have a really good reason to move more rapidly than we ever have in the past on consolidation.

Secretary THOMPSON. We have 56,000 sites we have to inspect. We have 700 inspectors. We have over 175 points of entry into the United States in ports and airports with about 121 inspectors currently, and it is just impossible. We are inspecting less than 1 percent of the food coming in.

Senator HARKIN. One of your recommendations is that when we get these imports in, that we be notified ahead of time.

Secretary THOMPSON. We want to be notified. We want to be able to disbar companies that send in food that is adulterated with pathogens, or just plain adulterated. We want to be able to disbar them. We want to be able to trace back. We do not have those powers right now, and we want to be able to be notified when companies are shipping into the United States, what they are shipping in, and when they are shipping it in, so that if we have some suspicions we can be there.

We do not have that authority right now, and it is like a one-legged person.

SMALLPOX VACCINES

Senator HARKIN. I do not think many people in this country realize that about 1 percent of the food coming into this country is inspected, 1 out of 100. People do not even realize that. We have got to do more in that area.

A last question, and this is on smallpox vaccine. You recently announced 85 million more doses exist, and we have also heard the existing vaccine can be diluted and still be effective. As you know, your Department made a contract with Acambis last year to deliver 155 million doses of smallpox vaccine later this year. So my question is, is the new smallpox vaccine still needed? Do we need that?

Secretary THOMPSON. Yes, we do. We have 15.6 million doses in inventory right now that we can distil 5 to 1, and this is controlled by Wyeth, and then we have just received 85 million doses from Aventis Pasteur which was manufactured in 1958. It is not quite as potent as the 15.6 million we have from Wyeth, but it is very effective. We are going to be doing human trials sometime this month, Senator, and we should have a better idea at that point.

We have 54 million doses under contract from Acambis, and then 155 million under contract with Acambis-Baxter. This is a new vaccine that is being designed in a different way, and should be more effective, and they should be delivered, we should have 115 million doses delivered by the end of the September. It is actually on target, in fact a little bit ahead of time, and we should have the full 209 million by the end of this year.

Senator HARKIN. Okay. Now, this gets to the area that I know you, Mr. Chairman, are concerned about. We want to meet the threat, but we do not need to go way overboard. When I add this up, I add up 209 million doses of the new vaccine, plus 163 million doses of the old vaccine, and that gives us——

Secretary THOMPSON. It should be about 363 with 286 million people.

Senator HARKIN. Do we need that much?

Secretary THOMPSON. Yes, we do.

Senator HARKIN. Before you answer that, let me ask, regarding the 85 million doses, are they dilutable also?

Secretary THOMPSON. We do not think so. We think it is already diluted, Senator.

Senator HARKIN. How are we going to find that out?

Secretary THOMPSON. We are checking it. We are going through inspections right now at FDA, and we are going to do human trials. We do not think it can be diluted any further, but this is old stuff. This was in 1958.

Senator HARKIN. Assuming that it cannot be diluted, then you have got approximately 360 million doses?

Secretary THOMPSON. We will have about 363 million, but this is added insurance in case the world becomes—if there is going to be a smallpox epidemic, which we do not think there is a high probability of that, but if there is, we are going to have—we have it right now. The 85 million is added insurance right now.

If smallpox hits us right now, we would have enough vaccines. The company was very generous, they actually gave the vaccines to us for a small amount of money for packaging it and storage, and so we feel that it is just added insurance, but the new vaccines, we do not think we would give the 85 million out at this particular point in time. If we had to, if we got the 209 million we would use that first, because it is better, and newer. This 85 million doses is just insurance.

Senator HARKIN. Okay, so you think that the additional doses are just good insurance. Can I interpret that to mean that if there was a smallpox epidemic some place we could use that to contain it, perhaps? Are you talking about vaccinating people in other parts of the world?

Secretary THOMPSON. This is going to have to be a decision, but you know as well as I do, if it is going to break out, we would want

to help contain it immediately, and the 85 million doses is there, so we are very fortunate that we found it. We are very fortunate the company gave it to us, and we are very fortunate to have it as an added insurance right now.

Senator HARKIN. Thank you very much, Mr. Secretary. Thank you, Mr. Chairman.

Chairman BYRD. You say, Mr. Secretary, this will have to be a decision. By whom?

Secretary THOMPSON. Well, it is going to have to be a decision, I presume, by the Department of Health, by the Administration, and I presume Congress would want to be involved in it.

Chairman BYRD. What input have you had from the Office of Homeland Security in respect to this subject?

Secretary THOMPSON. We have not. This is a subject that has not been broached as of yet, Senator, because right now, as you probably know, we were not expected to get any smallpox vaccine until 4 or 5 years in the future. We have now accelerated that.

I have personally negotiated the contracts, and we have now been able to come up with 209 million new doses this year, and in the meantime we have done the distillation study on the 15.6 million we have, and we feel very, very secure about the fact that we could actually distil that down 5 to 1, and actually some of the experts out at NIH believe it could be 10 to 1 and still be able to be covered.

That is an older vaccine, and now we have the 85 million doses which came from Aventis Pasteur, which was actually manufactured in 1958. It is not quite as potent as the 15.6 that is currently in the inventory by Wyeth, and we believe the new vaccine from Acambis and Acambis-Baxter will be even better, and should be delivered to us by the end of this year. In fact, we are expecting 160 million doses of the new vaccine by the end of September, Senator.

Chairman BYRD. Senator Specter.

Senator SPECTER. Thank you, Mr. Chairman, and thank you for convening these hearings. They just started a vote. I do not know that I will be able to get in my full 10 minutes, but there are a number of questions I do have for you, Mr. Secretary.

Chairman BYRD. Senator, may I interrupt you? Why don't you proceed with your questions and Senator Stevens, perhaps you and I could go vote, and we could return in time to relieve Senator Specter.

Senator SPECTER. That makes me the chairman?

Chairman BYRD. Yes, for the moment.

Senator SPECTER. But I will be chairman all the time you are gone.

Chairman BYRD. You are.

Senator SPECTER. Okay. I just want to be sure.

Mr. Secretary, we are dealing with a matter of the utmost seriousness, which we all know, and last year the Administration announced they were going to wait until this year's budget to face up to the problems of bioterrorism. Senator Harkin and I went to work on what produced a multibillion appropriation.

We had a hearing on October 5 in the bowels of the Congress, we could not get into our offices at that time, as I recall, and we asked CDC what the list of possible threats consisted of, what we

could do by way of responding in dollars, and how long it would take, and we had a terrible time in getting an answer, and we were told that CDC had reported to HHS, and HHS had reported to OMB, and we have the alphabet soup at work, and finally when we had a hearing, getting back into this room, we were not given figures, but only the professional judgments of the officials at CDC and NIH, and my question to you is, what happened there? Why could we not get the information in a prompt way and an official way?

Secretary THOMPSON. Senator, I am not familiar with the question you have asked. I thought for sure we gave you all the information immediately. My modus operandi is to give you information immediately, Senator.

Senator SPECTER [presiding]. Well, we finally got it, but it was really, really tough going, and we took the CDC to task, notwithstanding our great respect for Dr. Koplan, who I think is an outstanding scientist and an outstanding administrator.

Secretary THOMPSON. He is a wonderful person.

CDC BUILDINGS AND FACILITIES

Senator SPECTER. I want to talk to you about him personally, but the Centers for Disease Control and Prevention in my opinion has not done its job. They are supposed to be the center for the control of diseases, and they have never come to this subcommittee, and I have been on it 21½ years, and told us what they needed, and Senator Harkin and I have taken the lead in providing money for the National Institutes of Health, which is very well-known.

It was our initiative, the initiative of this subcommittee which raised NIH from $11 billion to $23 billion, and now the President has asked for $3.4 billion more, and when we have faced this subcommittee, or the subcommittee has faced health needs, we have provided the money, but CDC never came to us and I only heard through the Atlanta community about the deplorable physical plant of CDC.

Three years ago I went down to visit it. Senator Harkin did the same thing, and in our last year's budget we came up with $55 million, and the year before $170 million, and I do not have to tell you how tough it is to find money in our budget because you are facing that every day.

Nobody had ever told us about that. Every year we heard from your predecessor—and this was not on your watch. October 5 is on your watch, but in 1991 they did not tell us what they needed, and that left us in a situation where we were really, really in very, very bad shape and had to play catch-up, and I appreciate what you have done playing catch-up.

Dr. Koplan's departure disappointed me greatly when I heard about it. I fired off a letter to him asking him to reconsider. We had a little ceremony for him here yesterday.

Secretary THOMPSON. I came after you had left, Senator.

Senator SPECTER. Well, I started to say I am pleased to—then I thought to myself, I am not pleased to be here, seeing Dr. Koplan go. To have a change at CDC in this perilous time just seemed to me to be very, very undesirable for the public interest. Why did he go, Mr. Secretary?

Secretary THOMPSON. I tried to ask him to stay. I tried, I did. I asked him to stay. I asked him to reconsider. He is a fine individual. I came here and spoke on his behalf last evening. I have the utmost respect for Dr. Koplan. He told me that he has been in the public service long enough, and he wanted—he had a good opportunity in a medical school, and that is what he wanted to do. I think he is a fine individual. I think he did a great job, and I think the people that are still there are doing a fine job today.

In regards to the buildings, there is no question, I spent a week down there as the Secretary, and recognized the fact that we have three campuses down there, but we are renting 25 to 26 other buildings around the city, and it is not a good situation for productivity or for safety, and I commend you and Senator Harkin for your leadership in this effort of getting the $250 million each year, and that is sort of the glide path over the next 5 years if we can achieve that. I requested that from OMB, and we came back with $175 million, which I am very happy to support.

Senator SPECTER. Well, Mr. Secretary, as to Dr. Koplan, I would appreciate it if you would report to the committee, or at least our subcommittee, on the circumstances. I do not know what else I could have done, but I think it is really very, very serious to have him leave at this time. We almost might have to pass a bill of attainder that it is unconstitutional, to keep him or draft him, but we hate to lose men like Koplan when we are in this kind of a crunch.

[The information follows:]

Dr. Koplan's departure as CDC Director was a surprise to me, and a loss for the Department and Administration. The many accomplishments of the CDC during his tenure illustrate his leadership role in improving the nation's public health. Dr. Koplan personally met with me in Washington about his decision to resign. While I understood his desire to make a change in his career before retiring, and knew that he had been thinking about resigning before the tragedy of September 11, I encouraged him to reconsider. Dr. Koplan explained to me that he had actually expected to stay in the position only two years—until the change in administrations—but was pleased that he was able to serve under President Bush and continue for an additional 18 months.

The Department and this Administration are indebted to Dr. Koplan for his continued service. His support and assistance during my tenure as Secretary have been much appreciated, and his expertise will be missed. He will be difficult to replace and has set a benchmark by which all candidates will be measured. For your information, I have attached the kind letter he gave me explaining his decision to pursue other career opportunities.

TOMMY G. THOMPSON,
The Secretary of Health and Human Services, Hubert H. Humphrey Building, 200 Independence Avenue, S.W., Washington, D.C.

DEAR SECRETARY THOMPSON: It has been an honor and a privilege to serve the past three and one-half years as Director of the Centers for Disease Control and Prevention (CDC), the premier public health institution in the United States. I sincerely appreciate the opportunity to continue in this role, serving under you and President Bush. Being the Director of the CDC has been the highlight of my 26 years of public service.

While the nation faces numerous public health challenges from old scourges and new threats, CDC is in a strong position to address them. I have been the beneficiary of the efforts of a group of superb, dedicated and hard working colleagues who have allowed me to bask in the glow of their accomplishments. Leaving these outstanding colleagues is difficult for me as I make the decision to pursue other options.

I thus submit my resignation today to be effective by March 31, 2002 or earlier as you may desire.

I appreciate your support for me and for CDC and wish you the greatest success in your leadership of the Department of Health and Human Services.

Sincerely yours,

JEFFREY P. KOPLAN, M.D., M.P.H.
Director.

Secretary THOMPSON. When he announced to me—he came up to see me. We sat down for a good hour and I asked if there was anything we could do to convince him to stay, and he said no, he made the decision and he was going.

Senator SPECTER. Mr. Secretary, I would like you to carry back to the Administration—I will talk to the Director of OMB myself. There has got to be a little more flexibility from the Administration and the Office of Management and Budget on allowing the experts in the Departments to tell the Congress what is going on.

There is too much iron-clad rule that once OMB makes a decision—and I know that can be appealed to the President, and I know you do that, but we ought to have a little more information. Where you have very, very critical issues like bioterrorism, we need to be able to pierce the veil, and I know the doctrine of separation of powers thoroughly, as do you, but in these really critical times there has got to be some safety valve so that we can find out, and we can act, and in disagreement, but in knowledgeable disagreement, in appropriating what the Congress thinks it has to.

We have the responsibility to establish the priorities, and when OMB muzzles people—and I am not saying they did Dr. Koplan, but I would like to find out—we really need to sort of break that chain when it comes down to these kinds of very critical issues.

Secretary THOMPSON. It is a difficult balancing situation, as you know, Senator. OMB has a tough job, you have a tough job, we all have a tough job, but OMB I think does a credible job, but they are balancing the war, bioterrorism, and all their other demands, and the money is only finite, and it is pretty difficult to stretch it farther than it is.

OTHER BIOTERRORIST THREATS

Senator SPECTER. Mr. Secretary, my time is running down because I have to go vote, but we have talked about anthrax, we have talked about smallpox, what are the other major bioterrorist threats out there?

Secretary THOMPSON. We have requested $1.7 billion in NIH for some new research. About $988 million of that, Senator, is going to go for new research on a new vaccine, a new recombinant vaccine for anthrax.

Senator SPECTER. Can you enumerate for the committee, give us a list of all of the bioterrorist threats, all of the ones you know about?

Secretary THOMPSON. Sure.

[The information follows:]

The following is a list of biological diseases likely to be used in the case of a terrorist attack:

Anthrax—caused by bacterial agent (B. Anthracis).
Smallpox—caused by a viral agent (Variola major).
Botulism—caused by a bacterial agent (C. Botulirum).
Plague—caused by a bacterial agent—(Y. Pestis).
Tularemia—caused by a bacterial agent—(F. Tularensis).
Viral hemorrhagic fever—caused by a variety of viral pathogens.

Senator SPECTER. And what you are doing to find out about any others that may not be known at the present time?

Secretary THOMPSON. We are trying to come up with vaccines for all of the hemorrhagic fever viruses, tularemia and so on.

Senator SPECTER. I would like to see a list, I would like to see what it costs, and see to it that you are adequately funded, because last year there was an inclination to wait until this year, and this subcommittee took the lead to get you the multibillion appropriation.

Secretary THOMPSON. I appreciate that, Senator Specter.

SMALLPOX VACCINATIONS

Senator SPECTER. Dr. Fauci was here a few months ago. We were talking about smallpox vaccinations. He thought we should not vaccine the general public, and I had a little discussion with him saying that I thought it was the duty of the Government to have the vaccines available and inform the citizenry of the risks, and asked him what the risks were, and it came down to something like two to six out of a million would die, and I told him that it was not my decision, but I would like to have my grandchildren vaccinated.

I do not have control over that. It is in wiser hands, my son and daughter-in-law, but I thought that the Government ought not to make that decision, to say people ought not to be vaccinated, because the risks were too great, and after a while Dr. Fauci agreed that he wanted his grandchildren vaccinated. I was for him for NIH Director before he made that change in testimony, but that certainly persuaded me, but I am glad to hear you say you will have enough vaccines available.

Has there been a publication of the risk assessment to people who are vaccinated for smallpox?

Secretary THOMPSON. We are trying to get that information out, Senator. We are waiting until we get the balance, at least the 109 million doses of the new vaccine in September. We have what is called a Vaccine Advisory Committee set up, and they are meeting at the end of May and in June, and we are reviewing the inoculation of first responders, hospital workers, policemen and so on.

Senator SPECTER. When do you expect to have a risk assessment that I can give to the parents of my grandchildren?

Secretary THOMPSON. I would say we could give you a very good risk assessment right now, Senator, and we would be more than happy to. We feel it would be about 18 individuals out of 1 million—about 2 to 4 would die, but 18 would have serious repercussions from taking the vaccine.

Senator SPECTER. And what would those serious repercussions be, aside from death?

Secretary THOMPSON. Some would have some brain damage, some the sore would grow and you would touch it, the pus, and it would get into your eye. You could get an infection.

Senator SPECTER. I would like to see the specifics on that, and I may want to talk to Dr. Fauci again about our grandchildren.

[The information follows:]

One person in 10,000 who receive the vaccine will have serious side effects that require a doctor's care; we would need to be prepared to treat 30,000 adverse events.

Also, if the vaccine were given to everyone in the United States, it is estimated that 350 to 500 people would die from the vaccine.

Serious complications of smallpox vaccination occur more frequently in those receiving their first dose of vaccine, and among young children. The most frequent serious complications are encephalitis (brain inflammation), progressive destruction of skin and other tissues at the vaccination site, and severe and destructive infection of skin affected already by eczema or other chronic skin disorder. The vaccine is not recommended for those who have abnormalities of their immune system because the complication of progressive destruction of skin and other tissues at the vaccination site has occurred only among recipients in this group. The vaccine is also not recommended for recipients who have eczema or other chronic skin disorders because the complication of severe and destructive infection of skin has occurred only among recipients in this group. As this is a live virus vaccine, these complications can occur among individuals who, while not vaccinated themselves, are in close contact with others who were recently vaccinated.

Secretary THOMPSON. I would like to also have you talk to Dr. D.A. Henderson, who is the father of the smallpox eradication, who gave me my primer on smallpox vaccines.

Senator SPECTER. I would like to do that.

In my capacity as chairman, I have been authorized to recess this committee until the chairman returns. He will be back momentarily.

Chairman BYRD. The committee will resume its hearings. I understand that Secretary Thompson needs to leave the hearing no later than 1:00. We will accommodate the Secretary. I apologize to the Secretary for these interruptions.

Senator Reed, would you have 5 minutes of questions, please?

Senator REED. Thank you very much, Mr. Chairman. Welcome, Mr. Secretary. Let me congratulate you first on your great race yesterday. You seem to have endured, as I did, without serious medical complications.

Secretary THOMPSON. Without a heart attack in the meantime.

STATE FUNDING

Senator REED. You were showing great style and leadership, and for a good cause.

Mr. Secretary, your agency has just completed the first phase of funding to States on bioterrorism, and my State of Rhode Island was delighted with receiving $8 million, and I understand to receive the second installment States have to submit plans to your Department no later than May 15, and this generally raises the set of issues about——

Secretary THOMPSON. Rhode Island has their plan in and we are already reviewing it. We will have the money out by the end of May.

Senator REED. Thank you, but generally speaking do you have an idea of how the money is being spent? Have you been looking closely at what areas, and do they roughly fit into your view of what has to be done on a national basis to provide protections?

Secretary THOMPSON. We have sent out templates. In fact, we sent one out in regards to communication from Rhode Island and Delaware, because they had some of the best. We have a list here of 14 points that we would like to have the plan encompass from CDC, and 3 from HRSA. HRSA and CDC are reviewing the plans as they go through right now. The plans had to be in by April 15,

and then we have set up 11 teams of experts to review those plans, work with the States in regards to these particular points.

I would be more than happy to give you those points so that you can take a look at them, but we are trying to look at communication, number 1, coordination between the emergency wards as well as the first responders and the local law enforcement and the public health departments. We want to make sure that the communication with the public health departments, the CDC is hooked up and done correctly.

We want to expand the laboratory capacity at the States. We are looking at ways for the regional hospitals to develop surge capacity to take care of a type of increase, and we also are looking for overall surveillance to make sure that the doctors are going to be able to diagnose correctly, so all of these things are put out, and we put out templates which States can look and say, which States are doing the best in these areas, so we have got a plan, a comprehensive plan that I think you are going to be proud of, and I know I am.

Senator REED. Thank you. Are you also looking at how the money is being expended? Oftentimes the plan will propose spending in categorical ways, and then specifics. Are you looking at those specifics?

Secretary THOMPSON. We are looking at the plans, we are looking at how the money is going out. Right now the States have only drawn down $2.8 million of $229 million that is available to them, and we are expecting that to go out hopefully much more rapidly than it has in the past, and then we have 80 percent more to be sent out by the end of this month, and we have got experts from the Department, from CDC and from NIH and from HRSA making up the 11 teams, and they are going to be working in conjunction and consultation with the State health departments and the Governor's office to make sure that the plan is comprehensive, one that is going to benefit Rhode Island, but one that is going to benefit the whole Northeast sector as well as the country.

Senator REED. One final point, Mr. Secretary. Your experience as a Governor, I am sure you are sensitive to the issue of whether or not this money is simply displacing State funds rather than adding to State efforts, which I think it has to be in addition not simply displacement. Are you sensitive to those issues?

Secretary THOMPSON. The worst thing in the world would be to have all of this money go out and we do not build a strong, vibrant local-State public health system. We are demanding of that, and you know as well as I do and everybody on the committee that we have not invested in our local/State public health system, and it has a lot of problems, so this money is going to go in for new things, and it is not going to supplant State money that is already going in. This is going to be setting up for a comprehensive plan to deal with bioterrorism and infectious diseases.

HEALTH ALERT NETWORK

Senator REED. I thought I had a final point, but if I may have one other point, I think I am echoing what you said. Part of this effort is for a comprehensive surveillance system which will be

based on computer communications between hospitals, emergency rooms, and CDC, and we are constantly moving in that direction.

Secretary THOMPSON. That is what we are trying to do. Our Health Alert Network hopefully by the end of the year is going to be connected to 90 percent of the population in America, and that right now, we are at about 65 percent. We are expecting that to be up to 90 percent. We also want to be able to have interactive kind of communications so that if something were to happen in a hospital in Rhode Island, the doctors could have interactive responses from CDC or from NIH or from our office here in Washington, D.C.

We have set up an information room right next to the Secretary's room in the Humphrey Building, and we have all of our computers in there. We can deploy medical personnel, we can deploy equipment, and we can deploy pharmaceutical supplies wherever it is needed in the country.

Senator REED. Thank you, Mr. Secretary. Thank you, Mr. Chairman.

LABORATORY SECURITY

Chairman BYRD. Thank you, Senator.

Mr. Secretary, the Brookings Institution released a report on Tuesday that calls for $5 to $10 billion more in homeland security funding above the President's fiscal year 2003 request. Part of their recommendations include more funding for improved security measures at our biological research facilities, which includes NIH and the CDC.

Your Department did not ask for any funds in the fiscal year 2002 supplemental appropriations request before the committee today. Does this mean you believe we have done all we can do and need to do this year to prepare against a possible bioterrorist attack?

Secretary THOMPSON. No, absolutely not, Senator. In fact, we are doing quite a bit. We are looking at all of our laboratories as far as security is concerned. We are putting a lot of new dollars into security measures at our laboratories. It is also one of the reasons why we are trying to upgrade the facilities at CDC and get the ones that we are renting back onto a campus. We have three campuses in Atlanta.

That is why we are also upgrading the laboratory out at Fort Collins, Colorado and actually building a brand new laboratory, and it is also why we are putting in a new laboratory in Montana. We are also putting in a new laboratory at the NIH campus, and why we are putting in a brand new BLS–4 lab at Fort Dietrick in conjunction with the United States Army.

Chairman BYRD. Mr. Secretary, if the CDC's capacity problems are all this bad, why did you not request a fiscal year 2002 supplemental to begin expanding lab capacity as soon as possible?

Secretary THOMPSON. Well, because we think the $1.1 billion right now is what we are trying to put our emphasis on, Senator Byrd, and we think for CDC we are putting in $74 million for the brand-new lab at out Fort Collins, Colorado, which is CDC, and we are adding some new lab capacity and a CDC campus with this new budget request?

Chairman BYRD. Why did you request only $90 million for CDC buildings and facilities in your fiscal year 2003 request?

Secretary THOMPSON. We have $175 million, of which $75 million goes to Fort Collins, which is a CDC thing, and we had requested $250 million for CDC, but we received back $175 million, is what OMB gave us.

Chairman BYRD. So you requested how much more than OMB gave you?

Secretary THOMPSON. We requested $250 million.

Chairman BYRD. $250 million more?

Secretary THOMPSON. No. There is a glide path. We figure it takes about $250 million for 5 years for the CDC facilities to upgrade them in order to give the lab security, in order to consolidate the buildings on the three campuses, and be able to give up the renting we are doing. I do not know if it is 24 or 26 buildings we are renting outside of our campus areas, and it is going to take about $250 million a year for the next 5 years to get this done.

Chairman BYRD. How much was requested?

Secretary THOMPSON. We requested $250 million. We got $175 million.

Chairman BYRD. You requested $250 million and you got $175 million approved, so OMB determined that you had asked for $75 million too much?

Secretary THOMPSON. Well, OMB has a tough job.

Chairman BYRD. I understand that. We all have a tough job. I am trying to help you.

Secretary THOMPSON. I know you are, Senator, and I am just saying that we will just have to go a little bit slower.

Chairman BYRD. You will have to go slower. Maybe you do not have to. Maybe we can help you. That is why we are holding these hearings.

Secretary THOMPSON. I appreciate why you are holding the hearings, and I thank you so very much, Senator.

HOMELAND SECURITY

Chairman BYRD. In your recent testimony before the Senate Governmental Affairs Committee on April 8 you said that HHS is the lead agency in charge of addressing the health consequences of a bioterrorist attack. You said the Congress may have to intervene to clear up conflicting regulations over whether law enforcement or health agencies are in charge of bioterrorism investigations. The committee is concerned that these conflicting regulations will cause a great deal of confusion if there is another bioterrorism attack.

During last fall's anthrax attacks there were severe communication and coordination problems between HHS and law enforcement. Now, this seems to me to be a recipe for confusion. How much valuable time will be wasted before we decide who is in charge? Who is in charge? What has the Office of Homeland Security done to resolve this interagency conflict?

Secretary THOMPSON. I think the Homeland Security Office has done an excellent job, Senator Byrd, in regards to bringing together the disparate pieces and bringing it into a comprehensive, cohesive force.

Chairman BYRD. Can you explain how that was done?

Secretary THOMPSON. We have a series of meetings, weekly meetings, as a matter of fact, Senator Byrd, in regards to the Department of Justice, the Department of Defense, the Office of Homeland Security and the Department of Health and Human Services, there are meetings going on constantly on how we can improve the coordination. And I would have to add that the coordination and communication between the various Departments has been excellent, and Tom Ridge has done an outstanding job of bringing all of these together.

We are working closely together. We also are consolidating things in the Department of Health and Human Services in order to have a comprehensive and cohesive voice. That is working out well. We have set up an information office right next to Secretary's office, which is manned by individuals from CDC, NIH, and FDA, and those individuals will have a coordinated voice, and if there is something dealing with health care we will have experts from NIH, CDC, and FDA, and the Secretary's office all communicating directly to you, to other Members, and to the American public.

Chairman BYRD. The chair compliments you, Secretary Thompson, on what you are doing, and we appreciate your response to my question. We get the same response from everyone who appears before this committee. It seems everyone is working with Mr. Ridge, except he does not appear before the committee and give us explanations or answers to our questions.

You cannot help that, but there seems to be things that—there seems to be ends that still remain to be tied together. You cannot do it. Other Secretaries cannot do it. You can defend the Administration's refusal to have Mr. Ridge appear, and even though the Secretaries have done a good job, you are good soldiers, you have attempted to make a good defense, the questions of this committee, however, are not answered. They remain unanswered, and that is too bad, because this committee is here to help you and here to help the Administration, and is here to help the American people to feel more secure against terrorism and against potential attacks.

Secretary THOMPSON. I would like to add thank you for your support, Senator Byrd. You have been out there, and I appreciate it.

Chairman BYRD. Thank you very much.

Senator DeWine.

CHILD VACCINES AND ANTITERRORISM

Senator DEWINE. Mr. Secretary, thank you for joining us today. Mr. Secretary, could you tell us what the plans are in regard to the smallpox vaccine, in regard to testing, in regard to children, and if you have any plans to do that at all? Also, if you could tell us in your budget, antiterrorism budget, what we are doing in regard to children there?

You and I have talked about this before, and I have been satisfied with your response before, but I would kind of like to get an update about how children fit into the overall scheme of things. We know they are not young adults. We know that. They are not small adults. We know that they are different, and they have different medical needs. They have different vulnerabilities. We have to plan differently to make sure our children are taken care of.

That would be my only question, Mr. Chairman.

Secretary THOMPSON. Well, Senator DeWine, first let me just compliment you on your passion for children. I applaud you for it and thank you for it. In regards to children, we have set up this advisory committee on vaccine practices, and that is going to be meeting throughout the summer months to make recommendations in case of a smallpox epidemic, what would happen.

It is taking into consideration children and people with immune deficiencies, and people that have had organ transplants, and people that have had cancer, and had chemotherapy, because their immune systems may not be the types that can take a smallpox vaccine, and so we are taking that into consideration, and we have a specialized committee of experts doing that.

Secondly, we are looking at the Aventis Pasteur vaccine that we got, the 85 million doses that just came in. We are looking at that. We are going to be doing some human trials. Some of those human trials will be investigating what we should do with children.

The new vaccine from Acambis, which is 54 million doses, which should be delivered sometime this summer, 155 million doses from Acambis-Baxter, and that will be coming in later this year. We will have 109 million doses of a new vaccine hopefully by the end of September, and it is on schedule, and those new vaccines will be taken into consideration, all of the adult population, the children population, the different races, in order to do the testing on it to make sure it is safe.

Senator DEWINE. Thank you. Thank you, Mr. Chairman.

Chairman BYRD. Senator Stevens.

COMMUNICATIONS

Senator STEVENS. Thank you, Mr. Secretary. We do appreciate you being here. I am sort of a broken record on communications, so let me ask you this question. How confident are you that the local health departments will be able to communicate directly with the Department in the event there is a crisis? We are dealing with interoperability now of systems.

Secretary THOMPSON. It is getting better. It is not as good as I would like, Senator Stevens, but it is getting better, and with this new money that this committee appropriated, the $1.1 billion, the communications is the number 1 item on our list that we are going to improve and update, and we are hopeful that by the end of this year we will have 90 percent of the population that will be able to be covered, local health departments, emergency wards, State health departments that will have direct communication with CDC, NIH, and with my information office in the Department of Health and Human Services.

Senator STEVENS. And you can do that with the money that is already there?

Secretary THOMPSON. We believe we can.

Senator STEVENS. Thank you very much.

Chairman BYRD. Senator Kohl.

FUNDING FOR STATE AND LOCAL HEALTH SYSTEMS

Senator KOHL. Thank you, Mr. Chairman. I will be brief, with one question, Governor.

Secretary THOMPSON. How are you, Senator?

Senator KOHL. Good. As you know, the anthrax attack showed us how important our State and local public health systems are in funding. The CDC is important, but it is clear that without adequate staff communication systems and fully equipped labs at the State and local levels, our ability to detect, prevent, and respond to a bioterrorist attack is greatly hampered if not, in fact, crippled.

Unfortunately, our public health infrastructure has been seriously underfunded in recent years. Fiscal year 2003 funding that you described will be a great start in meeting these needs, but I am told by Wisconsin and local officials that it will take sustained funding over many years to bring the public health network to full capacity.

Through news accounts, we know that Tom Ridge is planning to rank our Nation's homeland defense priorities and direct funding accordingly. As you work with him in this effort, where will State and local public health fall on that list compared to other needs, such as, does the Administration plan to sustain this level of funding over several years?

Secretary THOMPSON. I think it has got to be at the top of the list, Senator Kohl. We have to face it. You cannot point fingers at any political party or any State or local officials. The truth of the matter is, we just have not invested very much in our local and State public health systems in America. It is just that money went to other places.

We have now the greatest opportunity, Senator, to build a local/State public health system that you can be proud of, and that I can be proud of, and that America can feel secure about, and that is why this first tranche of money, the $1.1 billion that you voted for, and I thank you for that, is a giant step in the right direction.

We are going to ask in the fiscal year 2003 budget for $4.3 billion, a 45-percent increase. We are going to be able to not only replicate the $1.1 billion for next year, if the Congress goes along with it, and I am fairly confident that you and the Congress will, and we will have an additional $1.1 billion to go to the next step to help improve and upgrade the facilities, and also look towards communication, look towards coordination, surveillance, increased laboratory capacity, and then we have an additional $564 million for hospitals, which is in this request, and this is going to go hopefully for hospitals to come together on a region.

There are several regions in the State of Wisconsin, as you know, and we are hoping that there would be hospitals that come together to build surge capacities. Maybe one hospital would be for the biotech pathogens, or maybe one would be for chemical spills, one for decontamination. All of those things we are hopeful will come out of this $564 million.

We have $125 million set aside right now for hospital planning, and the next tranche, the $564 million would go for building in and filling in those resources. And then hopefully after that we can take a good look, an assessment of where we are, what our needs are, and be able to share that with you and other members of this committee and hopefully come back and continue to build upon this until we have the local/State public health system so secure and so modernized that it will be able to take care of any kind of bioterrorism attack that may come in the future.

Senator KOHL. I appreciate that. I appreciate your great sense of priority, and the way in which you talk about it, which I totally agree with. Thank you so much.

Secretary THOMPSON. Thank you.

Senator KOHL. Thank you, Mr. Chairman.

STATE AND LOCAL HEALTH PLANS

Chairman BYRD. Thank you, Senator.

Mr. Secretary, we approved last fall $1.1 billion to help State and local health care agencies expand their capacity to respond to a bioterrorist attack. What steps are you taking to assure the committee that those funds will get to the local level, where the funds are most needed, and as soon as possible?

Secretary THOMPSON. Senator, we have sent out 20 percent, authorized 20 percent of the money to go out. We have requested the States come back in with their plans by April 15, the States have only committed $2.9 million of $229 million, so there is plenty of money left there.

We have 11 teams, Senator Byrd, that are reviewing plans as they come in. We will have all of those plans reviewed. There are experts from NIH, CDC, and from the Department of Health and Human Services, and those plans will be sent out, will be either modified or approved, and we will be counseling with the States and the health departments who set this up, and the balance of the money, the 80 percent will be able to be committed by the States by the end of May.

Chairman BYRD. What is the hold up? What do you see the hold up being? You say you have only had this minimal response.

Secretary THOMPSON. Well, the States have been very good. We have been working with them, Senator, but they have got the plans, and they just have not taken the money and used it yet. It is available to them. They just have not spent it.

Chairman BYRD. To what do you attribute that?

Secretary THOMPSON. I think they are going slow. They want to make sure they are correct. They want to make sure that what they do fits in with their plans so that, as I indicated to Senator Kohl, they can develop the best local/State public health system. They are meeting with the communities, they are meeting with the legislators, they are meeting with the public health departments, the first responders, and they want to make sure that the money goes in the right direction, is the only answer I can come up with.

Chairman BYRD. Do you think they are being straitjacketed by Federal regulations or red tape?

Secretary THOMPSON. Absolutely not. They have complete, unfettered use of the 20 percent right now. They could spend it on—10 percent of it could be on planning, 50 percent of it could be spent on any category they want for any of the anthrax outbreak of last year. The money is there. They just have not spent it yet.

Chairman BYRD. Can something be done at the Federal level to help to cut through this labyrinth of problems at the State level, whatever it is?

Secretary THOMPSON. I just think they are being cautious and want to do what is right, Senator. I do not think there is any red-tape at all. There is not on our end, because we just sent out 20

percent and they just have not used the money, and they are planning. Their plans are all in except for three States.

One of the States is Utah, and they could not get their plan in because they were tied up on the Olympics, and there are two other States that have not sent their plans in, and seven territories, and the other States have come in. We are reviewing those plans. CDC and HRSA have them right now, and they are being reviewed.

We have 11 teams set up that are in the process of reviewing them. We want to make sure that these plans are consistent, so we build a strong local/State public health system, and we are expecting to have all those plans done and approved by the end of the month, and the money is ready to go, in accordance with the planning and documents that have been submitted.

Chairman BYRD. What assurance can you give the committee that the money will not be held at the State level, and that the money will, indeed, get to the local level?

Secretary THOMPSON. I want you to take a look, Senator, at our 18 items we are requesting. The first thing is, establish an advisory committee to include representatives from State and local health departments, emergency management agencies, emergency medical service, office of rural health, police, fire department, emergency rescue, and occupational health workers, Red Cross and other voluntary organizations, hospital, community health centers, and other health care providers. That is the first thing they have to do, and prepare a time line for assessment for emergency preparedness and response capabilities and develop a coordinated plan with all of these people at the local level.

Chairman BYRD. That sounds like that is enough to intimidate anybody. It seems to me, can't something be done here to help the States to move faster in this regard?

Secretary THOMPSON. Well, they have not been intimidated, because their plans reflect they have done all these things, Senator, and we signed the bill on January 10, and on April 15 they had their plans in. They are moving very rapidly. They just have not spent the money yet.

Chairman BYRD. That is strange.

Secretary THOMPSON. We are doing workshops. We have done eight workshops throughout the country for the Department to assist them and help them. We have experts on call, Senator, that will advise the State health departments on how to put their plans together and what they need to do, and we have been reaching out, because I know of your concern. You want this money out, as I do.

You want us to move. I want to move. I think the worst thing we could do, however, is just send the money out willy nilly without any kind of planning whatsoever and end up with a system, end up by spending the $1.1 billion and not have a strong, coordinated, local and State public health system, and I do not want to be part of that without building the best thing I can for you, Senator.

Chairman BYRD. Have you been in touch with West Virginia, the State health department there?

Secretary THOMPSON. Yes, we have.

Chairman BYRD. What kind of a response did you get from them?

Secretary THOMPSON. I have not personally, but Jerry has on West Virginia.

Mr. HAUER. We are reviewing the plan right now. It was sent in. CDC and HRSA both have approved it to come up to us for review. We should have it reviewed within the next 20 days.

Chairman BYRD. Well, Mr. Secretary, I thank you for your patience and your attendance here. I think we have got work to do. I hope the committee can help you, and certainly you have done your part as Secretary. You have come before the committee, and the committee appreciates your testimony.

Secretary THOMPSON. I thank you, Senator, for your leadership, and I thank you for your support.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR TOM HARKIN

ANTHRAX VACCINE

Question. Mr. Secretary, your budget request for fiscal year 2003 includes $250 million for the second generation anthrax vaccine. This is a wise investment, given the problems surrounding the current vaccine. However, I have several questions about this request:

How much of the $250 million is for the development of the vaccine, and how much is for procurement?

Answer. The new generation anthrax vaccines are not currently "off the shelf" items. These vaccines need to go through a development process before they can be purchased. It is important to appreciate the complex nature of vaccine development and the relationship of initial development of candidate products to the production and purchase of the end product. First, there is the development of the candidate vaccine as a proof of concept. This is actually a series of endeavors that takes the candidate product from basic research through pre-clinical testing to early clinical testing to show that the candidate product will be safe and work as intended in humans. Second is the manufacturing process development of the vaccine product. This activity requires significant investment, and includes scale up of the production of the product from pilot lots of a few thousand doses to producing millions of doses under Good Manufacturing Practices with extremely tight manufacturing tolerances. This is usually the most expensive area as it may require designing, developing and equipping the physical production plant if these are not available, consistency testing of multiple batches of vaccine, product validation studies and clinical trials to provide the product and clinical data needed for licensure of the manufactured product by the FDA. The final stage is the actual production and distribution of the manufactured product.

We currently anticipate a course of action comparable to that taken for the smallpox vaccine. Once we are reasonably confident that the clinical trials will show the vaccine safe and effective, we would begin production and commit to the buy before completing trials. That is why the budget requests $250 million for this work.

There are three points that should be considered as we move forward in our efforts to develop, test and purchase the new-generation anthrax vaccine candidates. First, the anthrax vaccine candidate is still under development and not available to be purchased "off the shelf." Second, the development and testing of the new-generation anthrax vaccine is under an extremely tight schedule. Third, the process of vaccine development is inherently unpredictable. We do not know what developmental challenges may yet be encountered with these vaccine candidates. In this regard, although the $250 million will go towards investment in the second-generation anthrax vaccine product, it is difficult to project the precise proportion of the $250 million that will be used for development, under a manufacturing setting, versus "purchase" of the product off the production line.

Question. How many years will it take for this vaccine to go through the clinical trial process and be approved by the FDA?

Answer. It is not possible to estimate accurately when the FDA will license the new anthrax vaccine. The vaccine approval process consists of three principal elements: testing for safety and effectiveness in pre-clinical and clinical studies, preparing and submitting information to the FDA through the Investigational New

Drug (IND) process and FDA review of the data. Based on the preliminary studies done to date, we anticipate that the IND for the vaccine candidate that will ultimately be purchased can be obtained within 6 to 18 months. As this will be one of the first vaccine products for which licensure will be requested under the new animal model rule, it is not clear how long licensure will take.

Question. How does this vaccine differ from the one being developed by the Defense Department? Are you coordinating with DOD?

Answer. Over the last few years, NIAID has been working closely with the U.S. Army Medical Research Institute of Infectious Diseases (USAMRIID) in the development of a second-generation anthrax vaccine using the recombinant Protective Antigen (rPA) approach. The vaccine specified in NIAID's recently-released Request For Proposal (RFP), Development and Testing of Vaccines Against Anthrax, is based on the use of the rPA vaccine approach that was developed by the USAMRIID with NIAID support.

Question. If the $250 million includes procurement costs, why is NIH funding the procurement of this vaccine? My understanding is that CDC has responsibility for the stockpile. Shouldn't CDC be funding this?

Answer. The nation has an urgent and compelling need to have a second-generation anthrax vaccine product quickly available. At the moment, a second-generation anthrax vaccine still needs to be developed and tested. Although it may be unusual for NIH to purchase a vaccine, in this case, there is logic to having NIH take the lead due to the accelerated nature needed to do the research, develop, test and purchase this vaccine in a short time. Ultimately, the vaccine, when purchased, will be managed by CDC as part of the national stockpile. No one is expecting that NIH will become a stockpile manager for this vaccine.

BIOLOGICAL AGENTS

Question. We have included $10 million for tracking and control of biological agents in the emergency supplemental appropriation in December. How is the money being spent?

Answer. The supplemental appropriation allowed CDC to use "up to" $10 million for this purpose. To date, CDC has allocated $4.3 million for this work. This amount is consistent with the proposals in the fiscal year 2003 budget. Currently anticipated expenditures include:

Contracted Services: $2.4 million

Laboratory Registration.—The purpose of this task order is for technical assistance and support services for document processing and information gathering and dissemination, including evaluation and review of applications and supporting information, in order to manage the laboratory registrations and data associated with the transfer of select agents; gather, respond and process information; evaluate existing database then develop and transfer data into a more capable software product; and provide database management, in order to meet the requirements of Section 511 of Public Law 104–132, and to provide a rapid means to disseminate critical health information to constituents and officials.

Laboratory Inspection.—The Contractor, as an independent organization, and not as an agent of the Government, shall furnish all necessary personnel, facilities, equipment and supplies to establish and manage a laboratory inspection program. These services shall adhere to CDC's requirements as specified under Section 511 of Public Law 104–132 (Attachment J.1), and its implementing regulations.

The Contractor shall be required to register all Biosafety Level-2 (BSL–2) and Biosafety Level-3 (BSL–3) laboratories who submit applications, inspect all registered BSL–3 laboratories, in addition to establish and maintain a database and files of all activity required under Section C.

Additional smaller contracts for computer support, editorial support, and data entry.

Cooperative Agreements: $0.4 million

Association of Public Health Laboratories (APHL) cooperative agreement for train-the-trainer courses.

NCCL cooperative agreement for diagnostic proficiency testing.

Operational Costs: 1.5 million

Funding operational costs and funding for staff, including program managers, health safety specialists, microbiologists, mechanical engineers, an administrative officer, and program operations assistants.

Travel for laboratory inspections, professional meetings, technical assistance, biosafety classes, and safety training presentations.

Question. I have heard that while the money has been available, the small office in CDC that regulates transfers of these biological agents does not have approval to hire more people, so they can't use it. Can you tell me if this is correct?

Answer. CDC is currently assessing the needs of the select agent program. The program is in the process of hiring new staff that will include a senior microbiologist, an administrative officer, program managers, health safety specialists, microbiologists, mechanical engineers, and program operations assistants.

QUESTIONS SUBMITTED BY SENATOR JACK REED

PUBLIC HEALTH SURVEILLANCE

Question. Mr. Secretary, I have become increasingly interested in the need to build strong public health surveillance systems, not only so we will be able to detect the first signs of a bioterrorist event, but also so that we can improve our ability to track common disease trends in this country. We have the technology and ability today have a computer terminal in every hospital emergency room in this country where disease symptom information could be transmitted over the Internet to agencies, such as county and state health departments and the CDC that would analyze aggregate data for any unusual patterns. These "dual systems" are important to our homeland defense, but are absolutely critical to our public health. One of the major challenges I foresee with achieving fully function systems not only paying for it but also making sure systems can "talk" to one another because diseases do not know state or regional boundaries.

I understand that there are public-private sector initiatives focused on driving standardization in the way that clinical data is transmitted, to reduce burden and cost for health care providers, labs, and others that will be reporting this data for public health purposes and to enable surveillance that cuts across localities (for example, regional initiatives). These initiatives are centered around the Centers for Disease Control and Prevention's National Electronic Disease Surveillance System (NEDSS). What can we be doing to encourage states and local health departments to forgo "customized" surveillance systems, in return for more data that is comparable and more useful?

I have heard that any surveillance system that requires physicians or other health care providers to "do something extra" will not be successful. As a matter of fact, I understand that even now, 80 to 85 percent of data that is currently required to be reported to public health does indeed, not get reported, because reporting processes are cumbersome and require an extra step (e.g. faxes, postcards, etc.) . What can we be doing to encourage local health departments to leverage health care information systems that already exist within hospitals, labs, and emergency departments to get the data they need? What are the barriers?

Answer. Public health surveillance is the ongoing, systematic collection, analysis, interpretation, and dissemination of health data, including information on clinical diagnoses, laboratory-based diagnoses, specific syndromes, health-related behaviors, and use of products related to health (for example, sales of antimicrobial drugs). Epidemiologists use these data to detect outbreaks; characterize disease transmission patterns by time, place, and person; evaluate prevention and control programs; and project future health care needs. Our nationwide system of surveillance requires involvement and resources from all levels of government, as well as a reversal of the trend towards decreasing state and local support for disease surveillance.

Historically, HHS has provided both resources, and standards and specifications to be used by state and local health departments so that information systems will be interoperable and information can be shared. The standards are widely accepted national industry standards, and are therefore accessible to HHS, DOD, and VA systems.

These efforts have intensified with the establishment of the HHS Office of Public Health Preparedness. Standards of interoperability are being advanced through block grants now being provided through cooperative agreements with all U.S. states, territories and major municipalities The grant guidance requires inclusion of the local health departments as active partners in developing the state preparedness plan for use of Federal resources. Finally, CDC is developing an extensive plan to provide technical assistance to state and local partners, including access to independent verification and validation services.

Connectivity is a first step in accomplishing interoperable systems. Various levels of standards are necessary for interoperability: Internet connections, common electronic message formats, and shared vocabularies.

Public health surveillance is primarily a responsibility of state and local health departments. But CDC is assisting the states with the National Electronic Disease Surveillance System (NEDSS). One of the benefits of the NEDSS architecture is that it will define functions and specifications for elements of a system based on national standards. CDC has provided funding for states to develop systems based on these standards. CDC has also commissioned development of the NEDSS Base System which states may choose to implement. Either one of these options implementation of NEDSS Base system and/or state-based development according to national standards will promote interoperable systems and avoid "customized" proprietary, non-interoperable systems.

One of the main goals of NEDSS seeks to organize surveillance by the source of information. An example of this is surveillance information from laboratories, specifically, electronic laboratory-based reporting (ELR). CDC is working with large national laboratories to implement NEDSS standards; some states have ELR implementation projects as well.

QUESTIONS SUBMITTED BY SENATOR BEN NIGHTHORSE CAMPBELL

TRAUMA CENTERS

Question. The medical response to a terrorist act clearly includes not only first responders such as paramedics, but also hospitals, particularly Level I (highest level) trauma hospitals. These hospitals would be required to provide emergency, surgical and intensive care. Since there has been substantial funding identified for first responders, will there be comparable funding identified for major trauma hospitals?

Answer. Congress appropriated $135 million in fiscal year 2002 for the new Bioterrorism Hospital Preparedness Program with the eligible applicant for these grants being the State Health Departments. Approximately 75 percent of these funds will be distributed to hospitals and other health care entities to upgrade their ability to respond to biological events. Within the funds provided, trauma hospitals will be eligible to receive some of these funds. They would have to work with their State Health Department and carry out activities consistent with the overall plan. No specific funds have been identified for major trauma hospitals. The fiscal year 2003 President's Budget includes $235 million for this program as well as $283 million for a new Hospital Infrastructure Program.

Question. Who would administer such funds?

Answer. At the Federal level, the HRSA's Maternal and Child Health Bureau (MCHB) administers the Bioterrorism Hospital Preparedness program. At the State level, the program grants ($125 million in fiscal year 2002) are administered by the State Health Department. The State Health Officer in many States has delegated the Hospital Preparedness Program to the Emergency Medical Services (EMS) Division. The proposed Hospital Infrastructure Program for fiscal year 2003 would be administered by HRSA's Office of Special Programs.

Question. How would such funds be distributed?

Answer. Funds distributed under the Bioterrorism Hospital Preparedness Program are awarded as cooperative agreements with the States under a population-based formula. The State Health Departments then allocate approximately 75 percent of funds to hospitals and other supporting entities to implement the Governor approved hospital preparedness plan.

Question. Regional Level I (highest level) trauma centers are located throughout the country and are always ready 24 hours a day, seven days a week to manage mass casualties. These institutions are unique resources upon which to build a national system for the medical response to terrorism. Has there been any consideration to designate some of these centers as Federal medical disaster centers?

Answer. HRSA's Bioterrorism Hospital Preparedness Program cooperative agreements provide funds for the development of a multi-tiered system in which local hospitals and other health care entities are prepared to triage, isolate, treat, stabilize, and refer multiple casualties of a bioterrorist incident to identified regional "centers of excellence", which may be regional trauma centers.

Question. How would you pick these centers?

Answer. Under the Bioterrorism Hospital Preparedness Program cooperative agreement, States are given the flexibility to create their own regional hospital plans that meet their geographic needs. States are empowered to select regional centers of excellence, which would serve as referral centers in the case of a bioterrorist event causing mass casualties. The criteria for these centers would be to have the

surge capacity to deal with large numbers of casualties as well infectious patients who need to be kept in isolation to prevent disease spread.

Question. How would they relate to each other and to the military?

Answer. The HRSA Bioterrorism Hospital Preparedness Program requires the development of a State Hospital Preparedness Planning Committee. Military hospitals and hospital associations are among the required members of these planning committees. The Hospital Preparedness Planning Committee oversees the development of the State preparedness plan and its implementation. States are given the flexibility to develop and implement their own regional hospital plans, including multistate collaboration if necessary.

HOSPITAL CAPACITY

Question. Throughout the country, particularly in large urban centers, there is no unused hospital bed capacity. Hospitals are often full. Patients, even patients needing intensive care, are often forced to wait in emergency rooms for a bed. In many cities ambulances drive around trying to find a hospital with an available bed. Thus, there is no surge capacity to handle a sudden large increase inpatients such as would occur in a terrorist act. Have you considered any mechanisms such as Federal dollars for hospital expansion for certain key hospital facilities throughout the country?

Answer. Current HRSA cooperative agreements under the Bioterrorism Hospital Preparedness Program include the requirement to identify surge capacity to handle a potential epidemic involving at least 500 victims. Metropolitan Medical Response Systems (MMRS) contracts, managed by the HHS Office of Emergency Preparedness, also require surge capacity to be addressed at the local level. It is important to note that the existing licensed facility expansion capability is only a small part of surge capacity which must include plans for alternate care facilities, home care, and movement of victims to other parts of the country via the National Disaster Medical System. The Hospital Preparedness grant guidance asks its state health department grantees to perform a needs assessment of bioterrorism preparedness and to develop implementation plans to handle a surge in patients. The focus is not on specific hospital capacity expansion, but rather on improved coordination and triage to make the best use of available facilities. Specific items in that needs assessment include:

—Need for a bioterrorism plan that addresses triage, isolation, quarantine, decontamination, stabilization, treatment and referral of multiple casualties (whether presenting all at once or gradually over time).

—Needs for reconfiguration of hospital space for quarantine of communicable diseases and treatment of infectious disease epidemics, including provision of security services.

—Need for personnel augmentation (physicians, nurses, pharmacists, mental health professionals and others) to handle large influxes of patients.

—Need for infrastructure and collaboration between hospitals and EMS systems that support effective diversion and referral plans.

The guidance for the implementation plan to address those needs includes the following specific points:

—Describe the plan for increasing hospital bed capacity to accommodate increases in admissions from an infectious disease epidemic over an extended period of time.

—Describe the plan to address overcrowding and the need for hospital diversion, with large numbers of acute casualties arriving on their own or by ambulance, including a rapid communication plan with EMS units that allows them to determine a destination immediately at any time.

—Describe how hospitals will receive patients on a daily basis when several hospitals are on diversion simultaneously.

—Describe the plan for electronic tracking of bed status across the State with a central device or system, and how this information will be updated continuously to maintain currency.

—Describe how additional hospital and EMS personnel will be recruited and deployed at the local level to implement an effective medical bioterrorism response plan. Plans should address the capability of immediately deploying 50 or more extra personnel in urban areas, and 20 or more in rural areas.

—Describe the plan for ensuring support for hospitals and EMS systems through mutual aid agreements, metropolitan medical response systems or disaster medical assistance teams.

—Describe how patients could be triaged to make additional hospital bed space available during a terrorism event.

—Describe the plan for using nonhospital facilities to shelter and treat mass casualties or epidemic victims if hospitals are overwhelmed.

Question. In the event of a disaster there would be many people who are actually not hurt or injured, but who have concerns about their well-being. These worried-well could overwhelm emergency departments if there is no alternative for them to use. Regional poison centers handle many calls every day from people who are worried about some exposure that they or their children may have had to a poison or a drug. Therefore, these regional poison centers offer the potential to handle thousands of phone calls from such patients preventing emergency departments from being overwhelmed. Have you considered funding such a system to handle the worried-well? Have you considered utilizing regional poison centers for this task?

Answer. The Hospital Preparedness implementation plan guidance covers the following specific points:

—Describe how the general public will be educated as to where and when to present to the hospital or to activate EMS.

—Describe the public relations plan for dealing with large numbers of patients, worried well, family and friends, and media.

—Describe the plan for enhancing the ability of poison control centers serving the State to respond immediately to requests for information from clinicians and the general public following a bioterrorist incident.

In addition, the Department is proposing to fund the Poison Control Center program at a level of $21 million in fiscal year 2003, the same as fiscal year 2002. The intent is to utilize these centers as a source of accurate and up-to-date information, including on biological or chemical attacks.

NATIONAL TRAUMA NETWORK

Question. In Colorado, Denver Health has created the Rocky Mountain Regional Center for the Medical Response to Terrorism, Mass Casualties and Epidemics. It has integrated the 911 paramedic system, the Level I trauma center, the Rocky Mountain Poison Center, the Public Health Department, the CDC Exemplar site for Public Health Preparedness and the Metropolitan Medical Response System and the key physicians from each of these areas to develop an organized system for the response to terrorist events. Has there been any consideration to identifying such unique resources like this throughout the country, coordinating them into a national network and providing funding to them for the further development of such unique centers?

Answer. Yes, there has been consideration given to identifying exceptional model(s) programs that could provide expert technical assistance and training to others. These discussions have been framed within the context of the proposed President's budget (fiscal year 2003 for $235 million) for the Bioterrorism Hospital Preparedness Program. All of the Congressionally appropriated funds for fiscal year 2002 have already been committed.

COMMITTEE RECESS

Chairman BYRD. The committee will stand in recess until 2:30, at which time Attorney General John Ashcroft and the Director of FEMA, Mr. Joe Allbaugh, will appear.

[Whereupon, at 1:05 p.m., the committee was recessed, to reconvene at 2:30 p.m., the same day.]

(AFTERNOON SESSION, 2:33 P.M., THURSDAY, MAY 2, 2002)

The committee met at 2:33 p.m., in room SD–192, Dirksen Senate Office Building, Hon. Robert C. Byrd (chairman) presiding.

Present: Senators Byrd, Leahy, Mikulski, Murray, Dorgan, Stevens, Specter, Domenici, Bond, Gregg, Craig, and DeWine.

STATEMENT OF JOHN ASHCROFT, ATTORNEY GENERAL, DEPARTMENT OF JUSTICE

OPENING STATEMENT OF CHAIRMAN ROBERT C. BYRD

Chairman BYRD. The committee will resume its hearings. The committee is honored this afternoon to welcome a very special guest from our country's northern neighbor, Canada. And that special guest is The Honorable Peter Milliken, Canada's Speaker of the House of Commons. Mr. Speaker, we support you in your efforts to promote interparliamentary dialogue, and we appreciate your presence at this afternoon's hearings.

I want you to know that probably the foremost Anglophile in Congress is sitting at this microphone doing the talking right now. I can tell you, I can name the English monarchs—of course, I know I'm speaking to the Canadian speaker, but I don't think these statements are out of place—I can name the English monarchs from the year 519 to the present. I know how much this country owes England, the motherland, and I say the motherland—I am conscious of the fact that the Spanish were in the southern part of this country and in the Southwest. They established the first city in this country, St. Augustine, and then on to Sante Fe, New Mexico.

But the people who were at the Constitutional Convention in 1787 were, in the main—in the main—British, and I'm conscious of that fact, and I'm conscious of how much this country owes England, the British Isles, including the Irish and the Welsh, and the Scots, for our Constitution, our laws, our language, and our way of life.

And I want you to know that I particularly appreciate your presence here this afternoon, as homeland security is an issue of universal concern. We hope that you'll find this meeting to be informative. And so I just want to take a minute to salute you and the people of your country, of Canada.

WELCOME OF JOHN ASHCROFT, ATTORNEY GENERAL

Chairman BYRD. General Ashcroft, we welcome you to the Senate Appropriations Committee as we conduct our hearings on homeland security. The Justice Department is perhaps the linchpin civilian agency in America's homeland security architecture. The agencies within the Department, particularly the FBI and the INS, headline the Federal Government's campaign to provide security at home for the American people.

Unfortunately, the Immigration and Naturalization Service has become the poster child for what's wrong with America's homeland security. I know that there are many dedicated men and women who go to work for the INS every day determined to serve the American people to the very best of their ability, so the fault lies not with the employees of that agency. The fault lies somewhere with the leadership and the organizational structure of the agency.

Those are problems that can be fixed, and they ought to be fixed. I hope that whatever emerges from the reorganization will amount to more than just a reshuffling of the decks, as it were, the deck chairs on the *Titanic,* which happened to go down, as I remember, on April 15, 1912. As I recall, there were 1,517 persons who lost their lives in that tragic accident. I hope, then, that the INS will be the key to protecting our borders and securing the homeland. It must be an effective, reliable, and accountable agency.

I have long been a supporter of the FBI. It's a class agency and has an excellent Director in Robert Mueller. I look forward to hearing from you on the homeland security needs of that agency, especially in the area of cyberterrorism.

General Ashcroft, you're a key player in implementing America's homeland security strategy. The Department of Justice supports the Nation's first responders with several Office of Justice programs and through the Office of Domestic Preparedness. The Appropriations Committee has heard testimony from first responder organizations in support of continuation of the existing programs, and we will look forward to your testimony in this regard.

The President has proposed to consolidate a number of homeland defense programs that are under the jurisdiction of the Justice Department and FEMA, and so that is why we have asked you to testify with the FEMA Director today, Mr. Joseph Allbaugh.

We will ask the Attorney General to make his opening remarks, and then we will ask the Director of FEMA to make his remarks. This will allow members to ask both witnesses about how their agencies would relate to each other in implementing the President's proposal. We appreciate your courtesy in following this procedure. We welcome you before the committee today, and we look forward to your testimony.

Senator Stevens.

Senator STEVENS. Thank you, Mr. Chairman.

Chairman BYRD. Incidentally, may I say, Senator Stevens, since we've been talking about England, my forebear on my father's side came to this country from England in 1657. He settled on the Rappahannock River in Virginia. He worked 7 years to pay for his trip across the water. He was brought to this country by a man named Stevens. That may be one of the reasons why I think so very much of you.

I believe his name was spelled, however, S-t-e-p-h-e-n-s. So much for that. Senator Stevens, would you give——

STATEMENT OF SENATOR TED STEVENS

Senator STEVENS. My grandfather used to say they kicked that one letter out of our family a long time ago, but I'd have to think about that.

I do welcome both of you, and I welcome our Canadian—my southern neighbors here, Mr. Chairman. My brother emigrated to Canada. And I'm always pleased to see our southern neighbors come visit our country.

And for those who didn't really pick up the total impact of what the chairman said about his knowledge of lineage of the British crown, I can vouch that I listened to that once, and I can also say that I sat down about one-third of the way through. It's a very long lineage, I can tell you that. But Senator Byrd has the most prodigious memory I've ever seen in any human being.

Senator LEAHY. If the Senator from Alaska would yield on that point, I heard him in the presence of Queen Elizabeth II at a luncheon here point out that he knew all the monarchs of England. Her response was that, as Queen of England, she could say that he was about the only person that she'd ever met who could name them from memory.

Senator STEVENS. And their consorts or queens. But I say to you, Mr. Chairman, in the time of the colonies, Stevens was sort of like Jones. There were lots of Stevens around, and I don't understand why, but they were.

I welcome the two of you, because I do think these hearings are doing some good for us, and we need this information. I continue to be disturbed about some of the ways in which the funding requests have been presented to us, and so these hearings have helped us try to understand that. So I hope that you will understand why it's necessary for us to get these details.

But in particular, right now, I think that the difficulty we have is trying to separate out why some of the monies are asked for in the supplemental and others in the 2003 budget, and there's no indication of whether the 2003 budget will be followed by another supplemental. We thought we had done away with supplementals, but September 11th taught us that that's not true. But if we're to have another supplemental, I assume it would be, again, in 2003, a continuation of the battle against global terrorism. This one right now is a little confusing to us, and I thank you for taking the time to help us straighten it out.

Chairman BYRD. Please proceed, Mr. Attorney General. Afterwards, I shall call on Mr. Allbaugh.

OPENING STATEMENT OF ATTORNEY GENERAL ASHCROFT

Attorney General ASHCROFT. Mr. Chairman, I thank you for the honor of appearing before you and Senator Stevens and members of the committee. I'm not only honored to be before you, but to be here with the Director of FEMA, Joe Allbaugh, to discuss the efforts of the Department of Justice to protect and secure the homeland, the United States of America.

The Department's ability to respond effectively to the horrific events of September 11th and to move forward to prevent similar events from occurring in the future is strengthened by the leadership of this committee. Long before the attacks of September 11th, you recognized the importance of interagency coordination and planning, information sharing with State and local enforcement, and the need to train and equip first responders for such

eventualities. I appreciate the committee's continued support, and I commend you for organizing this series of hearings.

NATIONAL SECURITY COORDINATION COUNCIL

The Department of Justice is marshaling its resources to prevent and disrupt terrorist attacks. On March 5, 2002, consistent with the fiscal year 2002 appropriations act and the President's budget request for 2003, I announced the creation of the National Security Coordination Council of the Department of Justice. That National Security Coordination Council is chaired by the Deputy Attorney General. Its principal mission is to facilitate a more seamless coordination of all functions of the Department relating to national security, particularly our efforts to combat terrorism. The National Security Coordinating Council is also the Department's voice on these issues to other Federal agencies.

HOMELAND SECURITY

For fiscal year 2003, the President's budget identifies $37.7 billion for homeland security. Of that total, 19 percent, or $7.1 billion, supports the homeland security activities of the Department of Justice. Homeland security touches on almost all of the Department's components and accounts.

My testimony on February 26th before the Senate Subcommittee on the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies, described in detail the Department's budget request for fiscal year 2003. Rather than repeating that testimony here, I would highlight our most significant homeland security initiatives, border security and counterterrorism.

The President's fiscal year 2003 budget recognizes that border security is vital to ensuring the safety of our citizens and homeland. Currently, our Nation does not have a comprehensive, reliable system to track the entry and exit of individuals who enter the United States on temporary visas in order to determine who may have overstayed their visas or who may be inappropriately staying behind. In addition, we do not have sufficient ability to detect, identify, and locate short-term visitors who may pose a security risk to the United States.

The homeland security component of the fiscal year 2003 budget request for INS totals $4.69 billion. To strengthen the security of our Nation's borders, we are proposing program improvements totalling $856 million, including $362 million to begin constructing an entry-exit system, and $187 million for the ongoing activities funded in the fiscal year 2002 Counterterrorism Supplemental Appropriation.

The fiscal year 2003 budget will support an increase of over 2,200 new enforcement positions for the Immigration and Naturalization Service, including 570 new Border Patrol agents, 1,160 new inspectors for air, land, and sea ports of entry. It will enable the INS to deploy additional enforcement personnel, together with advanced state of the art technology and systems to prevent illegal entry into the country and to identify and to remove individuals who threaten the safety of America.

BORDER SECURITY INITIATIVE

Components of the Border Security Initiative include implementing a comprehensive entry and exit system, deploying force-multiplying equipment, integrating separate information systems to ensure timely, accurate, and complete enforcement data, among other objectives. As part of the effort to strengthen our border security, we hope to build upon the success we have already seen from a pilot deployment of fingerprint databases at certain ports of entry. In just the first 4 months of 2002, the INS was able to use fingerprint checks to apprehend over 1,000 aliens who were wanted by Federal, State, and local law enforcement agencies.

Let me give you just a couple of examples. February 28, 2002, an individual wanted by the Los Angeles Police Department for a triple homicide was identified and apprehended, as a result of a secondary referral to the IDENT system of the INS. February 7, 2002, an alien arriving from Colombia seeking entry as a tourist, who was the subject of an outstanding warrant by the FBI's violent crimes unit in Los Angeles, was identified and apprehended. April 2, 2002, a homicide suspect wanted by Harris County, Texas, authorities on a 1989 warrant was identified and apprehended.

INS RESTRUCTURING

Our ability to strengthen border security also requires an Immigration and Naturalization Service that is accountable and well-managed. The administration is committed to building and strengthening an immigration services system that ensures integrity, provides services accurately and efficiently, and emphasizes a culture of respect. I appreciate the committee's efforts to work with the Department on the critical issue of restructuring the INS, and we look forward to continuing to work with Members of the House and Senate, and this committee, in particular, on this issue.

FBI COUNTERTERRORISM ACTIVITIES

As a result of the events of September 11, 2001, the Federal Bureau of Investigation, with the cooperation of other Federal, State, local, and international law enforcement agencies, is conducting the largest criminal investigation in the history of the United States. The men and women of the FBI continue to be the front line of our Nation's efforts against terrorism, working in concert with other Federal, State, and local agencies to prevent additional terrorist attacks, and to bring to justice those who commit crimes against our citizens and our interests. The work of the FBI is critical to winning the war against terrorism.

The homeland security component of the FBI's budget totals $1.26 billion. In order to enhance the FBI's counterterrorism programs, our fiscal year 2003 budget seeks $411.6 million in program improvements, including 221 new FBI special agents, $109.4 million to enhance information technology projects, $224.1 million for increased intelligence, surveillance, and response capabilities, and $78.1 million for enhanced personnel and information security.

The establishment of Joint Terrorism Task Forces has enhanced the FBI's ability to coordinate terrorism investigations among FBI field offices and their respective counterparts in Federal, State, and

local law enforcement agencies. Our fiscal year 2003 budget supports a total of 56 Joint Terrorism Task Forces throughout the country. That's one for each of the FBI district field offices.

SUPPLEMENTAL APPROPRIATIONS

For the fiscal year 2002 supplemental appropriations request pending before you, it's a request that includes $51 million for three critical initiatives of the Department of Justice. That's $6 million to deploy IDENT/IAFIS fingerprint database pilot program capability for 30 additional ports of entry—and that's the pilot program that has picked up the examples that I talked about. When you put the information from the IAFIS fingerprints of the FBI into a system that's recognizable at ports of entry by people checking fingerprints, we get that kind of return. There is also $35 million to replace lost immigration revenues resulting from a decline in international air travel since September 11th that normally would fund INS objectives.

And there is $10 million for the Foreign Terrorist Tracking Task Force. Now, the Foreign Terrorist Tracking Task Force was established at the President's direction to coordinate Federal agency efforts to bar from the United States all aliens who are representatives, members, or supporters of terrorist organizations. The task force will also lead the Government's efforts to track, to detain, to prosecute, and deport any such aliens who manage to enter our country.

INFORMATION SHARING

One of our most important responsibilities in the war on terrorism is to share appropriate information with our State and local law enforcement partners. In response to the events of September 11th, I directed each United States Attorney's Office to establish an Anti-terrorism Task Force for broader coordination of our antiterrorism efforts across the country. Our ATTFs facilitate information sharing between Federal and State authorities and coordinate local antiterrorism efforts within each judicial district, all of the different judicial districts in the country. The Criminal Division of the Justice Department provides overall policy guidance and direction to these task forces in each of the Federal judicial districts of America.

Congress acted to fund these task forces in the fiscal year 2002 Counterterrorism Supplemental Appropriation, and I appreciate the committee's support and action in that respect. The fiscal year 2003 budget request proposes to continue that funding, with a total of $55.6 million for the task forces identified as homeland security funding.

U.S. MARSHALS SERVICE

As accused terrorists are brought to justice, and the threat of terrorism is understood on a continuing basis, there will be a need for enhanced security measures at our courthouses. The U.S. Marshals Service protects the Federal courts and ensures the effective operation of our judicial system. A total of $147.9 million, requested for

the U.S. Marshals Service in fiscal year 2003, is identified as homeland security-related.

IT INTEROPERABILITY

Another critical element of our battle against the terrorist threat is developing and enhancing interoperable databases and telecommunications systems for the Department's law enforcement activities. For these efforts, the homeland security budget seeks $60 million to continue narrowband investment in radio infrastructure to allow the various law enforcement agencies and operations to communicate effectively with each other in times of need.

TRANSFER OF ODP TO FEMA

The administration has proposed transferring the programs of the Office of Domestic Preparedness to the Federal Emergency Management Agency in fiscal year 2003. In May 2001, the President stated his desire that the numerous Federal programs offering training and assistance to State and local governments be, and I quote, "seamlessly integrated in order to maximize their effectiveness." This desire, stated months before the 9/11 tragedy of last year, is part of the budget as reflected in the budget submission this year. The Office of Domestic Preparedness is continuing to work expeditiously with State and local first responders to review and approve the State domestic preparedness strategies that are required before grants can be awarded.

I'm pleased to report that, as of April 26th, the Office has received 51 State strategies, of which we have approved 49, and has awarded approximately $77 million to enhance the capacity of State and local jurisdictions to respond to and mitigate the consequences of terrorist incidents.

TERRORISM AND TERRORIST ATTACKS

Chairman Byrd, Senator Stevens, members of the committee, the orchestrated terrorist attacks of September 11th forever changed our perception of homeland security. With these attacks, terrorism ceased to be seen as a distant threat and became an imminent danger to our families, institutions, and freedoms. The first and the overriding priority of the Department of Justice is to protect Americans against future acts of terror and to bring terrorists to justice. You may be assured that we take our homeland security responsibilities seriously. Your leadership and assistance in assuring that the Department of Justice has the resources necessary to carry out these responsibilities is greatly appreciated. And obviously, after we listen to my colleague, I'd be very pleased to respond to questions.

[The statement follows:]

PREPARED STATEMENT OF JOHN ASHCROFT

Mr. Chairman, Senator Stevens, Members of the Committee: It is an honor to appear before you to discuss the efforts of the Department of Justice to protect and secure our nation's homeland. The Department's ability to respond effectively to the horrific events of September 11th, and to move forward to prevent such events from occurring in the future, is a direct result of the leadership of this Committee. Long before the attacks of September 11th, you recognized the importance of inter-agency coordination and planning, information sharing with state and local law enforce-

ment, and training and equipping first responders. I appreciate the Committee's continued support and commend you for organizing this series of hearings.

Countering a threat as vast and as complex as terrorism requires unprecedented cooperation and coordination. No single individual, agency, department or government can succeed alone. We must weave a seamless web of prevention, involving not just government, but businesses and communities, state and local governmental organizations, and all of our citizens in a united effort to identify, disrupt and dismantle terrorist networks.

The Department of Justice is marshaling our resources to fight terrorism in the most effective manner possible. On March 5, 2002, consistent with Section 612 of the fiscal year 2002 Appropriations Act and the President's budget request for fiscal year 2003, I announced the creation of the National Security Coordination Council (NSCC) of the Department of Justice, chaired by the Deputy Attorney General. The principle mission of the NSCC is to ensure a more seamless coordination of all functions of the Department relating to national security, particularly our efforts to combat terrorism. It also is the Department's voice on these issues to other federal agencies.

For fiscal year 2003, the President's budget identifies $37.7 billion for homeland security. Of that total, 19 percent or $7.1 billion supports the homeland security activities of the Department of Justice. In addition to over $539 million to continue activities begun under the fiscal year 2002 Counterterrorism Supplemental, our budget includes $1.5 billion in new resources to enhance law enforcement support to prevent, combat, and protect against acts and threats of terrorism and to strengthen enforcement along our nation's borders.

Homeland security touches on almost all of the Department's components and accounts. My testimony before the Subcommittee on the Departments of Commerce, Justice, and State, the Judiciary and Related Agencies on February 26, 2002 described in detail the Department's budget request for fiscal year 2003. Rather than repeating that testimony here, I will highlight our most significant homeland security initiatives—border security and counterterrorism.

PREVENTING AND COMBATING TERRORISM, INCLUDING SECURING THE NATION'S BORDER

The first and overriding priority of the Department of Justice is to protect Americans against acts of terrorism and to bring terrorists to justice. In response to the heinous attacks on September 11, 2001, the full resources of the Department of Justice, including the Federal Bureau of Investigation, the Immigration and Naturalization Service, the U.S. Attorneys offices, the U.S. Marshals Service, the Bureau of Prisons, the Drug Enforcement Administration and the Office of Justice Programs, were deployed to investigate these crimes, to protect our country from further attacks, and to assist survivors and victim families.

In addition, the Department of Justice, including all 94 U.S. Attorneys offices and 56 FBI field offices, is implementing the USA PATRIOT Act that was passed overwhelmingly by Congress and signed by President Bush. This legislation has enabled law enforcement to make use of new powers in intelligence gathering, criminal procedure and immigration violations. With these new provisions, the fight against terrorism has the full force of the law while protecting Constitutional civil liberties, and we thank the Congress for its leadership in providing these critical tools.

Border Security

The President's fiscal year 2003 budget recognizes that border security is vital to ensuring the safety of our citizens and our homeland. Illegal overstays of visitors and others coming temporarily into the United States pose a potential risk to homeland security. Overstays result in approximately 40 percent of individuals remaining in this country illegally. Currently, our nation does not have a reliable system to track the entry and exit of these individuals in order to determine who may have overstayed. In addition, we do not have sufficient ability to detect, identify and locate short-term visitors who may pose a security risk to the United States.

The Homeland Security component of the fiscal year 2003 budget request for INS totals $4.69 billion. To secure gaps in our nation's borders, we are proposing program improvements totaling $856 million, including $362 million for an entry/exit system, and $187 million for ongoing activities funded in the fiscal year 2002 Counterterrorism Supplemental Appropriation.

The fiscal year 2003 budget will support an increase of over 2,200 new positions for INS—570 new Border Patrol agents and 1,160 new inspectors for air, land, and sea ports of entry. It will enable the INS to deploy additional enforcement personnel together with advanced, state-of-the art technology and systems to prevent illegal entry into the country; target individuals who threaten our safety; and assist with non-citizens entering and exiting the United States. Components of the border secu-

rity initiative include implementing a comprehensive entry/exit system, deploying force multiplying equipment, and integrating separate information systems to ensure timely, accurate, and complete enforcement data.

In addition, the President's recent supplemental request for fiscal year 2002 includes $35 million to sustain the Immigration User Fee account and enable INS to implement fully our initiatives for increased air and seaport security that were provided in fiscal year 2002. This supplemental funding is necessary to offset the significant decline in international air travel that has occurred since September 11th, and the resulting decline in immigration fee revenues.

Our ability to ensure border security requires a well managed Immigration and Naturalization Service. This Administration is committed to building and strengthening an immigration services system that ensures integrity, provides services accurately and efficiently and emphasizes a culture of respect. I appreciate the Committee's efforts to work with the Department on the critical issue of restructuring the INS, and we look forward to continuing to work with you on this issue in the future.

For the Executive Office for Immigration Review, the fiscal year 2003 budget identifies $14.5 million to coordinate with INS initiatives. Of that total, $9.2 million is new funding requested for fiscal year 2003 to meet anticipated growth of 27,800 cases in the caseload of Immigration Judges and the Board of Immigration Appeals.

Enhancing the FBI's Counterterrorism Capabilities

As a result of the events of September 11, 2001, the FBI, with the cooperation of other federal, state, local and international law enforcement agencies, is currently conducting the largest criminal investigation in the history of the United States. The men and women of the FBI continue to be on the front line of our nation's efforts against terrorism, working in concert with other federal, state and local agencies to prevent additional terrorist attacks and to bring to justice those who commit crimes against our citizens and our interests. The work of the FBI is critical to winning this war.

The homeland security component of the FBI's budget totals $1.26 billion. The FBI's efforts to identify and neutralize terrorist activities require a comprehensive understanding of current and projected terrorist threats. In order to enhance the FBI's counterterrorism programs, our budget seeks $411.6 million in program improvements, including 221 new FBI special agents; $109.4 million to enhance information technology projects; $224.1 million for increased intelligence, surveillance, and response capabilities; and $78.1 million for enhanced personnel and information security. Our budget also reflects $238 million for ongoing activities funded in the fiscal year 2002 Counterterrorism Supplemental Appropriation.

The establishment of the Joint Terrorism Task Force program has enhanced the FBI's ability to promote coordinated terrorism investigations among FBI field offices and their respective counterparts in federal, state, and local law enforcement agencies. Our fiscal year 2003 budget supports a total of 56 Joint Terrorism Task Forces throughout the country—one for each FBI field office.

The fiscal year 2002 supplemental appropriations request pending before you includes a request for $10 million to support the Department's Foreign Terrorist Tracking Task Force. On October 29, 2001, the President directed the Department to establish this task force to coordinate federal agency efforts to bar from the United States all aliens who are representatives, members or supporters of terrorist organizations. In addition, aliens who are suspected of engaging in terrorist activity or aliens who provide material support to terrorist activity are barred from the United States. The task force will also lead the government's efforts to track, detain, prosecute and deport any such aliens who have managed to enter our country.

Additional Enhancements To Counterterrorism Infrastructure

One of our most important responsibilities in the war on terrorism is information sharing with our state and local law enforcement partners. In response to the events of September 11th, I directed each United States Attorney's Office to establish an Anti-terrorism Task Force for broader coordination of our anti-terrorism efforts across the country. Our ATTFs facilitate information sharing between federal and state authorities, coordinate local anti-terrorism efforts within each judicial district, and serve as a standing organizational structure for a coordinated response to any terrorist incidents that might occur in the district. The Criminal Division provides overall policy guidance and direction to these task forces. Congress acted to fund these task forces in the fiscal year 2002 Supplemental Appropriation, and the fiscal year 2003 budget request proposes to continue that funding. A total of $55.6 million for the task forces is identified as homeland security funding.

As accused terrorists are brought to justice in the federal court system, there will be a need for enhanced security measures. The United States Marshals Service pro-

tects the Federal Courts and ensures the effective operation of the judicial system. A total of $147.88 million requested for the United States Marshals Service in fiscal year 2003 is identified for homeland security. The fiscal year 2003 budget proposes enhancements of $34.7 million to support heightened security measures at federal courthouses and $2.4 million to enable the U.S. Marshals Service to participate in the FBI's Joint Terrorism Task Force program.

Another critical element in our battle plan against the terrorist threat is developing and enhancing interoperable databases and telecommunications systems for the Department's law enforcement activities. For these efforts, the homeland security budget seeks $60 million to continue narrowband investment in radio infrastructure. An increase of $23 million is requested for Identification Systems Integration, along with a supplemental request for fiscal year 2002 of $5.7 million.

The fiscal year 2003 budget request for the Department seeks an increase of $35 million for homeland security in the Attorney General's Counterterrorism Fund to reimburse the Drug Enforcement Administration's Special Operations Division for the cost of providing intelligence support to the FBI and other agencies conducting counterterrorism activities. It also includes $24.7 million for additional information and anti-terrorism physical security measures at DEA.

The Administration has proposed to transfer the programs of our Office of Domestic Preparedness to the Federal Emergency Management Agency in fiscal year 2003. In May 2001, the President stated his belief that the numerous federal programs offering training and assistance to state and local governments be "seamlessly integrated, in order to maximize their effectiveness."

During fiscal year 2002, the Office of Domestic Preparedness is continuing to work expeditiously with state and local first responders to review and approve the state domestic preparedness strategies that are required before grants can be awarded. Prior to September 11th, only 4 states had submitted plans. On September 21, 2001, I sent letters to the Governors of all 56 States and territories, urging them to submit their required three-year domestic preparedness strategies by December 15, 2001. As of April 26, 2002, the Office of Domestic Preparedness had received 51 strategies, approved 49, and has awarded approximately $77 million to enhance the capacity of state and local jurisdictions to respond to and mitigate the consequences of terrorist incidents.

Chairman Byrd, Senator Stevens, Members of the Committee, the orchestrated terrorist attacks of September 11th forever changed our perception of our homeland security. With these attacks, terrorism ceased to be seen as a distant threat and became an imminent danger to our families, our institutions, and ourselves. As I mentioned earlier, the first and overriding priority of the Department of Justice is to protect Americans against future acts of terrorism and to bring terrorists to justice. You may be assured that we at the Department of Justice take our homeland security responsibilities seriously. Your leadership and assistance in assuring that the Department has the resources necessary to pursue these responsibilities is greatly appreciated. I look forward to responding to any questions you may have.

Chairman BYRD. Thank you, General Ashcroft.

Now the Chair will present Mr. Allbaugh to the committee. Mr. Allbaugh, I am pleased to welcome you to this hearing on homeland security. FEMA has a long history of providing Federal disaster assistance to communities affected by natural disasters. In my State, FEMA has been of great assistance to communities in the wake of floods and other disasters. FEMA's ability to mobilize quickly in response to a disaster makes FEMA a key player in the Nation's homeland security program.

The events of September 11 brought new responsibilities and new pressures to FEMA. You have a big task in front of you, and the committee appreciates your efforts to tackle that task. The President has proposed to consolidate a number of first responder programs within FEMA. The committee has heard testimony from numerous first responder organizations that existing programs are effective and productive. The committee will listen with interest to your justification of this proposed consolidation.

Senator Stevens, do you have anything at this point?

Senator STEVENS. No, I generally welcome my friend—and he is a friend, Mr. Chairman, one of my fishing buddies. Glad to see him here. Thank you very much.

Chairman BYRD. Mr. Allbaugh, I speak as a person who's never caught a fish in his life. That is correct. I never shot a shotgun except an antique shotgun that I managed to pull the trigger on once over in West Virginia, and I haven't stopped running yet.

So would you please proceed with your statement.

STATEMENT OF JOE M. ALLBAUGH, DIRECTOR, FEDERAL EMERGENCY MANAGEMENT AGENCY

Mr. ALLBAUGH. Thank you, Mr. Chairman, Senator Stevens, members. I am honored to be here today. I'm especially honored to be sitting with my friend, the Attorney General of the United States. You should know this is the one day of my life that my mother knows that I will not get in trouble, because I'm seated next to the chief law enforcement officer of our country.

Chairman BYRD. And you're seated in front of the chief law enforcement committee in this country, the committee that provides the monies.

Mr. ALLBAUGH. Yes, sir, duly noted.

I'm glad to have the opportunity to report on FEMA's plans to meet some of America's new homeland security challenges. I thank the members for their continued support of FEMA, our responsibility in homeland security under the President's 2003 budget, but primarily the first responders and emergency managers in communities across the country. If approved by this committee, and subsequently Congress, the President's first responder initiative would make a $3.5 billion investment in America's fire, police, and other emergency services and would become the largest such investment in history. This money, which we hope will be the first installment in a multiyear plan, will be initially targeted at four areas: planning, equipment, training, and exercising. A grant process will be designed to ensure the money gets to the communities which need it the most, while providing Governors the flexibility they need in the process, as well.

In addition to distributing this grant money, FEMA's Office of National Preparedness will also be developing nationwide standards for States and local governments pertaining to first responder training, equipment interoperability, emergency planning, mutual aid, and evaluation. These standards will improve America's emergency response system, eventually eliminating incompatibility problems that have plagued catastrophic response management for years and were even more evident on September 11th.

We also desire to streamline the relationship between the first responder community and the Federal Government. The President has requested the transfer of the Justice Department's Office of Domestic Preparedness to FEMA, where we can merge our preparedness and response capacities into a more efficient and successful program. Integrating planning and preparedness activities into FEMA makes sense, because it will reduce program redundancies and provide the first responder community with clarity in the relationship with the Federal Government.

Now, Mr. Chairman, above and beyond all other reasons for merging these programs is our concern for the safety of the American people and the first responders sworn to protect our citizens. Bringing the expertise and resources of these offices together will not only enhance our Nation's ability to prevent, prepare, and respond to terrorist events, it is, in my opinion, vital to homeland security interests of the United States.

Americans understand homeland security cannot be a spectator sport, which is why the President directed FEMA to develop Citizen Corps, to let citizen volunteers do their part to make their community safer and stronger nationwide. As everyone knows in this room, Americans across the country asked what they could do to help, following September 11th. Citizen Corps is one part of the President's plan to channel that selfless spirit and energy to make our Nation more secure, one community at a time. FEMA will assist that effort by providing local communities and assistance in planning and training volunteers.

Finally, let me take this opportunity to provide you with an overview of FEMA's portion of the supplemental appropriation request. Of the $3.07 billion we requested, $2.75 billion would be allocated to New York City for continued disaster relief to aid those recovery efforts. The remaining money, if appropriated, would be spent on the other priorities I mentioned above: first, first responder planning, training, and equipment; second, mutual aid coordination within and among States; third, secure communications infrastructure for Governors and their designees to receive classified homeland security information; and, last, funding for Citizen Corps Volunteer Preparedness Initiative.

Let me also add, for the record, that when FEMA takes on its homeland security responsibilities, I can assure the members of this committee that we will not do so at the expense of another core responsibility, which is to help Americans prepare for and recover from natural disasters. FEMA has always taken an all-hazards approach to our job, and that will continue in the future.

We all know that there is a lot of work ahead to secure America's homeland, but I am confident that, with the President's leadership and your guidance, the American people can meet whatever challenges may hold in the future. I appreciate the opportunity to appear before you today and join the Attorney General in answering any questions.

The world changed dramatically September 11th. We have a huge task ahead of us, an awesome responsibility, and I'm honored, for the past 14 months, to hold this position, just an ordinary guy in an extraordinary situation, and I appreciate the honor that you and many others have given me to serve our country.

Thank you, Mr. Chairman.

[The statement follows:]

PREPARED STATEMENT OF JOE M. ALLBAUGH

Good afternoon, Mr. Chairman and Members of the Committee. I am Joe Allbaugh, Director of the Federal Emergency Management Agency. I am pleased to be with you today to talk about our mission to help this Nation be better prepared to respond to acts of terrorism.

Just over seven months ago, several thousand people lost their lives in the terrorist attacks at the World Trade Center, the Pentagon, and when United Airlines

Flight 93 crashed into a field in rural Pennsylvania. Four hundred and fifty of them were first responders who rushed to the World Trade Center in New York City—firefighters, police officers, and port authority officers.

These events have transformed what was a mostly theoretical ongoing dialogue about terrorism preparedness and first responder support into action. Although the President had directed me to establish the Office of National Preparedness fully four months before September 11, our responsibilities today are greatly expanded in light of the new challenges and circumstances. The creation of the Office of National Preparedness is intended to address a long-recognized problem—the critical need that exists in this country for a central coordination point for the wide range of federal program dealing with terrorism preparedness.

The mission and overriding objective of the Office of National Preparedness at FEMA is to help this country be prepared to respond to acts of terrorism.

This work is underway now, although further action by Congress is needed to fund the First Responder Initiative, and, to consolidate the myriad of federal preparedness efforts under the Federal Emergency Management Agency.

Our effort has three main focuses—the First Responder Initiative, providing a central coordination point for federal preparedness programs and Citizen Corps.

First Responder Initiative

For many years now, emergency responders and state and local governments have been telling us that they need our help so they can be better prepared to respond to acts of terrorism. They need standardized, practical, compatible equipment that works in all possible circumstances. They need our assistance in developing response plans that take into account the new challenges this country is facing. They need to practice and refine those response plans with all possible partners at the local, state and federal level. These needs—clearly articulated by our first responders and emergency managers over several years—were brought even more into focus by our experiences in the aftermath of the September 11 attacks. The First Responder Initiative is designed to help meet these needs.

FEMA is the lead agency for the President's First Responder Initiative. This effort focuses on providing the support that local responders—firefighters, police officers, and emergency medical teams—need to do their jobs and work together effectively. One of the most important things we learned from our experience responding to September 11 is the value of a strong, effective local response capability. And that capability was there in full and heroic force in New York and Virginia and Pennsylvania on that tragic day.

Local first responders are the first ones there when there is a fire, accident, chemical spill, earthquake or flood. And they are certainly the first on the scene when terrorists strike.

The President's budget seeks $3.5 billion for this initiative and our work is going forward on a grants process that will give the first responder community critically needed funds to purchase equipment, train personnel and prepare for terrorist incidents. The funds are to be used in four areas that are key to enhancing first responder capabilities:

—*Planning*.—Funds to support the development of comprehensive response plans for terrorist incidents.

—*Equipment*.—Funds to purchase equipment needed to respond effectively, including better, more interoperable communications systems.

—*Training*.—Training for responding to terrorist incidents and in contaminated environments.

—*Exercises*.—Coordinated, regular exercise programs to improve response capabilities, practice mutual aid, and evaluate improvements and deficiencies in response operations.

We are developing a streamlined and accountable procedure that will speed the flow of resources to first responders, and ensure that the funds are used effectively and appropriately.

In addition, we are working to resolve other issues critical to the success of this initiative:

—National standards for compatible, interoperable equipment for first responders and other emergency workers.

—A national mutual aid system that allows the entire response network to work together smoothly and efficiently.

—Personal protective equipment for first responders that is designed for long-term response operations and incidents involving weapons of mass destruction.

—National standards for training and exercises for incidents involving weapons of mass destruction and other means of causing death and destruction.

While the National aspects of our approach are very important to a comprehensive program, we fully intend to keep the focus of the First Responder program at the State and local level. The program will be run through and coordinated by the States. States will be allowed to use up to 25 percent of the funds, with at least 75 percent of the funds distributed to the local jurisdictions.

Also, though we recognize the importance of getting the funds out quickly, we will also insist on a plan for the use of these funds being in place. As a condition of receiving these grants, States will submit their own plans, receive plans from local jurisdictions, and allocate funding based on locally driven needs identified through various assessments.

The funding will have a matching requirement, and in-kind matches will be allowable. This match can be, for example, part of the money that States have spent to secure a facility for training or the costs that have been incurred paying overtime to employees who are providing coverage for other employees participating in exercises or training.

The final component we will insist on at all levels: from FEMA to the State to the local governments, is full accountability. We must maintain the confidence of our citizens that the funds are being used swiftly but wisely to provide increased protection for our nation.

Federal Terrorism Preparedness Programs: Coordination, Centralization

In addition to the right equipment, planning capabilities and training, first responders have been telling us that they need a single point of contact in the federal government. This is too serious a matter for a turf battle among Federal agencies and Departments. The President's budget recognizes a need for a single entity to take the lead in coordinating programs, developing standards, and providing resources and training to help them respond to terrorist events.

We've heard this from other sources too, the Gilmore Commission, for example, has pointed out that the federal government's terrorism preparedness programs are "fragmented", uncoordinated" and "unaccountable." It also has stressed the need for a single authority for state and local terrorism preparedness support. Other independent studies and commissions also have recognized the problems created by the current uncoordinated approach.

At the request of this Committee FEMA recently completed an "Assessment of Federal Terrorism Preparedness Training" report that we transmitted to the Committee last month. The study found that Federal training is generally effective, but that it is also fragmented and, in some instances, redundant. State and local officials continue to be frustrated by the lack of a single coordinating point through which they can obtain needed training.

It is that reality that shapes our view of how we should proceed. We believe it is absolutely essential that the responsibility for pulling together and coordinating the myriad of federal programs designed to help local and state responders and emergency managers to respond to terrorism be situated in a single agency.

FEMA is the natural place for this responsibility to rest. We have been coordinating America's response to disasters for more than 20 years. This work involves not only response activities, but preparedness, recovery and mitigation efforts also. Our success is based on our ability to organize and lead local, state and federal agencies; volunteer organizations; private sector groups and first responders.

In my first year at FEMA I have come to appreciate that what we are very good at is bringing the Federal family together and drawing on the singular strengths and talents of a diverse array of Federal Departments and Agencies.

We coordinate disaster responses that involve up to 26 federal agencies. In the past ten years alone, we, along with our local, state, federal and volunteer agency partners, have handled the response to events as different in the problems they posed as the Northridge Earthquake, Hurricane Floyd, the bombing of the Murrah Building in Oklahoma City and September 11. We are the lead federal agency for managing the consequences of terrorist events.

We have strong ties to emergency management organizations at the state and local level, especially the fire service, search and rescue, emergency medical communities as well as state and local emergency management agencies. We routinely plan, train, exercise, and work with all these partners to prepare, respond and recover from disasters of all kinds.

Since I've spent time bragging on my Agency, and I am proud of my team and the work they do, let me also address what we won't be doing. FEMA will not be training criminal investigators or forensic scientists or crime scene specialists. The crisis management element of a terrorist event, must and will remain with the Department of Justice. They are the experts.

FEMA excels at consequence management. And with the new First Responder program we can also bring some clarity and cohesion to the preparedness arena. But crisis management will remain the vital province of DOJ. We have learned a great deal from DOJ during the terrorist events we have handled together. The Justice Department is a terrific partner and we intend to continue to work closely with them under the new preparedness program.

The President's budget seeks to consolidate our nation's terrorism preparedness efforts under one federal agency—the Federal Emergency Management Agency. We believe that the centralization of terrorism preparedness efforts in FEMA will truly enhance the effort to address the needs of homeland defense.

Citizen Corps

An important component of the preparedness effort is the ability to harness the good will and enthusiasm of the country's citizens. The Citizens Corps program is part of the President's new Freedom Corps initiative. It builds on existing crime prevention, natural disaster preparedness and public health response networks.

It initially will consist of participants in Community Emergency Response Teams (FEMA), Volunteers in Police Service, an expanded Neighborhood Watch Program, Operation TIPS (DOJ) and the Medical Reserve Corps, (HHS). The initiative brings together local government, law enforcement, educational institutions, the private sector, faith-based groups and volunteers into a cohesive community resource.

These are unique and useful programs that deserve the extra attention and coordination that the Citizen Corps will provide. They are programs based in the communities with local support and direction. We hope to supplement those efforts and provide encouragement for greater participation. Also, through Citizen Corps we hope to spread the good ideas around. There are terrific programs and approaches to problems being developed all around this great country and we will have the opportunity for communities to share their creative ideas with other communities searching out the best ways to meet the challenges they face.

Citizen Corps is coordinated nationally by FEMA, which also provides training standards, general information and materials. We also will identify additional volunteer programs and initiatives that support the goals of the Corps.

Moving Forward

In addition to our First Responder and the Citizens Corps programs, we are implementing a number of other important, related initiatives. These include:

Training Course Review.—As I noted earlier, we recently completed this review which provides a complete accounting of all FEMA and Federal emergency and terrorism preparedness training programs and activities to submit to Congress. The National Domestic Preparedness Office's Compendium of Federal Terrorism Training was used as a baseline for the FEMA Report to Congress on Terrorism and Emergency Preparedness and Training. To supplement the data, we met with a key players in a representative group of 10 cities to determine the effectiveness of the courses, identify unmet training needs, and examine the applicability of private sector training models.

Mutual Aid.—In conjunction with the First Responder Initiative, we are working to facilitate mutual aid arrangements within and among States so the nationwide local, State, Tribal, Federal and volunteer response network can operate smoothly together in all possible circumstances. This idea is to leverage existing and new assets to the maximum extent possible; this involves resource typing for emergency teams, accreditation of individuals using standardized certifications and qualifications, equipment interoperability and communications interoperability.

National Exercise Program.—This National Exercise Program involves the establishment of annual objectives, a multi-year strategic exercise program, an integrated exercise schedule and national corrective actions.

Assessments of FEMA Regional Office Capabilities.—We are reviewing the capabilities of our Regional Offices to respond to a terrorist attack.

Costing Methodology to Support State and Local First Responders.—We are updating a methodology to better estimate the costs of building viable local and state responder capabilities, including developing plans, acquiring equipment, undertaking training, and conducting exercises to respond to terrorist attacks. The information will be used by FEMA to support the Office of Homeland Security in developing the National Homeland Security Strategy.

Close

I am looking forward to working with this committee and each one of you to help this Nation be better prepared to respond to acts of terrorism. It's a very big challenge. We are humble in our approach, but we know it is something we have to do. With your help we will make this nation far better prepared to meet the real threats

we face. I appreciate your ongoing support for FEMA and the time and attention you have given me today.

Thank you for the opportunity to be here today. I will be happy to answer any questions you may have.

Chairman BYRD. Thank you, Mr. Allbaugh. The full statements of the Attorney General and the Director of FEMA will be included in the record.

And with Senator Stevens' agreement and understanding and support, the committee will now proceed with recognizing the chairmen and the ranking members of those subcommittees having jurisdiction over the programs and activities of the various departments and agencies that are represented at this afternoon's hearing.

Following the testimony, then, and the questions by these personages, the chairman and the ranking member of the full committee will ask questions. The various chairmen of the subcommittees and ranking members will have 10 minutes each, following which, then, when committee members are recognized, they will be given 5 minutes each for remarks and questions.

And so we shall begin with Mr. Hollings, who is not present at the moment—Mr. Gregg, who is the ranking member on Commerce, Justice, State, and the Judiciary Subcommittee. Mr. Gregg.

Senator GREGG. Thank you, Mr. Chairman. And obviously it's nice to have the Attorney General and the Director of FEMA join us today. There are a whole series of questions which I'd like to ask and move through reasonably promptly.

ATTORNEY GENERAL AUTHORITY TO DIRECT CRISIS RESPONSE

One of the questions which I asked of the Secretary of the Treasury, when he was here yesterday, was if there is an event, a major event, a terrorist event such as occurred in New York or such as was practiced in Operation TOPOFF, in Portsmouth, New Hampshire, and in Denver, Colorado, and ATF arrives at the scene, FBI arrives at the scene, and FEMA arrives at the scene, who is in charge, Mr. Attorney General?

Attorney General Ashcroft: Senator, I believe that the law allocates the primary investigative responsibility for all Federal crimes of terrorism to the Justice Department, and the Justice Department is in charge during what would be called the "crisis phase." The law specifically states that the Secretary of the Treasury shall assist the Attorney General at the request of the Attorney General. That sort of indicates that other agencies have a responsibility, not only under 18 U.S.C. 2332, which provides this primary investigative responsibility to the Attorney General and the Justice Department, but under Presidential Decision Directive 39, the Department of Justice is the lead agency for terrorist incidents which occur in the United States. Within the Department, of course, the FBI is delegated operational control of the response. So we believe that it is the responsibility of the Justice Department, during the crisis phase. And I might add that the definition of the "crisis phase," as opposed to the "consequence-management phase," includes the sense that in all of these incidents, you're never sure whether the incident has been completed. During the early stages of the Oklahoma bombing investigation, we weren't sure whether

there was not another bomb to go off. I'm sure we wished during the early stages of September 11th that we had seen the last of the planes to crash, but there were additional ones.

So it is during the time of the management of the crisis and during the time of the settlement of those issues that the primary responsibility, I think, is the responsibility of the Justice Department, and the Federal Bureau of Investigation is designated with operation control of response in the Justice Department.

Senator GREGG. Director Allbaugh, do you agree with that?

Mr. ALLBAUGH. I do agree with that. Fortunately, we have a great relationship with the Justice Department and the FBI, that when an incident takes place, we're at the scene at the same time. It is helpful to, as events unfold, understand from the beginning what has taken place, so when the crisis period has ended and our responsibility becomes even greater, we have a comprehensive picture of what has taken place so that we can better manage the response period, which is still going on in New York City.

Attorney General ASHCROFT. May I add something?

Senator GREGG. Certainly.

Attorney General ASHCROFT. I think this committee recognized and began funding several years ago the Joint Terrorism Task Forces that are managed in the FBI offices around the country. In those task forces, the potentials of these kinds of disasters are discussed in advance, and they are exercised both informally and occasionally practiced in advance. By working together in advance, I think it facilitates our ability to work together in crisis, and it also facilitates the time when transition requires that the controlling authority at the scene moves from the crisis phase to the consequence-management phase.

Senator GREGG. Thank you. I appreciate that very specific statement as to your role and FEMA's role, and I hope that it's being communicated across the Government, because I'm afraid there continues to be some confusion.

You listed, Mr. Attorney General, a whole series of funding events that involve——

Chairman BYRD. Senator, is your microphone——

Senator GREGG. Yes, it is.

Chairman BYRD [continuing]. Picking up?

Senator GREGG. I don't know if it's picking up, but it is on.

SEPARATE COUNTERTERRORISM BUDGET

You listed a whole series of funding events which covered the Justice Department across all sorts of different agencies. I'm wondering—and I've been thinking about this for a little while—I'm wondering if it isn't appropriate at this time for us, as a Government, and for the administration to develop a counterterrorism budget separate from the general budget so that we could look rather easily at all those numbers you just threw out, rather than have to go through the pages and pages of general operation activity that are within the Justice Department budget. And, of course, Justice having just a big chunk of this whole exercise, how would you react to us asking you to develop sort of a separate one-pager or a two-pager that simply listed the terrorism undertakings of the Justice Department as a separate submission, and then asked

other departments to do the same thing, and merge them into one document? Would that be useful to you? It would certainly be useful to me.

Attorney General ASHCROFT. Senator, if you asked us to do it, we would snap to it as quickly as we could and do the best we can. Let me say to you that I think there's great value in the integration of law enforcement. At the very fundamental basis of this, we need for everyone in the law enforcement community to be sensitive to the terrorism components of public order. And it might be very difficult to try and allocate everything to either terrorism or nonterrorism.

One of the challenges we face now is the additional information sharing we need to do with local agencies. How do we train police to be sensitive to things they might come across in the conduct of their responsibilities that should be moved up the intelligence pipeline to the Federal Government? How do we train them to receive things on the intelligence basis that should come from the Federal Government to them?

Senator GREGG. Mr. Attorney General, I don't want to cut you off, but I only have a limited amount of time. But you were able to list where your budget is being grossed up. I think it might be helpful if we got a document that reflected that. And I understand that there's obviously tremendous overlap in dollars, and dollars are fungible, and that you've been before committees before.

NEW TECHNOLOGY FOR COMMUNICATIONS

So on another subject, could you tell us what's happening with the INS system which we've been trying to put in place, the Chimera system, which is the new technology for communications crossing general agency lines? It's basically a mirror-image of Trilogy at FBI. If you're not comfortable——

Attorney General ASHCROFT. I'm not comfortable in answering that question at this time. I think I need to say simply I don't know.

Senator GREGG. Well, if you could get me some specifics on that——

Attorney General ASHCROFT. I will.

Senator GREGG. It's a huge technological investment which the INS——

Attorney General ASHCROFT. This is sort of the parallel at INS to what the Trilogy system is at FBI.

[The information follows:]

INS CHIMERA SYSTEM

The events of September 11 have reaffirmed the law enforcement community's recognition of the importance of ensuring that data and information collected and maintained by one federal component is shared with other components in need of that data and information in order to optimally fulfill their missions. As required by sections 201–202 of the Enhanced Border Security and Visa Entry Reform Act ("Border Security Act"), Public Law No. 107–173, the President, working through the Office of Homeland Security, must develop and implement the "Chimera System" to improve information-sharing between the law enforcement and intelligence communities and the agencies responsible for immigration. Chimera will be a fully interoperable system containing that information collected by federal law enforcement agencies and the intelligence community that is relevant to determinations of aliens' admissibility or deportability.

The system will be accessible to the INS, the Department of State, and other federal agencies determined by regulation to be responsible for the investigation and identification of aliens. The Department will work closely with the Office of Homeland Security both in developing the President's initial required report to Congress on the law enforcement and intelligence information that must be included in the Chimera System and in designing and implementing the system (Border Security Act, sec. 201(b–c)). Supported by its enterprise architecture project, INS is currently taking steps to integrate its own databases and systems that process or contain information on aliens. We will ensure that this integrated INS system is fully interoperable with the Chimera System, as required by section 202(a)(1) of the Border Security Act.

FIRST RESPONDER FUNDING

Senator GREGG. Right. Yes. When Domenici-Nunn was originally passed, which gave the money to the Defense Department to get our local communities up to speed, and then it came over to ODP, and now it's being moved over to FEMA under the proposal of the executive branch, there was at that time a clear understanding that we would prioritize that funding to the top—at that time, it was the top 185 most populous cities in the country, and that they would be the first priority for the funding for first responder capability and for upgrading.

I'm wondering, is this new, what, $3.5 billion, whether it's administered by you or whether it's administered by Director Allbaugh, and that hasn't been settled out yet, I don't think, from the standpoint of the Congress, but is this going to be sent out in a per capita way, or is it going to be sent out on the basis of targeting what are the most sensitive targeted areas, such as the top 185 cities or ports or however you see the sensitive targeted areas? How is this money, how are we prioritizing the distribution of these funds?

Attorney General ASHCROFT. I believe that's already a FEMA program, that aspect of things.

Senator GREGG. Could you respond to that, then, Director Allbaugh?

Mr. ALLBAUGH. Thank you, Senator. Our plan, and it has been the plan from the beginning, is to distribute this money on a per capita basis initially, making sure that we have the flexibility to take care of communities that may have sensitive areas that need to be fortified in some fashion, or extra training or extra exercises or equipment. But that is a part of our formula that we plan on using.

Senator GREGG. So you're going to say that a community in New Hampshire and, say, the middle part of the State of New Hampshire would get the same per capita funding as Charleston, South Carolina, which is——

Mr. ALLBAUGH. Not necessarily. It'll be per capita on a State-by-State basis; 25 percent of the money will be allowed to remain at the State level to address their needs. We want to ensure that 75 percent of the money is passed on down to communities to address their needs. Communities and States will create a plan that will be subsequently funded based on those two criteria.

Senator GREGG. And that's the plan that ODP is originally requesting—or requested over 1 year ago, and we now have all the States complied with? Is that the plan we're talking about?

Mr. ALLBAUGH. I don't believe so, sir. This is a new program, the $3.5 billion the President's requesting in the 2003 budget.

Senator GREGG. No. I believe that that money, though, if flowing pursuant to the plans which this committee basically enforced, but working with the Justice Department over 1 year ago, requested that every State produce a plan. And as of 9/11, there are only three plans. After 9/11, all the States complied, and that money is going to flow pursuant to those plans? Is that——

Mr. ALLBAUGH. I can't answer that question. I know that we, at FEMA, did a 2-week study for Governor Ridge at Homeland Security reviewing all 50 States and the six territories, and it covered every aspect of their current capabilities.

Senator GREGG. Thank you. I guess my time's up.

Thank you, Mr. Chairman.

Chairman BYRD. Senator Mikulski.

Senator MIKULSKI. Thank you very much, Mr. Chairman, and I thank you for the opportunity, as someone who chairs the VA, HUD, and independent agencies, of which FEMA is certainly one of our flagship independent agencies, for the opportunity to participate in this very important conversation on homeland security.

To both Mr. Allbaugh and Attorney General Ashcroft, welcome. Mr. Allbaugh, first, let me speak wearing the hat of the Senator from Maryland. I would like to thank you and President Bush for declaring Maryland and its three counties that were hit by a class-five tornado to be a Federal disaster area. The President's prompt response to the Governor's request was very appreciated, and it shows that, really, when it comes to protecting our citizens and homeland security from all hazards, it really doesn't matter what party you're from or whatever, we've got to go out and help our American people.

Mr. ALLBAUGH. Absolutely.

Senator MIKULSKI. So thank you.

Mr. ALLBAUGH. Thank you.

Senator MIKULSKI. We'll be holding our regular appropriations meeting on Tuesday, and I will be talking more about Maryland there. I would hope you and the President would consider coming to Maryland, but if he can't——

Mr. ALLBAUGH. I'll be there.

Senator MIKULSKI. Well, let me know, and we can travel the blue highways of Maryland together.

Mr. ALLBAUGH. Great.

FIRST RESPONDER INITIATIVE

Senator MIKULSKI. Let me go to some of the questions. And one of the things—my line of questioning deals first with the $3.5 billion request for the President's first responder initiative, which would combine the Office of Domestic Preparedness in Justice with the Fire Grant Program at FEMA. I want to acknowledge the role of Senator Judd Gregg, long before September 11th, and the role that he played in this committee in organizing a 3-day set of hearings on terrorism, and then also really being the prime mover, along with Senator Hollings, but the prime mover for the Office of Domestic Terrorism. So we've been working together on this.

Let me come to my questions. Mr. Allbaugh, perhaps you could start. With great respect to what the President wants to accomplish, in your testimony, on page 3 and 4, really, are our priorities: planning, equipment, training, interoperability, mutual aid, national standards. What was the rationale for combining the Justice Program, ODP, with the Fire Grant Program, given the philosophy, "If it ain't broke, don't fix it"?

And then, number two, there's no authorization for this new approach, and how could we proceed with this? Could you share with the committee the rationale? There is a lot of feelings about that, and both the police officers and the firefighters would like to keep the programs intact. Could you share with us the thinking?

Mr. ALLBAUGH. I will do my best, Senator. First, with regard to the tornado that hit LaPlata, I remember very vividly in 1998, when President Bush was Governor of Texas, just north of Austin he and I watched, witnessed, an F–5 tornado hit Texas: 28 individuals lost their lives. An entire community was wiped out. And I think, with that in mind, knowing that two individuals lost their lives as a result of the LaPlata tornado, it was absolutely the right thing to do to move as quickly as we can. And sometimes I worry that we don't move quickly enough to further protect lives and protect property, but I appreciate your comments and will pass them along to the President.

I think there is a concern, I know that has been articulated by the President to me on several occasions, I have witnesses this myself and articulated back to him that there needs to be a designated lead Federal agency when it comes to training and preparedness for our first responders. And I know that ODP, over the years, has done a fabulous job when other agencies, quite frankly, would not step up to the plate and assume this responsibility. So, Senator Hollings, Senator Gregg, I appreciate their leadership, Senator Domenici, for making sure that someone cared about this before caring was appropriate.

We have, since September 11th, taken numerous measures to strengthen our compatibility, our dialogue among Federal agencies, which has improved dramatically. And the thought, quite frankly, is to make it as simple as possible for the recipients of the training, the grants, because they're the ones who receive the 9–1–1 phone call. We provide training to first responders, ODP provides training to first responders.

It needs to be as simple as possible, regardless of whether it's FEMA or Justice or somewhere. It needs to be consolidated for States and communities in one location. I've heard many first responders articulate their confusion. When they want specific training, they don't know who to call, whether it's FEMA or Justice or some other entity. And we have a great cooperative spirit between the two agencies, but I think it would be a mistake to continue business as usual since September 11th.

Senator MIKULSKI. So you're saying, that number one, it's for simplicity, and also to ensure training.

Mr. ALLBAUGH. I would add to that, it's our core mission at FEMA. This is what we do.

Senator MIKULSKI. It is our support and my support, and I know my own Republican, wonderful colleague, Senator Bond, will speak

to this—is that we really do believe that local people need to be all-hazards responders and whether it's a malevolent attack on the United States, or it's an accident, like in a chemical factory. But right now, in looking at the President's proposal, number one, there's no authorization for this, and so I wonder how you think we're supposed to do this.

And, number two, I am puzzled that there is no real mechanism in what we've talked about how the money will be distributed. The President's budget provides no guidance as to how the funding for the First Responders Initiative will be distributed among the States. And, therefore, the question becomes—we'll be back to the same quagmire. And I believe, like you, there needs to be a sense of urgency about this.

So, number one, do you believe that you'll—that an authorization is required? And, number two, what would be the mechanism for distribution among the States? And how could we be sure that local governments, who really are the first gang on the scene, would get their fair share of both the very much-needed equipment that needs to be done? And, of course, that they would be first in line for the training, rather than the coordinators within a State bureaucracy?

Mr. ALLBAUGH. Number one, we believe we have general authority to receive this program from Justice. Number two, we're working currently with members of EPW to design the proper authorization. Number three, I believe that it is our intent to make sure that States, local governments, receive the money that they need so they will help increase our capability nationwide.

I witnessed, myself, on many occasions in New York City equipment showing up that was incompatible with New York City standards. Out here at the Pentagon, we had firefighters from Prince George's County using their own breathing apparatus. And when those bottles became empty, they went out in the pile outside of the Pentagon to retrieve new bottles of oxygen. They were incapable of using those bottles, because the threads were different. Fire trucks from Yonkers, fire trucks from Jersey came across the Hudson River. We could not use those pumper trucks that we desperately needed, because the threads, the couplers, were incompatible.

There needs to be nationwide standardization. We believe we have the capability to provide that standardization. It needs to start now. In the supplemental of the $3.07 billion that we're asking for, $175 million will be sent immediately to every State to start this planning process, so we will then have the groundwork laid, the predicate laid, for the 2003 money.

Senator MIKULSKI. Well, just to be clear, when we talk about—first of all, the issue of interoperability. You and I have talked about it. We are very much on, shall we say, the same broadband. But you see that in the $3.5 billion first responder?

Mr. ALLBAUGH. Yes, ma'am, I do.

Senator MIKULSKI. Is that all part of what you want to do with first responder money?

Mr. ALLBAUGH. Yes, ma'am.

Senator MIKULSKI. Let me go, then, to something called the Incident Command Management. My colleague, Senator Gregg, asked about who's in charge. And Attorney General Ashcroft said, "The

FBI's in charge. We're in charge of the crisis management," and cited the law about that. And you concurred.

But yet at the local scene, that's very different than the Incident Command Management person, you know, who's calling the ambulances or coordinating the fire, and all the operational detail you're so familiar with.

Who is in charge of the incident command at the incident? Who's in charge? Is it the FBI? At that time, we're not investigating a command—we're not investigating a criminal situation. Who do you see in charge? And is that really the function of State and local government? And isn't that part of the necessity for greater clarification?

Mr. ALLBAUGH. It is the responsibility of State and local government when an incident takes place. They're in control and in charge of that site and incident. The biggest problem I run into, disaster after disaster, when I visit a community is that oftentimes it is the first time that police, fire, utilities, emergency medical technicians have sat around a table trying to figure out who is in charge before State and Federal agencies can show up to offer assistance. We teach the incident command structure for that very reason.

One of the benefits of Citizen Corps is that as we go across the Nation teaching the teachers, training the trainers, we're trying to instill in those communities the ability before an incident takes place to establish an incident command structure. That will do more to save lives and protect property than just about anything I can think of immediately, save the communication interoperability problem that we have nationwide.

Senator MIKULSKI. Well, I believe that interoperability will be very important, not only for mutual aid, but also for the private sector, who will be designing and manufacturing this equipment. To have national standards will be in everyone's interest.

Mr. Allbaugh, when we meet on Tuesday, I'd like to pursue the incident command management issue in more detail.

Mr. ALLBAUGH. Yes, ma'am.

Senator MIKULSKI. Because it's not a mandated structure. But it could, I think, could be serving to deal with a lot of confusion at the local level.

Thank you, Mr. Chairman. I note my time's expired.

Chairman BYRD. Thank you, Senator. Senator Bond.

Senator BOND. Thank you very much, Mr. Chairman, and thanks for calling this hearing, a very important series of hearings. I extend my welcome to FEMA Director Joe Allbaugh, and our former colleague and fellow Missourian and good friend, Attorney General Ashcroft.

General, this is the first time we've been in a public forum together since the rather stimulating confirmation hearings a little over 1 year ago, and I wanted to express the appreciation of a lot of our fellow Missourians for the great job that you're doing in disrupting the terrorist efforts. I have found that in any group in Missouri, wherever I am, when I talk about the job that you're doing, I'm interrupted by applause, a phenomenon that does not otherwise occur in my speeches. Those who have heard me speak will understand. So you are warmly regarded and most appreciated.

This is a very important hearing today, and we are delighted to have the two leaders here to talk about the very important areas of coordination and the responsibilities you have. I'm going to ask that my full statement be included in the record.

[The statement follows:]

PREPARED STATEMENT OF SENATOR CHRISTOPHER S. BOND

Thank you, Mr. Chairman, for calling this series of hearings on Homeland Security. I also want to extend my sincere welcome to FEMA Director, Joe Allbaugh, and a fellow Missourian and old friend, Attorney General John Ashcroft. FEMA and DOJ are the two primary domestic Federal agencies that are responsible for the coordination and management of our Nation's efforts to prevent and respond to acts of terrorism. As such, it is most appropriate that these leaders of FEMA and DOJ are the last 2 witnesses called in the culmination of this series of hearings to respond to questions concerning the Administration's plans and efforts to address acts of terrorism.

This testimony is critical in helping us understand the Administration's proposal to focus primary responsibility in FEMA for both the prevention and consequence management associated with acts of terrorism. This especially is true since many Members see DOJ as the key to terrorism prevention and FEMA as the key to our efforts to respond to an acts of terrorism. And to confuse this issue even more, a number of Members believe that success against and in response to acts of terrorism will only be accomplished fully with the creation of a cabinet-level superagency that encompasses FEMA, border security and immigration as well as other possible responsibilities. These are complex but compelling issues and I thank my good friends for coming before this committee to help clarify these issues and our concerns.

Mr. Chairman, I have followed all the Homeland Security hearings very closely and you have provided a service to all Members of Congress through comprehensive testimony and thoughtful questions coverings every major topic of issue and concern with regard to Homeland Security. In addition, Senator Mikulski, Chair of the VA/HUD Appropriations Subcommittee, has made Homeland Security issues a priority. Under her leadership, the VA/HUD Appropriations Subcommittee has held four hearings since September 11th on homeland security issues which included testimony from mayors on local needs and capacity, testimony by the EPA on anthrax and the clean-up of the Senate Hart building, testimony on the needs of America's firefighters, and testimony by FEMA on its role in terrorism response.

Nevertheless, we have many issues and concerns on Homeland Security that must be resolved as we move forward on the President's budget requests for fiscal year 2003 and the fiscal year 2002 Supplemental appropriation and, Mr. Chairman, I again applaud your efforts to use these hearings as microscope to understand all the relevant issues and costs.

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

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

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

The recommended commitment of funding in the President's Budget for fiscal years 2002 and 2003 is only the beginning. A quick response to build a comprehensive terrorism prevention and response system is critical. However, there also needs to be a comprehensive approach that identifies and meets state and local First Responder needs, both rural and urban, pursuant to federal leadership, benchmarks and guidelines. We need to find the right balance of a quick response to state and local needs and a structured system that ensures accountability.

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

The legislation also formally recognizes and funds the urban search and rescue task force response system at $160 million in fiscal year 2002. The Nation currently is served by 28 urban search and rescue task forces which proved to be a key resource in our Nation's ability to quickly respond to the tragedy of September 11th. In addition, Missouri is the proud home of one of these urban search and rescue task forces, Missouri Task Force 1. Missouri Task Force 1 made an invaluable contribution in helping the victims of the horrific tragedy at the World Trade Center as well as assisting to minimize the aftermath of this tragedy. These task forces currently are underfunded and underequipped, but, nonetheless, are committed to be the front-line solders for our local governments in responding to the worst consequences of terrorism at the local level. I believe we have an obligation to realize fully the capacity of these 28 search and rescue task forces to meet First Responder events and this legislation authorizes the needed funding.

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

Thank you, Mr. Chairman.

Senator BOND. But I would note that after September 11th, the chair of the VA, HUD Appropriations Subcommittee, Senator Mikulski, had a series of four hearings talking on local needs and capacity, the EPA talking about anthrax cleanup of the Hart Building, testimony on the needs of America's firefighters, and testimony by FEMA on its role in terrorism response. So we are very much involved in this and appreciate the opportunity to join with the full committee in this hearing.

The recommended funding by the President, I believe, is a good first step, a quick response to building a comprehensive terrorism prevention and response system, but we also think that there's tremendously important needs to support the first responders, both rural and urban, with Federal leadership, benchmarks, and guidelines.

I have introduced a National Response to Terrorism and Consequence Management Act that establishes in FEMA an office for

coordinating Federal, State, and local capacity. The statutory structure provides $100 million for States to operate fire and safety programs and also recognizes the importance of the urban search and rescue teams which came together around the country and provided a vitally important service. We would provide $160 million to them and establish permanent funding for these vital resources. They are dedicated volunteers. We're very proud of Missouri Task Force 1. We want to fund them and other first responders.

I have visited many fire departments in Missouri, and there are, in many areas, firefighters who go to fires without any protective equipment. They have on their blue jeans, and that's about it. We need to make sure that our fire departments, our first responders, are prepared. And I also would include protection against litigation to encourage the donation of used, but usable, equipment to volunteer fire departments.

Let me turn to the questions. One of the most pressing concerns among members that I've talked to is, Mr. Allbaugh, whether we're asking too much of FEMA and whether these new responsibilities will interfere with your primary mission, your continuing mission to respond to natural disasters. Can you handle all of these responsibilities?

Mr. ALLBAUGH. The short answer is yes. We have the unique ability to expand as the need arises. It's one of the blessings written into the Stafford Act. Our disaster assistance employees, which is a cadre between 5,000 and 6,000 individuals that we use regularly in a variety of ways nationwide, they give us that flexibility and add to our talent, our constant talent of 2,600 employees throughout the agency.

The additional unique tool that we have as a result of the Stafford Act is, when the President declares all the Federal resources are at our disposal, so we may not own any particular assets, but we have the ability to reach out to any given agency and request those assets to be at our disposal, to be thrown into the line of fire, so to speak, to further save lives and protect property.

Senator BOND. I have discussed with you my concern about the Citizen Corps.

Mr. ALLBAUGH. Yes, sir.

Senator BOND. I think that we have volunteer management agencies within, actually within the AmeriCorps, mobilizing volunteers across the country. My view is, and we'll discuss this more next Tuesday, that you would be in the best position to define the task, the guidelines, and what's expected of them. And the agency that's set up to manage volunteers would be better able to manage the volunteers.

BORDER SECURITY AGENCY

Turning to structure, there are some people who say we need a new department, taking FEMA, or parts of FEMA, Border Security, Immigration, creating a new Cabinet-level department, creating some new entity. I would ask both of you for your comments. Is it feasible? Is it necessary? Or would we simply be rearranging the deck chairs while the ship is going down? Mr. Attorney General?

Attorney General ASHCROFT. Thank you, Senator. The President has understood for a long time, even substantially before Sep-

tember 11th, that in regard to our borders, that we needed a new approach. He had, during his campaign, talked about the need to separate the enforcement function from the service function at INS.

I think we want to do a couple of things that are very important, and I believe this is fair to say, what the administration wants is that for those who would violate America in some way, and our laws, we want our borders to be far more secure. For trade and for access to what America has to offer, to those who are our friends, we want the borders to be a more friendly, convenient, and facilitated place. For trade, we want the exchange to be substantial. And I don't believe that there is in the administration at this time a consensus about the need for developing a new agency to do that. There is a desire to find a way to facilitate these objectives.

There is a firm commitment, I would add, though, that there needs to be reform in the Immigration and Naturalization Service. And in November, the administration filed a proposed division administratively—done by regulation to divide the service function from the enforcement function. The administration believes that the separation of these functions in a way that still provides a basis for very strong cooperation is essential to having the right kind of security and facilitation of our borders. For that reason, there was a statement of administration policy regarding moving the measure through the House, and I think the administration is eager to see the Senate act in ways that can facilitate this division of function in the Immigration and Naturalization Service.

Senator BOND. Before I turn to Mr. Allbaugh, I would say that when we prepared a bipartisan bill, the Visa Integrity and Security Act, it included the PATRIOT Act and provided resources for biometric identification. For example, I spend a lot of time traveling and working with the INS officials. And many of these people gave me a very strong argument that the combination of the two can be very helpful, where the service function of the INS can provide—can move directly, seamlessly, into the enforcement area where there is a problem and, similarly, when working on enforcement matters, very often the service-related matters come up. But that's a concern that I have, and I would ask Mr. Allbaugh if he has any thoughts on additional agencies or anything to expand upon the Attorney General's comments.

Mr. ALLBAUGH. No, sir, I really don't, except that I think that Tom Ridge is absolutely the right person for the time to crystalize those issues for the President. I think the President recognizes that this will evolve over time.

Senator BOND. Okay.

Mr. ALLBAUGH. The jury's still out.

Senator BOND. Let me——

Mr. ALLBAUGH. I would also say, Senator, that I have not seen any hinderance of operation among the agencies. Quite frankly, quite the opposite. The agencies' dialogue has improved dramatically since September 11th.

SUPPLEMENTING HOMELAND SECURITY FUNDING

Senator BOND. Let me ask you the thing that really, the major question that's troubling a lot of us. Everybody wants to support homeland security, but how do we ensure that funding needs are

set at a reasonable level and do not become a black hole for seeking unlimited spending, on the one hand? And on the State role, I have talked with a lot of firefighters who say, "If we get more money in support for our activities, are we going to get a cutback on the State funding or even local support?" So how do we make sure that we have a reasonable amount of funding and that we don't get the displacement of existing funding from State or local levels?

My time is up, so do you have a ready response on that? I'll start with Mr. Allbaugh on this one and let the Attorney General solve it.

Mr. ALLBAUGH. With regard to funding, I believe one of our principal tasks ahead of us is to set standards nationwide and allow that to drive the needs of those departments, first and foremost. With regard to the EMPG or EMPA money that you might be referring to, and the first responder money, I see no cutback. Quite frankly, I would like to increase EMPG money that has been flatlined for a number of years to assist those States and local communities.

Senator BOND. General?

Attorney General ASHCROFT. Well, I hate to recommend more hearings—and I won't—but I think accountability is the key to making sure the money is spent effectively. And we are doing our best in the programs that we are administering, and I'm sure FEMA is, as well. For instance, you have required for certain programs for equipment grants that States have coordinated and well-documented plans. And now 51 of the jurisdictions, out of 56 that are eligible, have submitted plans. And I think if we—even in times of crisis, we ask that those kinds of documentation and that kind of planning take place, we will maximize the potential of making sure we get return for the value that we invest.

I think oversight and accountability and the requirement that we stick by the procedures designed to provide integrity in the program are essential.

PREVENTING ATTACKS ON COMPUTER SYSTEMS

Senator BOND. Thank you, Mr. Chairman.

Chairman BYRD. Previous testimony before this committee indicates that terrorist groups have the knowledge, the ability, and the intent to attack computer systems, such as those that control the banking system or the electrical grid system, with catastrophic consequences to the American economy. Terrorists also are adept at exploiting computer systems for their own uses, such as intelligence gathering and communications purposes. The National Infrastructure Protection Center, NIPC, is housed within the FBI and is intended to be the Nation's cyber-cop. What is the department doing to ensure that the FBI is coordinating with other agencies, such as the Department of Defense and the Secret Service, to combat cyber-terrorism? Mr. Attorney General?

Attorney General ASHCROFT. Well, the FBI has made progress in addressing several of these issues. And, for example, the NIPC has become an interagency center fostering cooperative relationships among participating agencies. For example, the National Infrastructure Protection Center at the FBI currently contains detailees from the FBI, the Department of Defense, the Department of the

Treasury, the General Services Administration, the Department of Transportation, the Department of Energy, the Department of Commerce, the National Security Agency, the CIA, the Army, the Air Force, the Navy, a municipal police sergeant to represent local police operations, and representatives from several foreign governments. It has been understood that we need to have this kind of cooperation if we are going to be effective in thwarting assaults on our infrastructure, which, frankly, can result, given the way in which the Internet and other communications devices work, that these can be assaults on the infrastructure of other societies, as well. And by combining these kind of detailees and people from these various departments together at NIPC, our capacity to coordinate and to communicate is much better.

It's to be noted that the senior leadership at NIPC is spread among several agencies, including the center's deputy director who is a Navy rear admiral from the Department of Defense, so that the FBI, in this respect, has emphasized the need for cooperation and the interrelationship between the various agencies of Government, not only of ours, but of other governments, as well, that have an interest in avoiding the kind of attack that can come through information systems.

NIPC SHARING INFORMATION WITH PRIVATE SECTOR

Chairman BYRD. The private sector is an enticing target, as Senator Bennett recently pointed out to this committee, to terrorists intent on crippling our economy. What is the Department of Justice doing to ensure that NIPC shares critical information with those private interests?

Attorney General ASHCROFT. Well, the various industries generally have associations or groups of individuals that help them with sharing information about avoiding attack and avoiding subverting activity that would be destructive. NIPC has developed, along with various sector organizations from sectors of different companies—companies in different sectors, like oil and gas, banking and finance, emergency services, those kinds of things—and information sharing agreements have been drafted for those kinds of sector organizations. And we actively share information with those companies through what we call an InfraGard Initiative. There are 65 InfraGard chapters and over 4,000 InfraGard member companies.

NIPC advisories and warnings are transmitted, in addition to that, to all the 18,000 State and local law enforcement organizations through the National Law Enforcement Telecommunications System, which is called NLETS. So not only is there this integration of the various kinds of governmental agencies at the FBI NIPC headquarters, but there is this information sharing through these initiatives with these various industry groups pursuant to information sharing arrangements.

TRACKING CYBER ATTACKS

Chairman BYRD. General, it is imperative that the people who are tasked with tracking terrorist computer networks have the training and the research and development resources they need to stay on the cutting edge of software and hardware developments.

I am told that the FBI does not have a foolproof system of immediately detecting cyber attacks, identifying the source of those attacks, and shutting down the attacker before the destruction is complete. Rather, the FBI must investigate after the fact and after the damage has been done. Why isn't the implementation of a plan to put the FBI in a position to immediately act on cyber attacks at the top of your priority list?

Attorney General ASHCROFT. Mr. Chairman, that is an important objective, and it is a top priority of the Department. We are in the process of developing the resources and procuring the nonpersonnel resources that were included in the Emergency Supplemental Appropriations Act for 2002 to achieve those objectives. And the sooner they are achieved, the better off we'll be. While we have some very significant capacities in the FBI to both alert people to attack in the public and private sector and to thwart those attacks, there is work yet to be done. We appreciate the cooperation and work of this committee to assist us in getting that work done.

Chairman BYRD. Senator Stevens.

CITIZEN CORPS

Senator STEVENS. Thank you very much. The Attorney General mentioned Citizen Corps. That harkens back to the days of World War II, when we had a Civilian Defense Organization, we had the air raid wardens, we had—I lived along the coastline of California, we had people, including my uncle, who raised me, he walked the beaches each night. Every single family had volunteers. Even the housewives saved——

Chairman BYRD. Would the Senator let me interrupt? I'm told that the leadership is very much wanting to reach a vote on the amendment concerning the resolution with respect to Israel. Senator Leahy—I'm asking him to take the gavel, but I'm told that he will have to leave at no later than 10 after 4. Would the distinguished Senator from Alaska, my friend, continue to Chair the hearings following Senator Leahy until I can return?

Senator STEVENS. Certainly.

Chairman BYRD. Thank you. I thank you for letting me interrupt you.

Senator STEVENS. I remember I was asked to wait for one Senator because he was at the airport, but I failed to ask which airport. He said, "Philadelphia."

Those elements of activity on the part of individual citizens in World War II, particularly, like I was starting to say, even housewives saved the drippings from the cooking so that that fat could be used in making munitions at that time, kept the people of the United States alert to the fact that it was a very serious proposition we were involved in.

I don't see much in terms of volunteers around here today. As a matter of fact, I see people, the same people working at the airport in security whose pay has just been doubled and they're doing the same thing they were doing 1 month ago. When are we going to get into volunteers, Mr. Attorney General? How deep is it going to go? And can we find some way to assure that the framework for those volunteers will be extended out to the hinterlands, even out to Alaska and to Hawaii and places that need to be able to know

they're part of the whole system in this global war against terrorism?

Attorney General ASHCROFT. Senator, the President has called upon every American to give 2,000 hours of his life, and that's the equivalent of 50 work weeks of 40 hours, in service to his community or to her community, and I would hope that we are able to capitalize on the citizenship doing that. We also believe, however, that in addition to formalized volunteer training, we need citizens to demonstrate the kind of alertness that helps them be the first line of defense against terrorism.

The most heroic of those who defended against terrorism were those on Flight 93, I believe, who decided that the plane would crash in Pennsylvania instead of on Pennsylvania Avenue, and they were alert to what was happening, having gotten information, and changed, perhaps, the course of history by crashing that plane. Obviously, the people on Flight 63 out of Paris who subdued an individual with shoes allegedly filled with explosives were similarly heroic.

So we want people to be alert, sensitive to things, but I think your call for formal volunteer programs is important, and we would like to be a part of encouraging that at every level, including the local law enforcement level.

Senator STEVENS. Well, I thank you. As a former U.S. Attorney, I appreciate hearing about your U.S. Attorneys' task forces. I'd be happier to see the U.S. Attorneys and others being involved in organizing the civilians of the area, to understand their roles during a time of a crisis, should, God forbid, one come. But, in any event, to get into the point of training people, if you're on Flight 63, how do you select the person that goes after the terrorist? I mean, there are lots of things out there that people want to know. How can they learn more about protecting themselves and their families? I really think we need some volunteer structure here before we're through, because—I may be over alarmed.

Senator Inouye and I are just back from a trip, as you know, to Afghanistan and that area. And 1 month later, we went to the Pacific and Indonesia and the Philippines. And I'm convinced this terrorist threat is global, and it's deep, and it's all a threat against us. The people who are threatened in Singapore were our friends. The people who are threatened in Indonesia were our friends, people working with the United States. And I think it's high time that we woke up, that this is going to be a long struggle, and we ought to get more people involved in it, because I don't think we can hire the whole populous to protect each other from themselves. It's got to have some volunteer structure, and I hope, John, you'll pursue that.

INTEROPERABILITY

Last, I'm back to my friend—maybe we'll talk about it in some quiet time, Joe, but I wonder about—and you talked about this before the Commerce Committee—how are we coming through the problem of interoperability in terms of communications? You talked about that before the Commerce Committee. How do the first responders respond? You remarked about it here today, but it's deeper than that. It's the interoperability of the command posts, on the

Internet. It's the interoperability of the Defense Department that's got that AWACS up above and with the civilians. We just don't—and I am harping about this, but the idea of interoperability, we do not have a mandate for interoperability.

I'm thinking about putting a rider on the first bill that comes along saying that somehow or other, General, you should come up with standards for interoperability and communications that are essential to protect us in a crisis devolving from terrorist attacks. And that would cover the concepts of the Federal Government not buying any more devices that are not interoperable with first responders. Somehow or other we've got to lay down a mandate here against ourselves, not against the State and local governments. We're the ones that ought to buy the basic equipment that they can communicate with. But what would you think about that?

Mr. ALLBAUGH. Well, two points, responding for myself, and, in this point, I know the Attorney General is aware, there is an interagency committee that exists right now where all the Federal agencies are putting these interoperability issues on the table as we speak to come up with a set of standards.

Senator STEVENS. But Joe?

Mr. ALLBAUGH. Sir?

Senator STEVENS. That's communicating with ourselves, not with the counties and the local governments and the State governments.

Mr. ALLBAUGH. I understand, sir, but I think, first and foremost, we have to get our act together before we can tell others how to do it. I think it is extremely important that the Federal Government figure out how we can communicate with one another. We're getting better at it every day. We're not there yet.

And the second point I would make is that the U.S. Fire Administrator, Dave Paulison, and myself are going to host, in short order, with regard to first responders, all the manufacturers who produce any type of equipment, whether it's threads on bottles or communication devices or apparel—we're going to host an informal discussion where I would like to have the opportunity to tell them how the cow ate the cabbage, because this has got to stop. We're costing lives, not only of innocent citizens, but of those individuals who put their lives in harm's way every day. They're not thanked for it. They're always the first in line for budget cuts. And that has to stop.

Senator STEVENS. Thank you.

Senator MIKULSKI. May I just offer a helpful suggestion? On the issue of interoperability, and particularly with the equipment that responders will need, I hope we're involving the National Institutes of Standards. They are the best. That's why they were created in the first place. They can do your work for you and with you. Enough said.

Mr. ALLBAUGH. I appreciate that.

Senator LEAHY. The distinguished Senator from Maryland took the words out of my mouth. I'd point to another example of how it can work. We had a terrible situation on the New Hampshire-Vermont border a few years ago, the so-called Draga shooting. A man shot police officers and a judge in New Hampshire, came over to Vermont—it's a case where these are about a few miles apart—shot several people there. And we had a very difficult time between

the local authorities, the State authorities for both New York and Vermont, plus Federal authorities, including Border Patrol and others, because it's up near the Canadian border, being able to talk with each other. In fact, during one shootout, they actually had cars under fire where they'd drive up close to each other and have doors open and try to radio back and forth, ducking bullets.

It so happened while that was going on, the then-Director of the FBI, Louis Freeh, and his family were staying at my farmhouse in Vermont, and we started talking about how to do this. We got through a Justice Department grant, Senator Gregg and I did, and put together a way so the Federal, State, and local can speak to each other. It just seemed amazing that they could not, but these are the things—I know, Mr. Allbaugh, what you're saying. It's just, we see this in the real world all the time. We see it in floods in Vermont, I'm sure in Missouri and everywhere else people have seen this. So I understand what you're saying.

ARMING NATIONAL GUARD ON NORTHERN BORDER

Incidentally, Mr. Milliken, the Speaker from Canada, the Speaker of the House from Canada, has left, but I should note also how much I appreciate that they were here, appreciate our long border with them. I also, I can't say that it's my southern neighbor, as the Senator from Alaska can, but where I live, an hour from the Canadian border, I call it the giant to the North. But I would note this, in all seriousness. My wife is a first-generation American of Canadian descent. And our family, as so many families in our State, we felt the terrible loss the Canadians suffered in Afghanistan. And I know that everybody in our Government feels sorrow for them. This was a tremendous loss, the first combat troops lost since Korea, and it was a matter of mourning in Canada, and certainly it was in our border States.

Mr. Attorney General, I'm concerned that the National Guard troops helping Customs and INS agents at the border, in regular law enforcement matters, remain unarmed. The Customs and INS agents are armed, appropriately so because of the potential danger they face, but the National Guard troops are not. Now, 58 Senators, Republicans and Democrats, joined me in a letter I sent to the President about this. I understand DOD has recommended arming the Guard. Does the Justice Department have a position on this question? And if so, what is it?

Attorney General ASHCROFT. Well, first of all, we're grateful to the Department of Defense for agreeing to assist INS in border security issues.

Senator LEAHY. We're all grateful, but are they going to be armed?

Attorney General ASHCROFT. The Department of Defense has recently modified its position and has proposed arming a limited number of National Guard soldiers. And draft language has been provided by DOD for consideration in amending the memorandum with INS.

Senator LEAHY. What's your position? Should they be armed?

Attorney General ASHCROFT. In circumstances where they need to be armed, I think they should be armed.

Senator LEAHY. If they are taking a position—let me put out a very simple thing. You and I have both served in law enforcement, and I think we understand what's involved here. If you have a situation where a Customs agent or an INS agent on the border has to be armed because it's felt, appropriately, that they are, and if you put a National Guard troop in that same position, should they be armed?

Attorney General ASHCROFT. People who are involved in functions that require arming should be armed.

Senator LEAHY. I happen to agree completely with you. I point this out for those here who think that we don't have a number of areas where we agree. I agree with you on—very much on——

Attorney General ASHCROFT. We could probably make a list.

Senator LEAHY. I'm sure we could.

INTEROPERABILITY SUCCESS STORY

Attorney General ASHCROFT. May I remark about the interoperability issue——

Senator LEAHY. Yes.

Attorney General ASHCROFT [continuing]. For just a moment? One of the times when we had an opportunity to try an experiment with what we could do to be successful in promoting interoperability was regarding Utah and the effort in regard to the Olympics. The COPS program funded Utah's efforts to create a single multi-agency radio communications system that served over 91 Federal, State, and local public safety agencies. And I think that's a signal that it can be done and——

Senator LEAHY. I agree.

Attorney General ASHCROFT [continuing]. And I just wanted to say that it worked well, and those people who were operating the systems worked extremely well together. That's an example of some of the pilot efforts that are being done.

Senator LEAHY. Yeah, I happen to agree with you on that. Every report I've had says this is a case where all of these—sheriff's department, local police, State police, FBI, Secret Service, other agencies, and others and had to interoperate. And you had a number of international agencies there, too, and you made it work. And I applaud you, Mr. Attorney General, and I applaud everybody else, Director Mueller and others, who worked on that.

Because this vote is on, I will leave a question with you. The supplemental request for FEMA includes about $125 million for State grants that we've been talking about already, first responder training and so on. I want to know how those are going to be distributed to the States. Will any of that funding carry out the functions currently designated to the Justice Department's Office of Domestic Preparedness—and we'll give you this question in writing, because it's pretty specific.

[The information follows:]

The President's fiscal year 2002 Supplemental Budget Request includes $175 million for assistance to first responders, under the Federal Emergency Management Administration (FEMA). The supplemental request is consistent with the President's fiscal year 2003 Budget which proposed that the counterterrorism programs of the Office of Domestic Preparedness in the Department of Justice be transferred to FEMA. The President has stated his belief that the numerous Federal programs offering training and assistance to State and local governments should be

"seamlessly integrated, harmonious and comprehensive to maximize their effectiveness."

Senator LEAHY. I authored the provisions of the USA PATRIOT Act to revise the Domestic Preparedness Program giving additional flexibility to purchase needed equipment, training and technical assistance to State and local first responders, and the small State minimums that have been referred to here. So I just want to make sure that this program operates as we wrote it in the PATRIOT Act, and the needs of the small States are going to be taken into consideration in the supplemental. Again, I refer to what happened in New Hampshire and Vermont, two very small States, about how well it can be done if it's done right.

So, Mr. Attorney General and Mr. Director, I'm going to give you that question in writing and look at it, because I think it goes to the core of how this money might be distributed. I think we all want to accomplish the same thing, but we want do it right.

Senator STEVENS. Could I ask a couple of questions before I leave, Senator?

Senator LEAHY. Sure. I don't know whether—Joe, did you want to say something?

Mr. ALLBAUGH. No, I just wanted to say I'm sure we'll both respond for the record on that question.

EXECUTIVE BRANCH MANDATES

Senator STEVENS. Mr. Attorney General, while you were a member of this body, before you reached your distinguished elevated status, you assisted others on the concept of mandates. As these hearings have proceeded, we've found a series of mandates now, but they're emanating from the executive branch without being in law. They are mandates—one of them that's coming along, I understand, is the standard driver's license concept—that will go directly to the States as a request, in effect, of the Federal Government. There are other items throughout there now that are coming out of the homeland defense office. One changes the standard for giving notice of what is the level of the alert. We used to have a five-stage level. Now I understand we have a three-stage level. Or maybe I got it backwards. It's three-stage, now it's five-stage for everybody? The impact of that is that that, too, changes a lot of State and local governments. Where are we going to come out in terms of these mandates as far as paying?

This morning at the hearing, we discovered that airports that had responded to the request to upgrade their security, and received 40 percent of the money from the supplemental, are now told, "Well, you can get the balance of your money from the money you're already entitled under the airports program." Now, I think we're getting into a very cloudy picture, as far as our relationship with the State and local governments. If we tell them that, they're not going to respond next time, and I don't think that's healthy.

Have you been asked to review this at all, as Attorney General?

CATEGORIES OF ALERT SYSTEM

Attorney General ASHCROFT. Sir, I have not. I could comment on the alert, the three categories of alert versus five categories of alert. That's a proposal that is now subject to review. We're receiv-

ing comments from State and local agencies on it. That is not a mandate, in terms of States using an alert system. It's a proposed way of communicating to State and local governments so that they know more specifically where we are and at what level of activity we think it would be wise for people to remain—what level of alertness.

So obviously, when I was in the Senate—and I still do have great concern over mandates that are unfunded. In some respects I would have concern over mandates whether they were funded or not, because we have to respect State and local prerogatives. But I have not been asked to opine on issues relating to mandates, generally.

REORGANIZATION OF HOMELAND SECURITY AGENCIES

Senator STEVENS. Well, let me ask you one last question. And that is, we keep hearing about reorganizations of the Government, particularly one including the Coast Guard and INS and Customs and perhaps even FEMA. Have you looked at that issue? Will that take legislation to achieve?

Attorney General ASHCROFT. I believe a reorganization that combined those agencies would require legislation, and significant legislation. I don't want to suggest that I believe something like that is imminent. I do know that this administration is eager to do the best job possible of securing our borders and providing a capacity to defend America from terrorism, but I don't think any conclusions have been reached regarding items like that.

Senator STEVENS. Well, I'm informed that time is up on the vote. I'm going to ask you, though, if you'd stand at ease until Senator Byrd gets back.

Attorney General ASHCROFT. Thank you.

Mr. ALLBAUGH. Thank you.

WEBSTER COMMISSION REPORT

Senator DEWINE [presiding]. The committee will come to order. Senator Byrd asked me to proceed with my questions. He will be back in just a moment.

Mr. Attorney General, first, let me just publicly congratulate you for the job that you have been doing as Attorney General. We are very proud of that job, and we deeply appreciate it. Let me also specifically commend you for establishing the seven-member commission headed by William Webster, which recently completed an investigation of the internal security problems at the FBI.

As you know, in its report, the Webster Commission identified, and I quote, "a pervasive inattention to security which enabled former FBI special agent Robert Hanssen to engage in espionage activities for more than two decades." I wonder if I could ask you, Mr. Attorney General—you have that report. It's a lengthy report. The Judiciary Committee has taken some testimony concerning the report. Let me ask you first whether or not you have had an opportunity to examine it, and then whether or not you, and specifically the team at the FBI, has had an opportunity to do a cost analysis of that. You know, this town is full of reports that remain on shelves. And I know that you're not going to do that with this report, but I also know that unless you have the money that you

need, you're not going to be able to implement the recommendations contained in that report.

Attorney General ASHCROFT. Senator, I am aware of the report. The leadership of the FBI, Robert Mueller, is aware of the report. Fortunately, a number of the recommendations of the report have been remedial measures that were started and have been undertaken. The completion of those and the effectuation of all of the recommendations could require additional resources, and we don't have a tab run yet on this report.

Senator DEWINE. Well, let me just say that I think this is critical. I have spent some time looking at this, and I know other members have, and I know the FBI has, and this rises to the level of very, very high importance. I know you deal with things that are important every single day, but if we're going to fix this problem, we have to move. And this committee is very interested in knowing your analysis of the cost. And so this is something that we're going to continue, bluntly, to ask you about and ask the FBI to give us the estimate of what it's going to cost, because we want to provide the money for you, but we can't do that unless you give us the estimate.

INSPECTOR GENERAL REPORT

Attorney General ASHCROFT. May I just indicate—and I thank you—that the difficulties that we experienced that provoked, and the Webster Commission prompted me to call upon the Inspector General of the Department of Justice to conduct another study. That study is expected, as a complete study, this summer, and we really felt that we should look at these reports together, the Inspector General's report together with the Webster Commission's report.

Now, I don't want to create the impression that we've waited to try and start reforms until this happened. A new security division has been established at the FBI with the centralized responsibility for internal security, and the FBI has also taken steps to limit access to classified information in ways to eliminate vulnerabilities of information technology systems, to expand the use of polygraph examinations, which had met a resistance in the culture of the FBI for quite some time, and to increase security awareness and training. These things have already been undertaken. The Webster report is taken very seriously. We would like to have the value of the Inspector General's report, as well as the Webster report, as we go forward.

Senator DEWINE. Mr. Attorney General, that report, the Inspector General's report, is due when?

Attorney General ASHCROFT. It's due later this summer, or late this summer is the last word I had. I have inquired of the Inspector General, when the Webster report came out, and I have regular meetings with him. I said, "We've got this one set of suggestions. I'd like to have your set of suggestions so that we can construe them together."

The kind of work we want to do at the FBI is "better." We want to do better work than we've done before, and I think we're on our way to continuously improving that work. And having that additional report, I think, would be helpful to us.

FBI SECURITY DIVISION

Senator DEWINE. Well, I appreciate your answer. I think that the problem, and you've identified this, to some extent, I think, in your answer and some of the things that you've already begun to implement, but I think that one of the problems that was identified in the Webster report was not just a money problem, but it was a culture problem. And, to be quite candid, I think historically it's clear that the advancement for an agent in the FBI has been through cases. It's a logical way to measure success or failure. How are you doing? How many cases are you handling? What's the success rate of your cases? That's what I would look at.

But what happens when we do that, of course, is that the security detail is looked at just that, a detail. It's not looked at as the career path. It's not looked at as how you get ahead in the FBI. It's not looked at as the highest status, as someone who's cranking cases out every day. And so I wonder if you could just address that, because the security internally of the FBI, it seems to me, has to have just as high a prestige level, just as good a career path, just as good everything else as the other path, which is the path of being the agent who is out doing the cases.

Attorney General ASHCROFT. I think this was part of the intention of FBI Director Robert Mueller when he created a security division that had the authority to move across the Department and to require security as something that was worthy of its own doing, not just as an incident to piling up more cases or building up a record in one division or another. So putting a new security division, having established it at a high level, at the executive level of the Department, signals that this is not incidental to the rest of the Department; it's fundamental to the rest of the Department. And the success is beginning to be apparent.

But we don't believe that we've done all that we can, and we don't believe that we're ready to make a final sort of assessment of all that ought to be undertaken immediately until we see the Inspector General's report to add to the Webster Commission's information.

IAFIS—BORDER SECURITY

Senator DEWINE. Mr. Attorney General, you touched on this a little bit, but I would like for you to expand on it, if you could, because I think it is so critical to the importance of what we are doing in this country, and what, specifically, you are doing. Use of biometrics certainly can enhance our ability to identify known terrorists and prevent them from accessing areas where they could cause great damage. During consideration of the counterterrorism provision of the USA PATRIOT Act, I authored a provision that requires the Department of Justice to report to Congress on the feasibility on applying the FBI's Integrated Automated Fingerprint Identification System, IAFIS, and to apply this to border security. You've touched on that a little bit. The President's budget, I believe, calls for spending $23 million on identification systems integration, including $9 million for implementing this IAFIS reporting requirement. I'm pleased that you're moving forward on that. I con-

gratulate you on that, and I wonder if you could elaborate any more on that.

Attorney General ASHCROFT. Well, frankly, some of the benefits are substantial, because by checking the fingerprints of individuals at the border, we've found that by cross-referencing those prints to people in the FBI or the national database for wanted individuals, we've apprehended several hundred people now who have been fugitives from justice.

At present, there are just 10 sites where we've got this INS system, which is called the IDENT system, integrated with this IAFIS system, or the Integrated Automated Fingerprint Identification System of the FBI. We are seeking an additional 10 sites, implemented at Border Patrol stations in ports of entry later this year. And the fiscal year 2003 budget request includes funds for employment of an additional 10 sites.

The IDENT system of the INS is a one-finger system. And, of course, it's enough to identify a person. If you get that person to give you a print from that finger over and over again, it's a very reliable biometric identifier.

The IAFIS system of the FBI is a 10-print system, because at a crime scene, frequently you can't make sure that the criminal leaves his right index finger. And the IAFIS system has been a rolled-print system, which is a system for printing using all 10 fingers and printing, historically, with ink. The IDENT system has been an electronic system where a person just puts a finger into the machine, the right index finger, and that's checked.

The integration of these systems has taken some technology, but we are now able to compare the IDENT fingerprint at the border with the IAFIS fingerprint system of the FBI and the national NCIC system. And we believe that this system has a lot of promise for helping us identify who's come into the country, who's left the country, and if they have overstayed visas, et cetera, and are very pleased to have funding to be continuing to deploy this system, which is a real plus-up in terms of our border security.

Senator DEWINE. Well, Mr. Attorney General, let me just thank you for your testimony. Mr. Allbaugh, thank you very much for your testimony. We appreciate it very, very much.

Senator Murray has to preside at this point and has requested that her questions be submitted for the record, which will be submitted.

And as you know, under the committee rules, other questions may be submitted, as well.

Let me make a statement on behalf of Senator Byrd. This does conclude our hearing for this afternoon. We appreciate the testimony from Attorney General Ashcroft and from Director Allbaugh. It has been extremely helpful to us.

We will continue our hearings next Tuesday afternoon at 2:30, with the Secretary of Defense, Donald Rumsfeld. He'll be followed by former-Senator Sam Nunn, of Georgia.

Senator Nunn will appear as an expert witness on the subject of nuclear non-proliferation as it relates to homeland security.

At this point, I ask unanimous consent that Chairman Byrd's closing statement be incorporated into the record as if read. Without objection, it will be included.

Chairman BYRD. The picture which has emerged in testimony before the Appropriations Committee during these hearings is disturbing and, to this Senator, alarming. It is a picture of confusion, of overlapping duties and jurisdictions, of vagueness, of ill defined goals, of delays and of inadequate dedication of resources.

In sum, we are a nation conflicted—a giant inept bureaucracy, whose glaring inadequacies have been brought into sharp focus by the events of September 11. We cannot seem to prioritize our many new and critical needs. We are unable to even make clear choices about how to balance security concerns with the need for efficiency in commerce because of turf wars in departments and agencies which are expected to address both needs.

Eight months after September 11th, there appears to be no coherent plan at the Federal level to help first responders address their new responsibilities. Vulnerability assessments have not been done. Perfectly good government programs such as COPS and firefighting and port security grants are being cancelled or needlessly reorganized.

Working groups are swirling around like birds before a storm, yet there seems to be little or no coordination of the flurry of activity.

Even in the area of bioterrorism, after the very real threat demonstrated by the anthrax attacks on this Nation, little has been done to better equip our public health apparatus to respond to a serious outbreak of some exotic and deadly disease.

Paradoxically, all of the analysis and soul-searching done after last September has resulted in a strange kind of gridlock and inertia. No one is in charge because everyone is in charge. No plan has emerged because too many plans have emerged.

From the testimony offered to this Committee to date, it seems as though Director Ridge is being second-guessed at almost every turn. His plans and priorities appear to be running head first into a bureaucratic brick wall. The competing goals of homeland security and efficient commerce at our borders have not yet been sorted out. In my opinion, Director Ridge should not have to stand by and watch as the interests of private businesses are juggled with the safety needs of our Nation by Cabinet officers whose primary charge is not homeland security.

If the Director of Homeland Security believes that this Nation should be inspecting 5 or 6 or even 50 percent of the cargo containers arriving in our ports, instead of the current 2 percent, then agencies which have the mission of promoting commerce should not cry, "Foul!" They should work to implement the goal. If the Director of Homeland Security states that we should have a centralized border security agency with a significant increase in the number of agents and inspectors at our border crossings, he should not be met with others in the administration suggesting that volunteer efforts can do the job.

This Committee is seeking guidance regarding how to allocate the people's tax dollars to best protect their safety from terrorist attacks, yet the Director of the Office of Homeland Security will not come before us to help us do our duty. I fear that the Director of Homeland Security has had his function reduced to media spokesman without any real authority. I want him to come here, where

the decisions are being made, where his voice will have real authority, and his opinions will have real weight.

Earlier this week, Director Ridge told reporters that the Nation was ill-prepared for another attack. I agree with him. But it seems odd that he should make such an alarming public pronouncement, and yet continue to refuse to come before this committee while it is struggling to allocate resources to help protect Americans from another tornado of devastation and death.

This committee will do its best, working with what we have, incomplete and confusing though it is, to craft a package which funds America's security priorities. The rest is in God's hands. May God keep watch over the good people of this nation.

"Except the Lord build the house, they labor in vain that build it: except the Lord keep the city, the watchman waketh but in vain." (Psalm 127:1)

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED TO ATTORNEY GENERAL JOHN ASHCROFT

QUESTIONS SUBMITTED BY CHAIRMAN ROBERT C. BYRD

OFFICE OF COMMUNITY ORIENTED POLICING SERVICES (COPS) PROGRAM

Question. General Ashcroft, this Committee has long supported the Office of Community Oriented Policing Services, commonly called the COPS Program. It has successfully provided funds for officers and communications equipment to over 13,000 of the nation's 18,000 state and local law enforcement agencies. And there continues to be a large demand for COPS grants.

The COPS Office had carried over $300 million in requests from last year because their fiscal year 2001 funds could not meet the demand that existed. Now, since September 11th, state and local law enforcement agencies are being asked to be the front line of defense against domestic terrorism, and those agencies are looking to COPS to help strengthen their already thinly stretched resources. But, amazingly, your fiscal year 2003 budget request eliminates all COPS hiring programs, and replaces most of last year's COPS appropriation with an $800 million Justice Assistance Grant Program (JAG) that will not even be administered by the COPS Office.

In truth, the President's fiscal year 2003 budget request is the beginning of the end for a program that you yourself called a "miraculous success."

Please explain to this Committee why you have chosen to effectively eliminate the COPS program.

Answer. Since 1995, the COPS Hiring program has received sufficient funding to support the hiring or redeployment of over 117,000 officers, 17 percent more than the previous Administration's goal. COPS has awarded grants supporting 114,000 officers to date, so there are more than 3,000 officer positions still to be funded by the end of the fiscal year.

The Department is recommending the creation of a comprehensive state and local assistance grant program: the Justice Assistance Grant Program (JAG), to give police departments greater flexibility to address their locally-determined priorities. As you know, COPS grants currently may only be used to support the hiring new officers or acquiring technology that frees officers for street duty.

Additionally, total Federal assistance to state and local law enforcement will increase in fiscal year 2003 due to the creation of a new $3.5 billion "first responder" grant program in FEMA, which will provide anti-terrorism equipment and training to police, fire, and rescue personnel. This initiative includes domestic preparedness activities previously funded within the Office for Domestic Preparedness.

INTEROPERABILITY

Question. General Ashcroft, September 11th clearly demonstrated the need for our first responders to be able to communicate with one another when responding to an event. We all are now familiar with the stories of the local law enforcement and

fire department personnel from multiple jurisdictions passing hand-written notes to one another because they weren't on the same communications frequencies.

At our initial hearings on homeland security, where we heard from an array of first responders, the need for inter-agency interoperability was a theme that was repeated over and over again. You cannot have a coordinated and effective response to a terrorist event, or any disaster for that matter, if your first responders cannot communicate.

What is the Department doing to help State and local first responders be able to better communicate in the event of a crisis? The President proposes to give a modest amount of money to address this problem in fiscal year 2003. Why should we make our State and local first responders wait for a year before they are given resources to improve their ability to communicate with each other?

Answer. The Department of Justice has long supported efforts to improve state and local public safety communications interoperability through both the Office of Justice Programs and the COPS Office.

Created in 1998, Project AGILE (Advanced Generation of Interoperability for Law Enforcement) pulls together interoperability efforts within the National Institute of Justice. The AGILE Program is dedicated to solving communication problems at the State and local level by focusing on outreach and education, research and development, and the development of standards for voice and data. It has supported projects in San Diego, Tucson, Alexandria, and is currently coordinating the Capital Wireless Integrated Network (CAPWIN) funded in the first fiscal year 2002 Supplemental.

Since fiscal year 1998, through the COPS Law Enforcement Technology Program, the COPS Office has been administering grants to several law enforcement agencies to assist with improving interoperability efforts:

—The COPS Law Enforcement Technology Program has provided funds since 1999 for Utah's efforts to create a single multi-agency radio communications system. The system currently serves over 91 federal, state, and local public safety agencies. This program has also provided funding to South Dakota, New Hampshire, Vermont, Alabama, and Kansas to establish or strengthen communications between law enforcement and other public safety entities. Grant funding has assisted in the development or enhancement of communications infrastructures, including mobile data systems, to reach law enforcement and other public safety entities statewide, and purchase mobile and portable radios to operate on statewide radio systems across all levels of government.

—The 2003 President's Budget proposes a $50 million COPS Information Technology Program to replace the COPS MORE Program. This program is intended to help state and local law enforcement agencies to upgrade existing information systems and vastly improve their intelligence gathering and analytic capabilities. Grantees would be encouraged to engage in collaborative information technology acquisitions through interagency consortia that would directly contribute to the sharing of information across jurisdictions to accelerate criminal identification, criminal apprehension, and critical incident management.

FEMA's First Responder Initiative includes a major effort to expand funding and coordination for improved communications interoperability. This will also be a major focus for the recently-announced Department of Homeland Security, which will help State and local first responder agencies to purchase a wide range of equipment needed to respond effectively to a terrorist attack, including interoperable communications gear.

OFFICE OF DOMESTIC PREPAREDNESS

Question. Last December, Congress approved a $212 million emergency supplemental for the Department of Justice Office of Domestic Preparedness to provide equipment grants and $79 million to provide training to our State and local first responders. We wanted to make sure that State and Local first responders had an immediate infusion of resources to develop their capacity to respond to events like September 11th.

It has been four and one-half months since Congress approved this funding, yet I understand that you have not even released applications to the States to apply for the funds. During this same period, you have issued numerous public warnings of potential terrorist attacks. Yet, you are holding onto the money. Why are you holding up this money instead of getting it out to our State and local law enforcement personnel?

Answer. Under the CT Supplemental, $400 million was appropriated to the Office of Domestic Preparedness (ODP). This amount can be further broken down into five categories: equipment ($262.1 million), training ($79 million), exercises ($42.9 mil-

lion), technical assistance ($8 million), and management and administration ($8 million). This response will concentrate on the equipment and training aspects of this funding.

Equipment.—Of the $262.1 million available, ODP has obligated $29.8 million. Obligations to date include:

—A total of $20 million for the Preposition Equipment Program was obligated in February 2002.

—A total of $9.8 million for the New York City Aircraft was awarded in April 2002.

The remaining $232.3 million is expected to be obligated as follows:

—A total of $20 million for the Capitol Wireless Network project is expected to be obligated in the third quarter of fiscal year 2002.

—A total of $212.3 million provided for state equipment grants, together with $107.4 million provided through regular appropriations, is expected to be awarded in August 2002. As the Committee may be aware, ODP had not yet received many of state preparedness plans needed to award fiscal year 2001 equipment funding. In order to release that funding as quickly as possible, ODP focused on reviewing these plans and the associated fiscal year 2001 applications. Once this process was complete, ODP could develop a consolidated fiscal year 2002 formula program based on the regular CJS appropriation for equipment funds plus the 2002 supplemental funds. This consolidated approach will assist states in planning more comprehensively for these activities, as well as encourage them both to institutionalize basic first responder training, allowing ODP to eventually address more complex training issues, and to allow them direct funds for participation in exercises. ODP issued the solicitation in May 2002, and has requested applications to be submitted by July 31, 2002. Any applications received by that date should be approved by the end of the fiscal year.

Training.—Of the $79 million available in training resources, $15.3 million has been obligated. The remaining $63.7 million is expected to be obligated during the third and fourth quarters.

—Of the $63 million provided for the National Domestic Preparedness Consortium (NDPC), $17 million for the Center for Domestic Preparedness (CDP) was immediately allocated and will be obligated as the CDP trains first responders. To date, $7.6 million has been obligated with the remaining $9.4 million expected to be obligated as it is needed in the training process by the end of the fiscal year. Because of the additional supplemental funds, the CDP will train at least 10,000 first responders in 2002.

—A total of $46 million was provided for the remaining four NDPC members. To date, $2.2 million has been obligated to the Nevada Test Site, with the remaining $43.8 million anticipated to be obligated during the remainder of the third quarter. Because the funds represent about a three-fold increase from previous levels, NDPC members required additional time to develop plans for the appropriate use of these funds. Applications from all NDPC members have been received, are under review and will be approved and awarded shortly.

—Of the $16 million available for other counterterrorism training grants and support activities, a total of $5.5 million has been obligated. Obligations include $1.5 million for a State Awareness Basic Training Program, $2 million for State and Local Terrorism Awareness Training (SLATT), and $2 million for the Naval Post-Graduate School Pilot Program to develop a homeland defense security certificate program focusing on civil-military issues regarding weapons of mass destruction programs. The remaining $10.5 million is in various stages of being obligated—ODP expects to have most of these funds obligated during the third quarter.

BORDER SECURITY AGENCIES

Question. Mr. Attorney General, last year, Governor Ridge proposed that the various border security agencies be consolidated under a single federal entity. That proposal was trumped by another proposal, endorsed by the Justice Department, to consolidate the Customs Service and the Immigration and Naturalization Service within the Justice Department. Meanwhile, both consolidation proposals have taken a back seat to another Justice Department proposal, and the subsequent House-passed bill, that would split the INS into a service agency and a separate enforcement agency.

Are Governor Ridge's border security proposals being trumped by the Justice Department?

Why is Governor Ridge advocating a consolidation of these border defense agencies?

Answer. The President has stated that he wants our borders secure against those who would violate our laws, while at the same time ensuring the free flow of commerce and economic activity. The Department understands that the Homeland Security Council and Governor Ridge have been discussing these issues and weighing various options, prior to making a recommendation to the President.

It is essential that, as we review border integration, and we do not cause law enforcement disintegration. Since September 11th, the Department has used consolidated law enforcement assets of the Federal Bureau of Investigation, the Immigration and Naturalization Service, and the United States Attorneys to prevent and disrupt possible terrorism networks. It is important to the Department to maintain this cooperation and synergy. I strongly believe that consolidating and coordinating our law enforcement resources is critical in our fight against terrorism.

OFFICE OF DOMESTIC PREPAREDNESS TO FEMA

Question. The President's budget request includes a new $3.5 billion First Responder Initiative that would eliminate the Office of Domestic Preparedness and roll it into a new Office of National Preparedness at FEMA. In other words, the proposal would dismantle the Office of Domestic Preparedness at Justice and rebuild it at FEMA. It sounds to me like we are just reinventing the wheel.

The Committee had numerous witnesses from the law enforcement community, including the International Association of Chiefs of Police, testify in support of continuing to provide assistance to State and local law enforcement through the Justice Department.

What's the point of moving the Office of Domestic Preparedness to FEMA when it is already functioning at the Justice Department?

Answer. In the fiscal year 2003 President's budget, the Administration proposed that ODP's counterterrorism programs be transferred to the Federal Emergency Management Agency (FEMA). This transfer supports the Administration's coordination and streamlining of all terrorism-related activities to provide greater program cohesion and efficiency. The transfer will provide state and local first responders with a single funding source for $3.5 billion in equipment grants, training programs, and other preparedness efforts. This transfer also helps lay the groundwork for the Administration's proposal for the transfer to the Department of Homeland Security.

COUNTERTERRORISM

Question. As the federal law enforcement agency with a principal mission of counterterrorism and counterintelligence, the FBI has had to take on a tremendous role with the investigations of the September 11 terrorist attacks and the subsequent Anthrax letters and hoax letters. I understand that 67 percent of the agents in the field, who previously worked criminal investigative matters, were originally diverted to conduct these investigations.

Do you believe that the FBI is spread too thin? What percentage of FBI agents is currently reassigned to work on the terrorist investigations?

Answer. Based on the terrorist attacks at the World Trade Center (WTC), the Pentagon, and in Pennsylvania on September 11, significant resources from all FBI criminal programs were redirected to support these unprecedented investigations. The FBI continues to maintain its major initiatives within the criminal programs. As of April 20, 2002, 17 percent of the agents in the field who previously worked criminal investigative matters are still diverted to conduct counterterrorism investigations.

Question. What impact is that having on the FBI's criminal investigations?

Answer. The FBI is developing a comprehensive strategy to permanently shift resources to supplement the substantial new resources Congress provided in the Counterterrorism Supplemental for the prevention of and fight against terrorism. Given the gravity of the current terrorist threat to the United States, the FBI must focus its available energies and resources on preventing additional terrorist acts and protecting the Nation's security. At the same time, the FBI will ensure that the pursuit and combating of international and domestic organized crime groups and enterprises, civil rights violations, major white-collar crime and serious violent crime are consistent with the available resources and the capabilities of our federal, state, and municipal partners.

In the area of Crimes Against Children (CAC), there has been no significant reduction in the ability of the FBI to investigate and prosecute significant cases. The FBI has continued its work on current initiatives, such as "Operation Candyman," which is part of the Innocent Images National Initiative. As of April 3, 2002, "Operation Candyman" has resulted in 483 consent and search warrants, and 85 arrests. Many of those arrested were in positions of trust in relation to children.

The FBI has seen an increase in the number of civil rights investigations as a result of the September 11 attacks. Many of these are allegations of hate crime violations against the Arab community.

The challenge of disrupting and dismantling drug trafficking organizations has become more difficult since September 11, due to the necessary redirection of resources. As the Congress is acutely aware, drug abuse in the United States is devastating American families, businesses, and neighborhoods. It impedes education and chokes the criminal justice, health, and social service systems. Annually, the social and crime-related costs of drug-use on the American economy are estimated at over $110 billion.

Question. Has the Office of Homeland Security given you guidance on how to reorganize the FBI?

Answer. In consultation with the Administration, the FBI proposed a reorganization to the Congress May 29, 2002. This reorganization was approved by the Congress July 31, 2002. With respect to the Department of Homeland Security (DHS), the Department and FBI are having ongoing discussions with the Administration about functions that would be transferred to DHS.

QUESTION SUBMITTED BY SENATOR PATRICK J. LEAHY

SUPPLEMENTAL REQUEST FOR FEMA—STATE GRANTS FOR FIRST RESPONDER TRAINING

Question. Mr. Attorney General, the supplemental request for FEMA includes about $125 million for state grants for first responder training and equipment and to respond to acts of terrorism, including incidents involving weapons of mass destruction. Can you tell me how you intend to distribute these funds to states? Also will any of that funding carry out the functions currently designated to Justice Department's Office of Domestic Preparedness?

I asked you that because the question of whether this office should transferred from Justice to FEMA is far from resolved. I authored provisions of the USA Patriot Act that revises the domestic preparedness program, giving (1) additional flexibility to purchase needed equipment; (2) training and technical assistance to State and local first responders; and (3) small-state minimums to ensure a more equitable allocation of funds to all States. Before we move any bureaucratic boxes, I want to ensure that this program is going to operate as effectively as possible and that the needs of small states will be taken into consideration in the Supplemental.

Answer. The President's fiscal year 2002 Supplemental Budget Request includes $175 million for assistance to first responders, under the Federal Emergency Management Administration (FEMA). The supplemental request is consistent with the President's fiscal year 2003 Budget, which proposed that the counterterrorism programs of the Office of Domestic Preparedness in the Department of Justice be transferred to FEMA. The President has stated his belief that the numerous federal programs offering training and assistance to state and local governments should be "seamlessly integrated, harmonious and comprehensive to maximize their effectiveness."

QUESTIONS SUBMITTED BY SENATOR HERB KOHL

WISCONSIN SHERIFFS

Question. Mr. Attorney General, I had a conversation with the head of the Wisconsin Sheriff's Association and he expressed several concerns about federal funding. Let me share the most important with you. He questioned whether FEMA was the appropriate agency to distribute funds to all first responders—most particularly from his perspective, local law enforcement. And he was concerned that including police needs with those of firefighters and EMT's in one funding pool would disadvantage law enforcement because they would have to contend with the more expensive requests of other first responders. As he put it, a sheriff's request for a new squad car costs only a fraction of a fire department's need for a new fire truck. In addition, this sheriff, who is from a rural county, is fearful that he will be unable to compete with large urban areas that have extensive and complex needs.

How would you respond to this Wisconsin sheriff? We already have a program that police and sheriffs are very pleased with, namely the COPS program. Yet, you are choosing to strip $484 million from the program. Wouldn't COPS satisfy all of my sheriff's concerns?

Answer. The fight against terrorism is the first and overriding priority of the Department of Justice. The fiscal year 2003 President's budget request reflects this

new focus, and proposes the reduction or elimination of several state and local assistance programs to support it. A new program, the Justice Assistance Grant program, is proposed to replace the Byrne and the Local Law Enforcement Block Grant programs and will support a broad array of state and local law enforcement needs. There are neither current nor planned programs which support the purchase of fire trucks, although squad cars may be purchased under certain scenarios.

However, while assistance to state and local governments is reduced in the Department of Justice's budget, significant new resources of $3.5 billion are included in the Federal Emergency Management Agency's (FEMA) budget. We understand that a portion of these funds will be available for firefighter equipment, including fire trucks.

In the fiscal year 2003 budget, the Administration proposes to transfer the Office of Domestic Preparedness (ODP) from the Office of Justice Programs to FEMA as part of the Administration's coordination and streamlining of all terrorism-related activities to provide greater program cohesion and efficiency. This transfer also supports the Administration's initiative to seamlessly integrate the numerous federal programs offering training and assistance to state and local governments to maximize their effectiveness. The transfer will provide state and local first responders with a single funding source for $3.5 billion in equipment grants, training programs, and other preparedness efforts. ODP's counterterrorism programs have supported the first responder community, which has been broadly defined to include state and local law enforcement as well as firefighters and emergency medical and bomb technicians due to the variety of expertise needed to deal with incidents of terrorism involving the use of weapons of mass destruction.

IMMIGRATION AND LOCAL LAW ENFORCEMENT

Question. We have heard a lot of discussion about the role of local law enforcement in the war on terrorism. Most recently, news accounts suggest there is disagreement within the Administration about whether to permit local law enforcement officials to enforce the immigration laws. The Justice Department believes local police should enforce these laws, yet there are reasons that they may not want to. For example, many local police rely on immigrant populations for leads in solving crimes and do not want those groups to be afraid to cooperate with police. More importantly perhaps, since 9/11, demands on local law enforcement have never been greater, while, at the same time, their resources are limited due to budget shortfalls in our local communities.

Does the Justice Department believe that local law enforcement is becoming too burdened in the wake of added responsibilities after the events of September 11?

Will you comment on the role of local police in enforcing the immigration laws?

Finally, can you tell us how the Justice Department intends to train these officers to handle immigration issues?

Answer. Section 287(g) of the Immigration and Nationality Act (INA) allows the Attorney General to enter into a written agreement with a State (or political subdivision of a state) pursuant to which "an officer or employee of the State who is determined by the Attorney General to be qualified to perform a function of an immigration officer in relation to the investigation, apprehension or detention of aliens in the United States may carry out such function."

In the past, INS officials have pursued section 287(g) written agreements with state and local officials who expressed interest. The INS has recently entered into negotiations with State of Florida officials in an effort that resulted in the first written agreement with a state or local jurisdiction for the delegation of immigration law enforcement authority under section 287(g). As the first such agreement achieved pursuant to section 287(g), the State of Florida agreement will provide the blueprint for our approach in establishing written agreements with other jurisdictions. Under the Florida model, 35 Florida law enforcement officials will be trained by the INS, at INS expense, in immigration law and will be certified, after passing a training examination, to enforce certain provisions of the INA. Florida officers will be under direct INS supervision and will only exercise their immigration authorities in the limited context of investigations involving national security.

At this time, this is the only mechanism under which local law enforcement officials can enforce immigration law.

COPS AND FEMA

Question. As it's been discussed here already, this supplemental would set aside $175 million in grants to the states for first responder training and equipment. This grant program would be administered by FEMA. Now we know that DOJ has many years of experience with awarding grants directly to local and state law enforce-

ment. And these are worthy grant programs—one program in particular Mr. Ashcroft that I recall you described here before as a "miraculous sort of success"—that directly award grants to state and local law enforcement. Unfortunately, these programs are scheduled to be cut, if not eliminated. The COPS Universal Hiring Program has been zeroed out to the tune of $84 million; the COPS MORE Program was eliminated—a $66 million cut; the COPS in School Program has been entirely cut—a $180 million program; and the COPS Law Enforcement Technology Program has been zeroed out—a $154 million program last year. In total, the President's Budget would slash the COPS program $484 million.

What's going on here? At a time when we are asking local law enforcement—all of whom are first responders—to remain vigilant and on alert, why is DOJ cutting their federal funding in such grand fashion?

Answer. Since 1995, the COPS Hiring program has received sufficient funding to support the hiring or redeployment of over 117,000 officers, 17 percent more than the previous Administration's goal. COPS has awarded grants supporting 114,000 officers to date, so there are more than 3,000 officer positions still to be funded by the end of the fiscal year.

For fiscal year 2003, the Department of Justice is proposing to realign and streamline all of the State and local law enforcement grant programs. This is why the Department is recommending the creation of a comprehensive state and local assistance grant program: the Justice Assistance Grant Program (JAG) that will give police departments greater flexibility to address their locally-determined priorities. As you know, COPS grants may only be used to support the hiring of new officers or acquiring technology that frees officers for street duty.

Furthermore, total Federal assistance to state and local law enforcement will actually increase due to the creation of a new $3.5 billion "first responder" grant program in FEMA, which will provide anti-terrorism equipment and training to police, fire, and rescue personnel. This initiative includes domestic preparedness activities previously funded within the Office for Domestic Preparedness.

MATERIAL WITNESS RULING

Question. On Tuesday, a federal judge in New York, dismissed perjury charges against a Jordanian student because evidence in the investigation was collected from a witness who had been unlawfully detained. The question is whether the law lets the government indefinitely imprison people who haven't committed a crime just because they might need to testify in a criminal case. The judge in the case held in her ruling, "to detain people who are presumed innocent under our Constitution in order to prevent potential crime is . . . illegitimate."

According to news outlets, there are at least two dozen witnesses currently being detained as material witnesses for grand jury proceedings.

Mr. Attorney General, if this judge's interpretation of the material witness statute is correct, doesn't this put in jeopardy many of the ongoing Justice Department terrorism investigations?

Does the Justice Department intend to appeal the ruling?

Answer. Shortly after 9/11, agents found a slip of paper in the car left by the hijackers at Dulles Airport bearing the name "Osama" and a phone number. This information led the agents to Osama Awadallah, a Jordanian national living in San Diego. Further investigation indicated that Awadallah knew two of the hijackers. Agents first interviewed Awadallah on 9/20, and arrested him the following day as a material witness in the 9/11 investigation. He was transferred to New York pursuant to a material witness warrant issued by a judge in the Southern District of New York. Awadallah testified before the grand jury, and was thereafter charged with two counts of perjury. He was released on bail in December 2001.

On April 30, 2002, Judge Shira Scheindlin issued two decisions in this matter. First, she dismissed the indictment finding that Awadallah's grand jury testimony was the fruit of his illegal detention on an invalid material witness warrant. Judge Scheindlin held that 18 U.S.C. 3144, which authorizes the detention of a person whose testimony "is material in a criminal proceeding," applies only after an indictment has been returned and does not authorize the detention of a grand jury witness.

Judge Scheindlin raised the material witness issue sua sponte and did not give the government an opportunity to brief the applicability of Section 3144 to grand jury witnesses before she rendered her decision.

BUREAUCRACY OF THE FIRST RESPONDERS PROGRAM

Question. With the creation of the First Responders Initiative in FEMA, the local police, firefighters and emergency medical technicians will be forced to deal with a

new federal program and the bureaucracy that goes with it. We know that police departments around the country are very experienced in dealing with the COPS office in the Department of Justice because they have been doing it for more than eight years.

Terrorism response and emergency aid by its very nature must be provided immediately.

Should we be concerned that a new bureaucracy with new forms to fill out and new rules to follow will slow the distribution of the emergency aid to our local officials? Will this bureaucracy impede its very purpose?

Answer. Because state and local first responders must be able to seamlessly cooperate in their preparedness efforts, the Administration believes that first responder preparedness assistance must be well-planned and coordinated at the Federal, state and local levels. In May 2001, the President stated that the numerous Federal programs offering training and assistance to state and local governments should be "seamlessly integrated, harmonious and comprehensive to maximize their effectiveness." This is why the fiscal year 2003 budget proposes to consolidate such efforts within the Federal Emergency Management Agency (FEMA).

This would involve the transfer of the Office of Domestic Preparedness counterterrorism programs, including $234.494 million and 59 positions, to FEMA. The transfer will provide state and local first responders with a single funding source at FEMA for $3.5 billion in equipment grants, training programs, and other preparedness efforts.

The Administration expects that FEMA will begin operating the first responder program immediately following the passage of FEMA's fiscal year 2003 appropriations bill. During fiscal year 2002, FEMA, through its Office of National Preparedness, will assemble a qualified staff to design the grant making process, and the current ODP staff will also continue to provide experience and expertise for these programs. We understand that FEMA is making every effort to design an efficient, streamlined grant process. FEMA and DOJ will coordinate and plan the transfer of ODP activities, personnel, and facilities for fiscal year 2003.

FAILURE TO DISTRIBUTE GRANTS

Question. The Justice Department's Inspector General reported that the Department failed to distribute more than $141 million in grants set aside for emergency equipment in response to the threat of terrorism. And, in some cases, even when the money was awarded some state and local governments failed to spend it in a timely way or failed to accept readily available equipment. The equipment was for police, fire departments and emergency response teams.

Can you comment on the problems that occurred with these grants and are there ways to ensure that the money and equipment gets to the people who need it in a more efficient manner?

Answer. The Inspector General report provided a helpful evaluation of program delivery, and the Office of Justice Programs has taken a number of steps to begin to address the problems noted. Specifically, the following changes are being implemented:

—To ensure that State grant applications are submitted in a timely fashion, the recently-issued fiscal year 2002 State Domestic Preparedness Program solicitation specifies that grant applications are due by July 31, 2002. The Office of Domestic Preparedness (ODP) will provide follow-up support to territories and states that demonstrate difficulty in meeting the established application deadline.

—As noted in the OIG report, grantees are unable to use funds in a timely fashion because many manufacturers have back orders on specialized first responder equipment. Moreover, some jurisdictions encounter bureaucratic obstacles in the procurement process. To address these problems, ODP has established alternative procurement processes through agreements with the Defense Logistics Agency and the Marine Corps Systems Command. These agreements allow ODP grantees to purchase equipment from the agencies' GSA schedules, and should result in cost and time savings for procurement.

—Recognizing the challenges that jurisdictions face with respect to the procurement of specialized first responder equipment, ODP will strengthen its grant monitoring efforts to ensure that grant funds are expended as quickly as possible and expenditures are in compliance with program guidance.

—In addition, a 2-year limit has been imposed for grantee expenditure.

ODP has also made substantial progress in obligating the remaining CT equipment grants. The $212.3 million provided for state equipment grants appropriated in the fiscal year 2002 Counterterrorism Supplemental, together with the remaining

$107.4 million provided through regular appropriations, is expected to be awarded in August 2002. For the fiscal year 2002 program, ODP for the first time will incorporate funds available under the fiscal year 2002 regular appropriation state equipment funds and the fiscal year 2002 supplemental equipment, exercise and basic awareness training funds into one formula program. This will assist states in addressing these activities more comprehensively, as well as encourage them to institutionalize basic first responder training, allowing ODP to eventually address more complex training issues, and allow them direct funds for participation in exercises.

Through the conference reports accompanying the fiscal year 2000–2002 Appropriations Acts for this program, Congress expressed its intent that the funds be expended only upon completion of, and in accordance with a needs and risk assessment and statewide domestic preparedness strategy. The assessment and planning process, which involved local jurisdictions in the states, required considerable time to complete. Prior to September 11, the urgency to complete the strategies was not apparent in many jurisdictions. As of September 11, only 4 states had submitted plans.

On September 21, the Attorney General sent a letter to the Governors of all 56 states and territories, urging them to submit their 3-year domestic preparedness strategies by December 15, 2001, in order to expedite the state and local equipment grant process in the aftermath of the September 11th terrorist attacks. As of May 31, 2002, 52 of the 56 eligible states and territories had submitted their 3-year domestic preparedness strategies, and 50 of these have been approved.

As of May 31, 2002, 39 states have applied for fiscal year 2000–2001 equipment funds. Of these 39 applications, 29 were awarded, totaling $79.307 million.

PROACTIVE ROLE FOR FIRST RESPONDERS

Question. There is no question that our communities need to be better prepared to respond to terrorism if and when it occurs. We wonder, however, whether there is a more proactive role for state and local authorities to play in preventing terrorism and stopping suspects before they act.

Is it short-sighted in your view, to shift funds away from police hiring and the Justice Department and to FEMA for the purpose of responding to terrorist attacks?

Is there a way for both prevention and response needs to be met?

Are there currently programs in place to prepare and train state and local police for preventing terrorism?

Answer. Since September 11, the primary and overarching priority for the Department is to prevent terrorist attacks. As a result, the Department was compelled to redirect existing resources from other program areas in the fiscal year 2003 budget.

The fiscal year 2003 President's Budget proposes several new OJP programs that can help address the need for both terrorism prevention and response. The new $800 million Justice Assistance Grant (JAG) program, replacing the Byrne Formula and the Local Law Enforcement Block Grant programs may fund activities that enhance state and local authorities' roles in preventing and responding to terrorist incidents. Within the JAG program, $15 million has been requested for the new Citizens Preparedness and Response Program, an initiative that will support citizen volunteers, who, through their local police departments, Neighborhood Watch, and the FBI's TIPS hotline, will help report suspected terrorist activity before it occurs. In addition, the $24.9 million Regional Information Sharing System (RISS) and the $9.23 million National White Collar Crime Center support the reporting and sharing of information that would help local law enforcement in identifying and preventing terrorist activity. Finally, FEMA has requested $3.5 billion for first responder training and equipment.

Far from being "short-sighted," the Administration's proposal to consolidate first responder assistance in FEMA is an important first step towards ensuring that preparedness efforts are well-planned and coordinated at the federal, state, and local levels.

QUESTIONS SUBMITTED BY SENATOR PATTY MURRAY

INS ENFORCEMENT BY LOCAL POLICE

Question. Attorney General Ashcroft, it has been reported that the Department of Justice will shift INS enforcement responsibilities to state and local police. I have many concerns about this change. Enforcing the laws that regulate the entry, movement, and actions of foreign nationals is clearly a federal responsibility.

Furthermore, local and state police are overburdened. New security requirements at our airports, seaports, and public facilities are driving law enforcement costs out

the door. Officers are working 12 to 14 hour days and weekends in order to keep up with new requirements for homeland security while still performing their standard duties. How can we now expect them to enforce federal INS regulations, which they are not trained to do and which they don't have the resources or time to perform?

This would also be a drain on already strapped budgets. Many county and local governments in my home state have seen their budgets slashed since September 11th. How can we now expect them to investigate, arrest, prosecute and even jail individuals suspected of violating our federal immigration laws?

Would local law enforcement be required to take up the new duties or would it simply remain an option?

Has the White House reviewed this policy shift? Do they support it?

Would you reimburse these local and state law enforcement officers for performing this federal function? Are there funds in the Supplemental or your fiscal year 2003 budget request for these reimbursements?

Have you spoken to local and state law enforcement groups, civil liberty groups or immigrant rights organizations about this change? Do they support it?

Answer. These questions relate to an unpublished opinion of the Department of Justice's, Office of Legal Counsel, stating that federal law does not preempt from the states the authority to make arrests for federal violations. The opinion is under review by the Attorney General.

The questions do not relate to Section 287(g) of the Immigration and Nationality Act. However, these two issues are often confused. Section 287(g) allows the Attorney General to enter into a written agreement with a state (or political subdivision of a state) pursuant to which "an officer or employee of the state . . . who is determined by the Attorney General to be qualified to perform a function of an immigration officer in relation to the investigation, apprehension or detention of aliens in the United States . . . may carry out such function."

In the past, INS officials have pursued section 287(g) written agreements with state and local officials who expressed interest. The INS has recently entered into negotiations with State of Florida officials in an effort that resulted in the first written agreement with a state or local jurisdiction for the delegation of immigration law enforcement authority under section 287(g). As the first such agreement achieved pursuant to section 287(g), the State of Florida agreement will provide the blueprint for our approach in establishing written agreements with other jurisdictions. Under the Florida model, 35 Florida law enforcement officials will be trained by the INS, at INS expense, in immigration law and will be certified, after passing a training examination, to enforce certain provisions of the INA. Florida officers will be under direct INS supervision and will only exercise their immigration authorities in the limited context of investigations involving national security.

INS STAFFING LEVELS AT THE NORTHERN BORDER

Question. I have been working on securing more staffing and resources for the Northern Border even since I was first elected to the U.S. Senate. I am grateful that this issue is finally getting the attention it deserves from the White House and Congress in the wake of the 9/11 attacks.

The Administration's proposed budget for fiscal year 2003 provides additional funding for new INS Border Patrol agents, more INS Inspectors, technology aimed at balancing security and the free flow of commercial traffic, and for improving existing facilities. The supplemental request also asks for additional funding for these purposes.

The USA PATRIOT ACT also authorizes the tripling of the Border Patrol, INS agents and inspectors in each Northern Border crossing. You mention your intent to fulfill the provisions of this Act in your prepared statement.

How many new Border Patrol Agent and Inspectors will you deploy on the Northern Border this year?

If we honor your fiscal year 2003 and Supplemental Appropriations requests, how many new INS Agents and Inspectors will that mean for the Northern Border?

Are you on track to fulfill the staffing increases for the Northern Border contained in the USA PATRIOT ACT?

Answer. Two hundred forty-five Border Patrol agents will be deployed to the northern border this year. One hundred forty-five of these are coming from the regular appropriations budget as an enhancement. One hundred of these are coming from the fiscal year 2002 counterterrorism supplemental budget. The fiscal year 2003 budget requests 570 agents, of which half would go to the northern border—a total of 285 agents. INS is on track to meet the mandate of the Patriot Act to triple the number of agents on the northern border.

INS will deploy to the Northern Border, 500 counterterrorism immigration inspector positions and 125 enhancement immigration inspector positions, from the fiscal year 2002 appropriation. The Border Patrol will deploy 245 agents to the Northern Border in fiscal year 2002, 145 from appropriations, and 100 from the Counter Terrorism supplemental.

The INS expects to hire more than 1,700 inspectors in total by the end of the year. The INS is also experiencing record losses this year and may lose as many as 800 to 900 inspectors to other agencies and occupations by the end of the fiscal year. The INS is actively recruiting and selecting candidates to fill existing and projected vacancies. The INS has an on-going open hiring period and is administering tests and oral board interviews continuously to keep sufficient numbers of applicants in the pre-appointment clearance process (medical/drug screening and background investigation) queue.

The Federal Law Enforcement Training Center is running at capacity. The Immigration Officer Academy is starting a new basic training class every week. To meet the hiring demands, training classes now are being held six days per week.

NORTHERN LAND BORDER AND COMMUTERS

Question. Improving technology and procedures at the Northern Border is a way we can enhance security and alleviate the congestion that is amassing at the Border. The NEXUS program is one such system that can achieve these two goals. This program establishes a dedicated commuter lane for low risk individuals. To use the system, an individual must preregister, undergo a background check, and be affirmatively identified as an approved user when crossing the border. The program has been running with great success at the Port Huron, Michigan crossings. It will next be implemented at the Blaine, Washington Crossings.

Are you still on schedule to implement NEXUS at Blaine at the end of May?

If not, when do you intend to have the system up and running? In the interim, are there any additional steps that can be taken to reduce the economically consequences of congestion while still maintaining a secure border?

Answer. The NEXUS program is currently scheduled for opening in June, 2002. In January 2002, a target date of late June was set for opening of the system. This date was refined to June 26, 2002 to fix the opening date of the enrollment center and the lane operations. The progress of the NEXUS project is monitored daily by INS Headquarters, Regional offices and through weekly reporting to INS Executive staff.

INS is currently operating at a heightened state of alert at all ports of entry. Despite intensified operations, the INS, in concert with the U.S. Customs Service and the National Guard, has drastically reduced the wait times at ports of entry while maintaining a heightened state of alert.

ARMING THE NATIONAL GUARD AT THE NORTHERN BORDER

Question. I have been very involved in the arming of the National Guard soldiers deployed along the Northern Border. To date we have made no progress on this issue. Today we have guardsmen deployed along the border who are unarmed and unprotected. This is creating a significant security issue for these soldiers and law enforcement officials. I am very concerned by the fact that this situation has not been corrected.

On February 24, I asked you if you support arming the National Guard deployed along the Northern Border. You indicated that, in your mind, they were there to support INS and Customs, but you did not know if they should be armed. You also indicated that you would try to get back to me with an answer. Two months later, you have yet to get back to me with an answer to that very important question. I do not know what your internal process is for responding to a Senator's request, but I would like an answer soon.

The Department of Defense is trying to get the parties involved to agree on a Memorandum of Agreement with the National Guard to allow the arming of certain guardsmen. Mr. Attorney General, I believe the Customs Commissioner has made a statement that he supports arming the guard.

Mr. Attorney General, do you support arming the National Guard deployed in this vital security role?

What can be done to finally resolve this issue in a timely manner?

Answer. The INS and the Department of Defense have entered into a Memorandum of Agreement (MOA) that would permit the arming of certain soldiers, after receiving training, along the Northern Border. The MOA was signed on June 7, 2002.

USER FEES

Question. Attorney General Ashcroft, recently the administration has sought and we have approved various new INS user fees. Last year, you asked a $3 fee be placed on marine operations between the United States and Canada, United States and Mexico, or the United States and the Caribbean. This fee is assessed on cruise ships, and, for the first time, it also includes international ferry service. You also asked for a $1 increase—from $6 to $7—on the INS fees assessed on passengers aboard international commercial flights who enter the United States. These increased fees where intended to expand the levels of staffing at our ports of entry, who are currently overworked.

Are those funds collected from user fees being used for their intended purposes, which is to increase staffing at our ports of entry?

Is your hiring and training schedule on track for these new agents?

These fee increases have a significant impact on the travel industry, by virtue of raising the price of travel. The Pacific Northwest has the largest passenger ferry system in the country, operates 75 percent of the nation's marine operations between Canada and the United States, has a cruise ship business that is growing at a rapid rate, and operates one of these most frequently used international airports in the world. These fees have a disproportionate impact on my state's economy. You have requested $35 million in the supplemental to fund your initiatives for air and seaport security through user fees.

Will you require further increases on maritime and aviation fees to recover the full $35 million?

Are you concerned what the impacts these fees could have on areas of the country like the Pacific Northwest that depend on international aviation and marine traveling industries?

Answer. All funds collected from airport user fees are used to support inspection activities at air ports-of-entry. This includes funding for new and existing staff, technology, and detention costs related to airport enforcement actions.

The INS is aggressively recruiting for the newly authorized positions provided in the fiscal year 2002 budget. Due to projected shortfalls in fee collections since September 11, 2001, 214 of the positions have not been funded at this time.

The INS hiring plan anticipates that selections for 202 of the 417 newly authorized positions will be made in this spring. We have the capability of selecting the remaining 215 if funding is provided through the supplemental. Background investigations and other necessary screening will be completed as soon as possible and the newly selected candidates will be scheduled for training. Inspectors should begin entry on duty upon completion of training in the early fall.

QUESTIONS SUBMITTED BY SENATOR MARY L. LANDRIEU

ARAB SPEAKING AGENTS OR TRANSLATORS

Question. One of the things we learned after 9/11 was that the FBI and probably other law enforcement agencies did not have enough, or any, Arabic speaking agents or translators. What steps have you and the Department taken to address this need? Will there be specific recruiting funding set aside for hiring Arabic-speakers for the FBI?

Answer. The FBI's critical need for additional translation support, particularly among Middle Eastern languages, received national attention following statements made by Director Mueller during a televised news conference on September 17, 2001. During this news conference, Director Mueller asked for assistance from United States citizens proficient in English and Arabic, Pashto, or Farsi, to assist in the investigation into the September 11 terrorist attacks.

Prior to the September 11 attacks, the FBI was processing a high number of linguist candidates to address escalating translation demands with a particular focus on those candidates with a proficiency in Middle Eastern languages. However, the FBI was only modestly successful with meeting this requirement, and approved for contract or hire 218 linguists in fiscal year 2001. Since September 17, 2001, the FBI has received more than 20,000 applications for its Contract Linguist positions. The FBI has been able to selectively screen and expedite the processing of these applications in order to best meet current and projected FBI needs.

The FBI expects to meet its current objectives in the priority languages over the next few months, and is still actively screening applicants in other languages. Recent funding enhancements, including $9.6 million for additional contract linguists ($5.6 million in fiscal year 2001 and $4 million in the fiscal year 2002 Emergency Supplemental) and 30 additional language specialist positions, have provided the

FBI with sufficient funding to accommodate this growth and will sustain the additional growth necessary to meet current and projected translation demands. The following table represents established hiring objectives, the number of linguist applicants in process, the number of linguists hired or contracted with since September 11, 2001, and expected hiring based on current applicant levels.

FISCAL YEAR 2002 FOREIGN LANGUAGE PROGRAM HIRING STATISTICS

Language	Hiring/Contracting Objectives for Fiscal Year 2002	Number of Applicants in Process	Number Contracted or Hired Since 09/11/2002	Projected Number of New Hires or Contractors
Arabic	150	380	52	150
Farsi	35	283	10	35
Pashto	6	26	4	7
Urdu	12	62	4	15
Other [1]	141	732	67	156
Totals	344	1,483	137	363

[1] Includes all other languages that traditionally support FBI criminal, counterintelligence, and counterterrorism investigations.

FIRST RESPONDERS

Question. The President's fiscal year 2003 budget proposes $3.5 billion to support the homeland security needs of first responders. I applaud the Administration's proposal. The Committee has heard from a wide range of local officials—police officers, firefighters, mayors, county supervisors—who have urged us to provide this funding directly to local agencies. I agree with them.

But these local officials also asked us to restore the funding for the COPS hiring program. The Administration's budget provides no funding for community policing for the COPS-in-Schools program and zero funding for the Universal Hiring Program.

What is the justification for those cuts? Do you believe that putting more police on the beat has no effect on fighting crime? Does the Department of Justice believe that local police do not have a role to play in homeland security?

Answer. In an attempt to realign and streamline all of the Department of Justice's state and local law enforcement grant programs, the Department is recommending the creation of a comprehensive state and local assistance grant program: Justice Assistance Grant Program (JAG). The Department has reprioritized and shifted funding to address counterterrorism efforts and as such, funding for state and local law enforcement has decreased in the Department's funding request. There is, however, an overall increase in the total Administration's budget request for fiscal year 2003.

Since 1995, the COPS Hiring program has received sufficient funding to support the hiring or redeployment of over 117,000 officers, 17 percent more than the previous Administration's goal. COPS has awarded grants supporting 114,000 officers to date, so there are more than 3,000 officer positions still to be funded by the end of the fiscal year.

QUESTIONS SUBMITTED BY SENATOR JACK REED

BACKGROUND CHECK INTEROPERABILITY WITH INS

Question. Mr. Attorney General, as you and I discussed at our CJS Subcommittee hearing earlier this year, an important component of our homeland security effort is keeping firearms out of the hands of terrorists and other criminals. Can you give us an update on your ongoing efforts to better coordinate the FBI's criminal background check systems with databases of the Immigration and Naturalization Service?

Answer. The Department of Justice has taken action to prevent prohibited aliens from purchasing guns in violation of federal law by improving the comprehensiveness of National Instant Criminal Background Check System (NICS) checks relative to data in INS databases.

On February 12, 2002, I requested that the Federal Bureau of Investigation (FBI) send all non-citizen firearm purchase requests to the Immigration and Naturalization Service (INS), Law Enforcement Support Center (LESC), to check against INS databases to ensure that prohibited persons, including prohibited aliens, do not re-

ceive firearms in violation of the law. All non-citizen checks are being delayed until INS systems are queried and the response is evaluated by the FBI. This process allows the FBI to inquire about a person's immigration status and whether the person is illegally or unlawfully in the United States. Further, the FBI has initiated an interim manual procedure, the Immigration Alien Query, to implement this improvement in the NICS process. The FBI expects this process to be fully automated in late fiscal year 2002.

Additionally, the FBI and INS are working to add more recent Deportable Alien Control System (DACS) data to the NICS Index. The NICS Index, which is automatically checked during all NICS transactions, includes a large number of individuals who are in the INS DACS database. Currently, the NICS Index includes DACS data from 1995 and earlier. The DACS includes information on aliens who are arrested, detained, subject to a removal order, or formally removed from the country.

UPGRADING STATE CRIMINAL HISTORY RECORDS TO IMPROVE BACKGROUND CHECKS

Question. In fiscal year 2002, Congress provided $35 million for the National Criminal History Improvement Program to help states upgrade and automate criminal history records so that these records can interface with databases holding information on other categories of individuals who are prohibited from purchasing firearms, for example, people who are subject to domestic violence restraining orders.

What progress are states making to upgrade and automate their criminal history records under this program? I understand that your fiscal year 2003 budget provides $60 million for this grant program. I welcome this proposed increase and I look forward to working with you to improve state and federal criminal history records so that no person prohibited by law from possessing a gun slips through the cracks in our system.

Answer. Initiated in fiscal year 1995, the National Criminal History Improvement Program's (NCHIP) goal is to ensure that accurate records are available for use in law enforcement, including sex offender registry requirements, and to permit states to identify ineligible firearm purchasers; persons ineligible to hold positions involving children, the elderly, or the disabled; and persons subject to protective orders or wanted, arrested, or convicted of stalking and/or domestic violence. NCHIP provides direct funding and technical assistance to the states to improve the quality, timeliness, and immediate accessibility of criminal history and related records. Funds and technical assistance are also provided to support the interface between states and the national record systems, including the FBI-operated National Instant Criminal Background Check System (NICS) established pursuant to the permanent provisions of the Brady Handgun Violence Prevention Act, the National Sex Offender Registry (NSOR), and the National Protection Order File, which facilitates compliance with federal full faith and credit requirements.

States have made good progress in automating their criminal history files. Since the inception of NCHIP, the number of criminal history records held nationwide grew 28 percent while the number of automated records grew 33 percent. Over the same years, the number of Interstate Identification Index (III) accessible records increased 60 percent.

Since 1995, NCHIP has provided support to states for—

—*Record improvement and interstate access.*—All states have received funds under NCHIP to upgrade the quality of criminal history record systems. Funds have been awarded for acquisition of advanced equipment, development of software, and conversion of manual records to an automated format, which permits instant access and linkage. Automated criminal records permit immediate access for law enforcement and other purposes such as background checks. To ensure compatibility, all record enhancements funded under NCHIP are required to conform to FBI standards for III participation, which is critical since it constitutes the primary system through which the FBI accesses state-held data for NICS checks. Over the period, the number of records available for sharing under the FBI's III climbed 60 percent, about twice the rate of increase for all records. Since 1993, the number of states participating in III grew from 26 to 43.

—*Automation of records and fingerprint data.*—Funds have been used by states to establish automated fingerprint identification systems (AFIS), and to purchase livescan equipment for state and local agencies. AFIS systems enable states to conduct automated searches for records based on fingerprint characteristics and to interface with the FBI's Integrated Automated Fingerprint Identification Systems (IAFIS). Currently, 36 states and three territories participate in IAFIS, which became operational in July 1999. In addition to ensuring that records are properly matched to the correct offender, AFIS minimizes the time

required for searching fingerprint databases, which facilitates matching of latent prints obtained at a crime scene. Livescan equipment permits law enforcement to take fingerprints without use of inkpads or other similar procedures and to transfer fingerprints to the state's AFIS for comparison and matching against state and FBI held prints. Almost all states have received NCHIP funds to use in connection with fingerprint automation systems.

—*National Instant Background Check System (NICS)*.—The NICS is now supporting over 8 million checks annually at the presale stage of firearms purchases. The NICS infrastructure, developed through NCHIP funding, seamlessly transitioned from the Interim Brady system of checks to the current permanent system. To ensure that checks are made against the most current and complete records, the NICS configuration encourages states to serve as a "Point of Contact" interfacing between firearm dealers and the FBI's national record system. From the inception of the Brady Act on March 1, 1994, to December 31, 2000, about 30 million applications for firearm transfers were subject to background checks. About 689,000, or about 2 percent of all applications, were rejected, primarily for the presence of a prior felony conviction history. State and local agencies maintain a significant role in background checks, conducting checks on almost half of the applications for firearm transfers or permits in 2000, while the FBI was responsible for the remainder. NCHIP funds have facilitated the integration of databases within states—the number of rejections for reasons other than felonies (misdemeanor domestic violence convictions, restraining orders, mental illness or disability, drug addiction, etc.) increased 250 percent from the beginning of the Brady Act to year-end 2000. Currently, all states participate in NICS, with 25 states serving as points of contact.

—*Sex offender registries*.—Beginning in 1998, awards were also provided under the NCHIP program to assist states in the development and enhancement of state sex offender registries capable of interfacing with the FBI's National Sex Offender Registry (NSOR). These funds have been used for purchase of equipment, training, and development of procedures required to ensure that released offenders are registered with proper authorities, and that state systems are capable of interfacing with the FBI's NSOR system. Timely collection, maintenance, and exchange of information on released sexual offenders is critical to supporting the effective operation of the FBI's national sex offender file. The FBI's permanent national sex offender registry became operational in July 1999. Thirty- eight states plus the District of Columbia and Guam have provided more than 197,000 records to the NSOR.

—*Domestic violence and protection orders*.—States have used NCHIP funds to initiate the flagging of criminal history records including convictions for domestic violence or the issuance of a protection order. There are now 41 states submitting data to the National Protection Order File, which became operational in May 1997 and includes nearly 669,000 records of protection orders.

The fiscal year 2003 President's budget request includes an increase of $25 million to NCHIP to focus on improved communication of dispositions and other case outcomes from courts and prosecutors to the repositories housing criminal history records. Nearly 30 percent of the 8 to 9 million checks conducted under NICS annually to screen firearm purchasers cannot be completed instantly and require additional research to establish the absence or presence of felony convictions when open arrests are apparent on the record. In addition, immediate access to protection orders on an interstate basis is vital for protection of victims of domestic violence. Improvement of the mechanisms for ensuring that court-based data are properly transferred to the criminal record will result in cost reductions related to background check research; greater accuracy in the conduct of background checks; and greater integration of record systems across the criminal justice system.

The BJS report summarizing the status of the NCHIP Program is available at http://www.ojp.usdoj.gov/bjs/pub/pdf/ichrbc.pdf, a statistical bulletin providing information on the operations of the background check program since 1994 is available at http://www.ojp.usdoj.gov/bjs/pub/pdf/bcft00.pdf, and a recent BJS publication which describes in detail the procedures and laws governing firearms checks in each state is available at http://www.ojp.usdoj.gov/bjs/pub/pdf/ssprfs01.pdf.

CRIME LABS

Question. Another important component of our homeland security effort is to improve forensic science capabilities in crime labs across the country that are, unfortunately, using outdated equipment and aging facilities, meaning that law enforcement cannot accurately and efficiently process criminal evidence. In 2000, Congress passed and the President signed the Paul Coverdell National Forensic Sciences Im-

provement Act, authorizing $512 million in federal grants to help state and local governments improve the physical infrastructure and equipment of forensic science laboratories.

In fiscal year 2002, Congress appropriated $5 million for the Coverdell forensic science grants to states. I understand that your fiscal year 2003 request did not include funding for this important program. Can you explain why you chose not to fund these grants and tell us how the Department plans to help improve criminal forensic science capabilities across the country? Do any of the existing Justice grant programs fund so-called "bricks and mortar" needs so that labs can upgrade their facilities?

Answer. Although the President's fiscal year 2003 budget does not request funding for the grant programs authorized by the Coverdell Act, it does request more than $80 million to continue OJP's initiatives in support of ongoing state and local crime laboratories, including:

—$35 million for the Crime Lab Improvement Program (CLIP), which provides grants to state and local forensic science agencies to improve the quality and timeliness of forensic science services offered by state and local laboratories. CLIP funds are available for improving all analytical and technological resources of public crime laboratories and increasing crime laboratory access to specialized forensic services.

—$40 million to address the backlog of convicted DNA and crime scene DNA samples that exist nationwide. The DNA data will then be added to the FBI Combined DNA Index System (CODIS) database, which provides information that helps to solve crimes and convict individuals who threaten the safety of our citizens.

—$5 million will be used from within the National Institute of Justice's base funds for DNA research and development.

The Coverdell Act authorizes appropriations for a formula grant program to improve the quality and timeliness of forensic science services offered by state and local laboratories and for reduction of the DNA backlog. Grant funds could be used for construction.

The Administration did not request funding for this program because states vary in their need for these types of assistance, and the formula-based structure limits the Department's ability to target funds as effectively as under the DNA Analysis Backlog Elimination Act. It should be noted that the $5 million in Coverdell funding was reallocated to increase DNA Backlog funding from $35 million to $40 million in fiscal year 2003.

None of the requested grant programs may be used for "bricks and mortar" construction of new crime lab facilities. Rather, the Department has targeted improved capacity and capability to allow existing labs to be able to process existing sample backlogs and solve cases, thereby making our communities safer. Construction is a significantly more expensive activity that may be addressed after the sample backlog is under control and lab capabilities and capacities are improved through training and new technologies. However, CLIP funds are available to fund renovations or expansions of lab areas or rooms in order to provide additional space for new equipment purchased under the program.

Further, there is no evidence that suggests that the forensics case backlog may be eliminated by constructing new labs. The key to reducing the case backlog is primarily related to technological innovations that increase productivity, not increases in the amount of physical plant. To raise but one example, if existing labs could modernize their equipment by adding new technology to the mass spectrometers used in analysis of controlled substances, which is the type of improvement funded under the current programs, they could double the number of controlled substances they examined on each machine, but actually decrease the manpower needed. (Testimony of D. Boyd before Senate Judiciary Committee, May 15, 2001) This would free up critical human resources, which are already in short supply, for other pressing lab work.

QUESTIONS SUBMITTED BY SENATOR BEN NIGHTHORSE CAMPBELL

MOCK TERRORISM DISASTERS

Question. The events of September 11th caught many of our "first responders," as it did the rest of us, by surprise. Some of the various agencies had difficulty communicating with each other in the confusion. Earlier this year, officials in Denver conducted a disaster training exercise to test the preparedness of the city's first responders. As I understand, this went well.

How many cities have held mock terror attacks and how many plan to in the future?

Will the Department of Justice provide funding for other cities to conduct mock disasters as well?

Answer. The Department of Justice, Office of Domestic Preparedness (ODP) Exercise and Evaluation Program assists State and local government agencies charged with crisis and consequence management in improving and sustaining their preparedness against the threat of terrorist use of weapons of mass destruction (WMD), which may include chemical, biological, radiological, nuclear, and/or explosive weapons. Experience and data show that performance-based exercises, referred to by some organizations as "mock terror attacks," are a practical and efficient way to prepare for crises. They test critical resistance, identify procedural difficulties, and provide a plan for corrective actions to improve crisis and consequence management response capabilities without the penalties that might be incurred in a real crisis. Exercises also provide a unique learning opportunity to synchronize and integrate cross-functional and intergovernmental crisis and consequence management response. ODP supports domestic preparedness exercises through the following programs:

The Nunn-Lugar-Domenici Domestic Preparedness Program (NLD DPP) provides training, exercises, and equipment support to enhance the capacity of State and local emergency responders and support agencies to prepare for and respond to terrorist incidents involving weapons of mass destruction. The NLD DPP provides support to the 120 largest cities in the United States. Under the NLD DPP, ODP supports the planning and conduct of three types of exercises: a chemical weapons table top, a biological weapons table top, and a chemical weapons full-scale exercise. The facilitated, multi-media tabletop exercises give local decision-makers and responders an opportunity to discuss interagency strategies for response to a chemical or biological terrorist event in their jurisdiction. The full-scale exercises enable local response agencies to test their plans and procedures in a real-time drill covering the first hours of response to a simulated chemical weapons incident. To date, ODP has completed 45 exercises: 29 biological weapons table top, 1 chemical weapons table top, and 15 chemical weapons full-scale exercises. An additional 10 biological weapons table top, 5 chemical weapons table top, and 24 chemical weapons full-scale exercises are scheduled through January 2004. At that time, all 120 largest cities will have been served by this program.

The State and Local Preparedness Exercise Program provides direct funding and technical assistance to state and local governments to support local and regional interagency exercise efforts. ODP provides policy, guidance, standards for scheduling, and uniformity in design, development, conduct and evaluation of domestic preparedness exercises and related activities. The Three-Year Domestic Preparedness State Strategies submitted to ODP by states, territories and the District of Columbia identify state and local requirements to design, develop, conduct and evaluate nearly 2,500 exercises. Their execution will be detailed in State Assistance Plans developed jointly by the states and ODP. In fiscal year 2001, ODP supported 50 state and local exercise requirements. Through the fiscal year 2002 State Domestic Preparedness Program, ODP will provide grant and contract support to state and local jurisdictions to conduct approximately 200 WMD exercises in fiscal year 2002. The remainder of the exercises will be supported in subsequent fiscal years.

The National Exercise Program began in May 2000, with the Top Officials (TOPOFF) 2000 exercise. This exercise, the largest federal, state and local exercise of its kind, demonstrated the ability of the participating federal, state and local departments and agencies to respond to a national scale WMD terrorism campaign with simultaneous chemical, biological and radiological attacks across the country. The disaster training exercise conducted earlier this year in Denver, supported by grant funds from FEMA, was based in part on lessons learned from the city, county and state's participation in the TOPOFF 2000 exercise. ODP is currently designing the second Congressionally-mandated TOPOFF exercise series, involving a series of eight preparatory WMD seminars and table top exercises, which will culminate in a national full-scale exercise in May 2003. This exercise will be the first to include international elements. The Department of Justice and the Department of State are co-chairing TOPOFF 2.

The ODP Exercise and Evaluation Program also supports National Security Special Events. ODP provided extensive assistance in the conduct of 43 preparedness exercises in support of host venues and departments and agencies charged with public safety and emergency services in support of the Salt Lake City Winter Olympics.

As you may know, the Administration's fiscal year 2003 budget proposes to transfer administration of these preparedness exercises and other ODP activities to the

Federal Emergency Management Agency, which will eventually form part of the recently-announced Department of Homeland Security.

DIVISION OF THE INS

Question. I have heard the Immigration and Naturalization Service called one of the worst run federal agencies in the government. I'm sure that many of my constituents might disagree, especially around tax time. But the events of September 11th really put the INS under the gun. It became apparent that changes needed to be made with all of the violations of student visas and other means of entry into the country that went overlooked.

The House of Representatives recently voted to divide the INS into two divisions: one for immigrant and visitor services and one for law enforcement. I'd like your comments on this and how it may prevent future incidents and the vast oversights that occurred.

Answer. The Administration feels strongly that the INS must be restructured in a manner which enhances agency's enforcement and services missions. In that regard, the Administration has submitted its Homeland Security proposal that would pursue INS' restructuring within that framework. The Administration looks forward to working closely with the Congress to develop a comprehensive Homeland Security plan which achieves these objectives.

QUESTIONS SUBMITTED TO JOE M. ALLBAUGH

QUESTIONS SUBMITTED BY CHAIRMAN ROBERT C. BYRD

Question. Mr. Allbaugh, the President's budget for FEMA includes $3.5 billion for the "First Responder Initiative." This new program would combine the Office of Domestic Preparedness from the Department of Justice and the Fire Grant Program from FEMA into a new block grant program for all first responders. The Office of National Preparedness at FEMA would administer the new program. Around this town, you often hear the comment, "if it's not broke, don't fix it." I can tell you that at the Homeland Security hearings that this Committee held last month, firefighters and representatives of firefighting organizations pleaded with us to continue the Fire Grant Program as it now stands. Representatives of the law enforcement community urged the Committee to retain the COPS and State and local law enforcement programs. On what basis do you propose to eliminate the Office of Domestic Preparedness at Justice and the Fire Grant program at FEMA? Why create a new program to replace programs that are effective and productive?

Answer. To clarify, the fiscal year 2003 Budget does not propose to eliminate the Office of Domestic Preparedness but rather transfer all of its programs, functions and activities to FEMA. FEMA will continue the preparedness activities at facilities currently funded by ODP, and will build upon and enhance those activities at a greater level.

There will be less chance of gaps with coordination provided by a single agency. The possibility of gaps is greater under the current stovepipe approach without the coordination necessary to eliminate confusion and duplication. In fact, numerous outside studies, commissions and organizations have recognized the problems inherent in having some forty Federal Departments and Agencies involved in the overall effort to build the national capability for preparedness and response to the consequences of terrorist incident.

With regard to the First Responder Initiative and the Assistance to Firefighters Grant Program, the two programs are fundamentally different. The Fire Grants are designed to provide basic assistance directly to local fire departments and the First Responder Program is designed to provide assistance to the local governments through the State for specialized terrorism/WMD training and equipment. For this reason FEMA is concerned about the proposed combination of the two programs. The Assistance to Firefighters Grant Program is currently underway. FEMA will be distributing the entire $360 million fiscal year 2002 appropriation by the end of this calendar year. The Assistance to Firefighters Grant Program includes firefighting gear and equipment, personal protective clothing, firefighting vehicles, etc. The First Responder Program is far more specialized than the basic fire grant program. The First Responder Program will help to increase the level of preparedness for our first responders above and beyond their basic day-to-day responsibilities. While it is true that there is some overlap on certain protective equipment and training due to recent changes in the Fire Grant statute, this will be the exception rather than the rule.

Question. The President's budget included just one line of authorizing language to create a new $3.5 billion program, which involves the re-organization of two federal agencies. No authorizing committees have approved this proposal. The Administration is asking the Appropriations Committee to approve a new $3.5 billion program, and re-organize two Departments without any legislative authorization.

Mr. Allbaugh, why hasn't the Administration submitted any authorizing language, beyond the one line in the Budget?

The Administration's budget provides no guidance as to how funding for the First Responder Initiative will be distributed. Do you intend to have FEMA decide how to distribute the funds? Shouldn't the authorizing committees make that decision?

The President's proposal expresses the goal of having the majority of funding passed through to local governments. Numerous witnesses at our homeland defense hearings stressed the need to get First Responder dollars to the local level where the work gets done. How can the Congress be sure that the States will actually pass the funding through to local governments?

Answer. FEMA believes it has existing authority to administer the First Responder Initiative. FEMA derives this authority from its primary disaster relief and assistance statute, the Robert T. Stafford Disaster Relief and Emergency Assistance Act (the Stafford Act or the Act), 42 U.S.C. §§ 5121–5206.

Title VI of the Stafford Act sets forth FEMA's core mission with respect to emergency preparedness and ties this mission to State and local entities to ensure effective and efficient coordination of a comprehensive emergency preparedness system. Section 601 of the Act (42 U.S.C. § 5195) provides:

> The purpose of this title is to provide a system of emergency preparedness for the protection of life and property in the United States from hazards and to vest responsibility for emergency preparedness jointly in the Federal Government and the States and their political subdivisions. The Congress recognizes that the organizational structure established jointly by the Federal Government and the States and their political subdivisions for emergency preparedness purposes can be effectively utilized to provide relief and assistance to people in areas of the United States struck by a hazard. The Federal government shall provide necessary direction, coordination, and guidance, and shall provide necessary assistance, as authorized in this subchapter so that a comprehensive emergency preparedness system exists for all hazards.

Perhaps historically FEMA is better known for responding to hurricanes, tornadoes, and other natural disasters. However, FEMA's all-hazards mission also includes responsibility for preparedness and response to terrorist or other man-made events as well. In section 602 of the Act (42 U.S.C. § 5195a), the term "Hazard" is defined as "an emergency or disaster resulting from (A) a natural disaster; or (B) an accidental or man-caused event."

Grant making or other financial assistance authority is found in a number of sections of the Stafford Act, including the following:

—Section 201(d) (42 U.S.C. § 5131(d)) authorizes the award of grants "not to exceed 50 per centum of the cost of improving, maintaining and updating State disaster assistance plans."

—Section 611(j) (42 U.S.C. § 5196(j)) authorizes the FEMA Director to "make financial contributions, on the basis of programs or projects approved by the Director, to the States for emergency preparedness purposes, including the procurement, construction, leasing, or renovating of materials and facilities."

—Section 613 (42 U.S.C. § 5196b) provides that "to further assist in carrying out the purposes of this title, the Director may make financial contributions to the States (including interstate emergency preparedness authorities established pursuant to Section 611(h)) for necessary and essential State and local emergency preparedness personnel and administrative expenses, on the basis of approved plans (which shall be consistent with the Federal emergency response plans for emergency preparedness) for the emergency preparedness of the States."

However, if Congress believes that additional language is needed to further clarify FEMA's existing authority to undertake these missions, we would be pleased to work with you as we continue to move forward.

One of the primary reasons for locating the new consolidated program within FEMA is the agency's strong record for quickly distributing emergency planning and assistance grants. FEMA has extensive experience providing direct assistance to local governments through its disaster assistance programs and its Fire Grant program. In the case of the Fire Grant program, FEMA established the new program and distributed $100 million in competitive grants in less than one year. Because

First Responder grants will be allocated to states according to a formula, FEMA will be able to disburse these funds quickly and without difficulty. FEMA intends to monitor closely that the funds are awarded based on risk and need and that mutual aid agreements are in place as a prerequisite to funding.

The Administration expects that FEMA will begin operating the First Responder program immediately following the passage of FEMA's 2003 appropriations bill. FEMA intends to award grants to the States shortly after receiving the appropriation from Congress. FEMA will establish performance for States to make funding available to local governments.

The grants will be given to and through State Governors, which provides a basis of accountability well grounded in the Constitution, Executive Orders on federalism, and the electoral process. Each State has completed a self-assessment of capabilities for terrorism preparedness and response. These capability assessments, along with other assessments conducted by FEMA and the Department of Justice, will provide a comprehensive picture of each State's current strengths and shortcomings in key emergency management functions. When States apply for assistance funds under the First Responder Initiative, they will be required to submit a State Administration Plan that will delineate how they will expend funds for planning, training, exercises, and equipment to decrease the vulnerabilities and enhance the strengths identified in the capability assessments.

As each State implements its preparedness programs and expends funds received via this Initiative, the State will be required to demonstrate improved capabilities in key emergency management functions via an evaluation process. For example, the National Emergency Management Association (NEMA) currently is pilot-testing an evaluation program called the Emergency Management Accreditation Program (EMAP). This program involves sending a team of NEMA-trained evaluators into a State to assess the applicant's emergency management programs and teams against common performance standards. Successful completion of this evaluation process results in accreditation of the State. NEMA anticipates being ready to evaluate and accredit States in 2002, and localities in 2003. FEMA will work closely with NEMA and other stakeholders in the emergency management community to adapt and implement an evaluation process along EMAP lines, which will provide results-oriented measurement of each applicant's key emergency management capabilities. Successive evaluations will provide the Office of Homeland Security and FEMA with a basis to gauge progress and ensure accountability of results.

In addition, FEMA intends to update and revise the Capability Assessment for Readiness to ensure it is consistent with revised national emergency management standards that include all facets of Consequence Management, specifically response to a WMD/Terrorist incident. This will become an important evaluation tool in helping to measure capabilities of State and local response community, and will help complement and support future funding priorities.

Program performance reports will be required quarterly, or according to other terms that will be set in FEMA's annual guidance to applicants. Annual audits will be conducted. Program evaluations will be conducted at least annually to assess performance against planning goals, objectives, and targets.

Question. By all accounts, FEMA has done a good job of administering the Fire Grant Program. FEMA publishes its regulations, receives applications, and awards grants all within one year. If Congress were to approve the First Responder Initiative, FEMA would have to begin a formal rule-making process before making any grants to the States. A formal rule-making procedure could take anywhere from several months to a year, thereby delaying the release of funds to first responders. Mr. Allbaugh, why should we ask first responders to wait additional months for a regulatory process to be completed before they can get any funds when they can get their funding now through existing programs, such as the firefighters grant program?

Answer. We agree that our nation's first responders should not have to wait for these funds. FEMA will expedite the process to the greatest extent possible to ensure funds are distributed quickly. We are working closely with Governors ahead of time to identify any potential problems with the quick disbursal of funding. We hope these actions will help to avoid a lengthy process. FEMA will condense the application process by electronic means. It is the intent of the program, with the cooperation of the Governors, that the assistance will reach the local level within 30 days after the State receives its award from FEMA.

Question. Under the fire grant program, over 50 percent of the funds go to rural areas. The elimination of this program eliminates this guarantee for our rural areas. Mr. Allbaugh, under the "First Responder Initiative," will rural areas get the same level of funding for fire equipment as they do now under the fire grant program? If a State has a large urban or suburban population, will rural areas in that State receive the funding they need to do their job?

Answer. FEMA is concerned about the proposed combination of the two programs. They are fundamentally different in that the Assistance to Firefighters Grant Program is designed to provide basic assistance directly to fire departments, specifically rural departments, and the First Responder Program is designed to provide assistance to the local governments through the state for specialized WMD training and equipment. The Assistance to Firefighters Grant Program is currently underway and includes firefighting gear and equipment, personal protective clothing, firefighting vehicles, etc. The First Responder Program is not designed to provide basic firefighting needs but instead is designed to provide WMD equipment and training. The First Responder Program is far more specialized than the basic fire grant program. This program will help to increase the level of preparedness for our first responders above and beyond their basic day-to-day responsibilities. While it is true that there is some overlap on certain protective equipment and training due to recent changes in the Fire Grant statute, this will be the exception rather than the rule.

States will assess their overall emergency management requirements throughout the State, including rural areas. As a condition of receiving these grants, States will submit their own plans, receive plans from local jurisdictions, and allocate funding based on locally driven needs identified through various assessments.

QUESTIONS SUBMITTED BY SENATOR PATTY MURRAY

Question. I think that FEMA will play a vital role in today's Homeland security mission. Today FEMA has the lead role in post disaster mitigation. However it remains to be seen how this agency will operate in the expanded Homeland security mission. In 2001 the U.S. Commission on National Security Co-Chaired by Gary Hart and Warren Rudman found that "the United States is very poorly organized to design and implement any comprehensive strategy to protect the homeland." The commission went on to recommend the development of a National Strategy and create a National Homeland Security Agency (NHSA). This organization would plan, coordinate, and integrate various governmental activities regarding homeland security. The Office of Homeland Security comes close to this conceptual entity, however it falls short in its ability to truly coordinate activities due to the lack of budget authority. One current fiscal year 2003 budget proposal is that FEMA would coordinate the First Responder Grant Initiative. This initiative has great merits, however I am concerned how this and other initiatives are coordinated at the National level. These initiatives should have a clear linkage to a National Strategy that coordinates efforts across the implementing agencies. I hope we are moving in that direction, however I am concerned that we have completed all of the necessary steps to ensure success. To finalize our actions it would seem logical that the Office of Homeland Security would exercise budget authority to implement such a grand endeavor. Unfortunately, that critical step of establishing such an organization, as recommended by the Hart-Rudman Commission, has yet to be fully implemented.

(1) I have read through the First Responder Initiative, I completely agree that the funding of state and local first responders is a critical step towards securing our country. Do you feel that this effort has been fully coordinated at the National Level?

(2) I want to make sure we do not buy systems that do not interface. After we have spent this considerable sum of money we do not want to find out that the systems in Washington State will not work with systems in Oregon, or Idaho. How will you ensure that the funds will go towards the right types of equipment and training necessary to successfully execute this initiative?

(3) Previous programs have had difficulties in the past spending the money, and when spent, ensuring the right items and training packages were purchased. This will be the ultimate test for this initiative, can you tell me how you will ensure success?

Answer. (1) FEMA believes the First Responder Initiative has been fully coordinated at the national level. Currently, the following agencies have detailed individuals to the ONP: Department of Health and Human Services (HHS); U.S. Army Corps of Engineers; the Environmental Protection Agency; and the U.S. Coast Guard. We are expecting to add detailees from the Department of Justice, the Department of Energy, as well as additional support from HHS. We expect the number of liaisons to grow significantly and have proposed reassignment of the military support liaison office function from the Readiness, Response and Recovery Division to ONP.

(2) Each State has completed a self-assessment of capabilities for terrorism preparedness and response. These capability assessments, along with other assess-

ments conducted by FEMA and the Department of Justice, will provide a comprehensive picture of each State's current strengths and shortcomings in key emergency management functions.

When States apply for assistance funds under the First Responder Initiative, they will be required to submit a State Administration Plan that will delineate how they will expend funds for planning, training, exercises, and equipment to decrease the vulnerabilities and enhance the strengths identified in the capability assessments. It is the intent of the program that the assistance will reach the local level within thirty days after the State receives its award from FEMA. States will follow their own laws and procedures when awarding and administering subgrants of financial assistance to localities and Tribal governments.

Any investment in communications equipment will be based on the State's analysis and their plan for communications purchase or upgrade.

(3) It is our belief that coordinated planning is essential in order to provide the basis for the most effective and efficient use of first responder grant funds requested in fiscal year 2003. FEMA is requesting $175,000,000 in fiscal year 2002 supplemental funding to enable the recipient States to plan and gear up for effective implementation of the First Responder Initiative in fiscal year 2003. These funds will provide comprehensive planning assistance to State and local governments to conduct strategic statewide planning and to develop and improve State and local all-hazard emergency operations plans that include response to a terrorism event. This coordinated planning at the State and local level is essential to meet urgent needs identified by the States for improving their planning initiatives of State and local emergency management and first responder organizations to effectively use the resources requested in fiscal year 2003 and thereby build and enhance the nation's capability to respond to the imminent threat or actual occurrence of a terrorist attack.

It is our belief that objective, comprehensive, and coordinated planning by the States is critical in order to provide the basis for the most effective and efficient use of first responder grant funds requested in fiscal year 2003. With the planning money requested, States, with assistance from FEMA, will shore up the deficiencies in their emergency operations plans. We will also require that the plans include management and performance measures to ensure timely and appropriate distribution of funds.

FEMA plans to develop a prototype strategic plan for States, which incorporates best practices and will result in measurable performance standards.

QUESTIONS SUBMITTED BY SENATOR MARY L. LANDRIEU

Question. This is a very important issue for the people of the State of Louisiana. I understand that part of your plan for FEMA flood insurance reform is to phase out premium subsidies for certain types of policies. I believe this would affect almost 20,000 policies in Louisiana, and would raise the average premiums for these citizens by more than $1,000. I understand that there are pressing budgetary reasons behind this change, however, if I have to explain to my constituents why they now have to pay an additional $1,000 a year in flood insurance premiums, I'm going to need a lot more specific information. Can you provide me with some details about this plan—how it was devised, why this particular approach was chosen, what the phase-in period is, and just how much money it will save?

Answer. Pre-Flood Insurance Rate Map (FIRM) subsidized policyholders are currently charged premiums that are on average somewhere between 35 percent to 40 percent of their true full-risk premium. FEMA believes that it has identified a subset of these policyholders for which the continuation of this subsidy, after 30 years of implementation, is difficult to continue justifying. This subset includes structures that are not the primary residence of the owner. This subset includes second homes, vacation homes, rental properties, and non-residential properties. It does not include the contents-only policies of renters where the rental unit is their primary residence. Under this proposal, those individuals would still be charged Pre-FIRM subsidized premiums.

Pre-FIRM subsidized policies insure structures that were built prior to the existence of a Flood Insurance Rate Map for their community, and were probably built without the full knowledge of the true flood risk. It was the original intent of the Congress that Pre-FIRM structures would not be charged full-risk premium rates in the early years of the Program, as an incentive for communities to participate in the NFIP and adopt and enforce minimal floodplain management measures, including building safety standards aimed at providing safer new construction in flood hazard areas. It was anticipated that this stock of older higher-risk Pre-FIRM (i.e.,

structures built before the issuance of the FIRM) would dwindle and be replaced by newer construction that was built to conform to current building standards. For a variety of reasons, this has happened at a much slower rate than was expected at the NFIP's inception. As a result, a significant portion (about 30 percent) of our current business consists of older Pre-FIRM structures, that pay subsidized rates.

FEMA estimates that currently for the NFIP, that expected annual losses from all subsidized policies exceed revenue by about $800 million. It is further estimated that this proposal, would affect only this subset of subsidized policies and would reduce that shortfall by $200 million, or almost 25 percent. Subsidized policyholders currently pay an average of about $650, increasing to an average of between $1,600 and $1,800 per year.

As required by the 1994 National Flood Insurance Reform Act, a study was commissioned of the potential economic effects of eliminating the subsidy. That study was performed by Price Waterhouse/Coopers and was released in 2000. Although it demonstrates that the immediate elimination of the subsidy would have severe adverse affects on affected policyholders, those effects would be significantly lessened, if the subsidy were to be phased out over a series of years.

The current proposal calls for a five-year phase-out of subsidized premiums for structures that are other than principal residences. Premiums will increase about 20 percent a year during this phase-out.

Question. I am concerned about the provision increasing premiums to pay for coastal erosion. It is my understanding that premiums will be increased for individuals whose property has a high risk of erosion. There is a great deal of coastal erosion in my state, and it is certainly not caused by the people who purchase flood insurance policies. How do you justify making the property owners pay to offset these costs?

Answer. The 1994 National Flood Insurance Reform Act called for a study of the erosion risk. The H. John Heinz III Center for Science, Economics and the Environment performed this study and released their results in 2000. Among the conclusions was that over the next sixty years, the existing NFIP policyholder base would be subject to an annual average of an additional $80 million of insured damages from the increased risk of flooding due to coastal erosion. The study made two recommendations: (1) "Congress should instruct the Federal Emergency Management Agency to develop erosion hazard maps that display the locations and extent of coastal areas subject to erosion. The erosion maps should be made widely available in both print and electronic formats." and (2) "Congress should require the Federal Emergency Management Agency to include the cost of expected erosion losses when setting flood insurance rates along the coast. Both of these recommendations are addressed by the erosion rate proposal that is part of FEMA's fiscal year 2003 budget proposal.

Each year coastal erosion will expose existing structures to an ever-increasing amount of damage from flooding. This will occur whether or not FEMA maps the erosion risk and includes the cost of the risk associated with coastal erosion, in its rates. This proposal will enable FEMA to identify and more equitably charge those structures that are most at risk.

In those coastal areas where erosion is a problem, structures are placed at a significantly greater risk from flooding both in terms of frequency and severity. As their expected average annual losses increase, it raises the question as to the source of the funds needed to pay for these increased losses. The question is who should shoulder the financial burden of these increased losses?

Should it be: the general taxpaying public, through FEMA's ability to tap its borrowing authority after these losses occur, or a broad portion of current NFIP policyholders through an across-the-board increase in their premiums, or the owners of those structures that are most at risk?

FEMA believes that the most equitable approach to those property owners outside coastal erosion-prone areas, whose property is not exposed to this risk, is to pass on the cost of the coastal erosion risk to the owners of those property that are subject to this risk. This will also allow those owners to understand the full nature and costs related to that risk.

Without this change, FEMA is concerned that the cost of the erosion risk will potentially be masked so that owners acquiring new property or rebuilding in the wake of a flood event do not have adequate knowledge to make good location and mitigation decisions ahead of time.

FEMA also recognizes that there must be a balance in how risk zones are delineated so that the premium structure is equitable and promotes good decisions, but does not result in unnecessarily onerous premium charges. It is anticipated that any related premium increases would be phased in over a ten year period and that there very well should be restrictions made for new verses existing construction.

FEMA fully intends to work with these local communities in developing effective mitigation efforts to help these individuals.

Regarding the potential impact of this proposal for Louisiana, it would appear that there would be a very limited number of policyholders who would be affected. The very nature of the coastline in Louisiana is such that very little of it is shoreline that would meet NFIP criteria for mapping as to identify areas subject to coastal erosion. As such, only those policyholders whose property was located in those limited areas would be impacted by this proposal.

Question. I understand that all of the details for distribution of the $3.5 billion in grants to first responders have not yet been worked out, however, I do have some concerns. One of the issues that I have raised in the past is that less affluent areas often cannot take advantage of Federal funds because they cannot meet Federal match requirements—even small local matches. For instance, places like Miami, New Orleans, or Atlanta, may not be as able as other cities around the country to come up with a match. If you could, I would appreciate it if you could elaborate just a bit on how you think this program will be structured; what the local match funding will be, if there are matches; will there be a process in place to assist areas that may not be as able to meet the match; and, if so, what you envision this process as being?

Answer. FEMA has held several listening sessions and briefings with our state, local and tribal partners, to understand their concerns and receive their recommendations on how the First Responder Grants should be administered. As a result, we are aware of some of the concerns you have raised and will continue to work toward addressing them as this proposal moves forward. For instance, FEMA requested $175 million in the pending Emergency Supplemental specifically to ensure that States and localities have the resources necessary to begin planning for receiving the grants. This money would be distributed without a match requirement.

The First Responder Grant program will be run through, and coordinated by the States. In fiscal year 2003, States may be allowed to keep up to 25 percent of the funds, with at least 75 percent distributed to local jurisdictions. As a condition of receiving these grants, States will submit their own plans, receive plans from local jurisdictions, and allocate funding based on locally driven needs identified through various assessments. By promoting and insisting upon a strong State and local partnership in developing these plans, FEMA hopes to be able to identify and address any of the types of concerns you have raised.

QUESTIONS SUBMITTED BY SENATOR JACK REED

Question. I understand that your fiscal year 2002 supplemental request includes funds to help states and localities plan for the monies they would receive under the President's proposed $3.5 billion first responder initiative in fiscal year 2003. My state of Rhode Island, like many states, has completed a statewide emergency management strategy in coordination with the Department of Justice's Office of Domestic Preparedness (ODP).

Since the President proposes to move ODP's functions from the Justice Department to FEMA, how would the extensive planning work that has been done under the auspices of ODP be incorporated into the FEMA planning process?

Would there be new regulations?

Are there currently instances where some state emergency management agencies deal with the Justice Department while others work with FEMA? In other words, would the President's "one-stop shop" proposal require states to reorganize their emergency management structure?

Please describe the planning activities that will be required of local governments to be prepared for the President's first responder initiative.

Answer. The planning that has been conducted by the States utilizing the Office for Domestic Preparedness (ODP) funds were used to conduct a needs assessment and develop a three-year Statewide domestic preparedness strategy. While the plans provided to DOJ by the States provide a starting point to develop an objective, comprehensive, coordinated emergency operations plan that includes the possibility of a terrorist or WMD event, we do not believe that they are adequate to use as the basis for the first responder grants.

It is our belief that objective, comprehensive, and coordinated planning by the States is critical in order to provide the basis for the most effective and efficient use of first responder grant funds requested in fiscal year 2003. Work done under the ODP program by States will be enhanced. With the planning money requested, States, with assistance from FEMA, will shore up the deficiencies in their emergency operations plans. We will also require that the plans include management and

performance measures to ensure timely and appropriate distribution of funds. FEMA will issue guidance to help States submit their grant application and will do all it can to ensure an expedited process.

I can think of no instances where a State does not have an established relationship with FEMA. FEMA, through its Regional offices, has established an excellent working relationship with every State and territory emergency management agency. However, some States do not designate emergency management agencies as the State Administrating Agency under the Justice Department grant program.

FEMA does not envision that States would need to reorganize their emergency management structure. We believe that the President's "one-stop shop" plan answers the call of numerous Commissions, Reports, States and localities for better coordination and less duplication in the Federal terrorism grant process. FEMA expects to unify and simplify a fragmented system through such a consolidation.

Under the First Responder Initiative, FEMA expects States to upgrade their emergency plans to make them comprehensive, address all-hazards, reflect mutual aid agreements, facilitate communication interoperability protocols, and establish a common command and control system to facilitate effective cross-jurisdictional mutual aid support.

QUESTIONS SUBMITTED BY SENATOR BEN NIGHTHORSE CAMPBELL

Question. We recently had a Homeland Security hearing where this committee talked to members of fire and police departments and their representative organizations. We heard straight from the horse's mouth about their need for funding for equipment and training in order to respond to any type of worst-case scenario. And they all said that they need the funding quickly. There is often a tug-of-war between the states and localities, which would each like to have the funding channeled through their governments. Could you shed some light as to how much of the funding that we will give you will pass through states to localities and how much will be given in direct grants to the localities? What criteria will you use to determine which funding goes through the state and which goes through the locality? Will there be a formula to determine how much each state and locality will receive?

Answer. The First Responder Initiative for fiscal year 2003 will be a formula grant given directly to the Governors. Although a definitive formula has not yet been developed, conceptually, each State will be guaranteed a minimum block of funding with additional monies being determined by such criteria as population. As a condition of receiving these grants, States will submit their own plans, receive plans from local jurisdictions and allocate funding based on locally driven needs identified through assessments done by FEMA, the Department of Justice, and the Department of Health and Human Services. States may be allowed to keep up to 25 percent of the funds, with at least 75 percent distributed to local jurisdictions. It is the intent of the program that the assistance will reach the local level within 30 days after the State receives its award. The funding will have a matching requirement, and in-kind matches will be allowable.

Question. Emergency Medical Technicians and Physicians (FEMA)—Over the last recess, I was back in my state holding town meetings as did most of my colleagues. During these meetings, I heard that while funding is reaching the police and fire departments, very little funding has reached the emergency medical technicians (EMT), paramedics, and physicians. Have you directly engaged the EMT and paramedic and other members of the medical community in discussions as to their needs for training and equipment?

Answer. FEMA hosted a listening session on April 10–11, 2002, and included representatives from law enforcement, fire service, the emergency medical services communities, as well as State and local emergency management leaders. As a result of this listening session and meetings with other stakeholders, their recommendations will be used to develop a process to ensure expeditious delivery of funds and to ensure that funding will not duplicate other federal programs.

Most of the grant funding provided to the Department of Health and Human Services for bioterrorism preparedness and response is more specialized than the proposed FEMA First Responder Initiative grant program. For example, proposed HHS grant funding will support: Medical surveillance systems to link the public health and emergency response networks; improvements in state public health lab capacity; incentives for hospitals to cooperate with each other and enhance their levels of preparedness for mass casualty events; and curriculum developments to better prepare medical professionals for bioterrorism.

FEMA's First Responder Initiative will be broken down into four essential categories:

—Planning: to support state and local governments in developing comprehensive plans to prepare for and respond to a terrorist attack;
—Training: to train firefighters, police officers, and emergency medical technicians to respond and operate in a chemical or biological environment;
—Equipment: to allow state and local first responder agencies to purchase a wide range of equipment needed to respond effectively to a terrorist attack; and
—Exercises: to support a coordinated, regular exercise program to improve response capabilities, practice mutual aid, and assess operational improvements and deficiencies.

COMMITTEE RECESS

Senator DEWINE. Again, I thank you both. The committee stands in recess, subject to the call of the chair.

[Whereupon, at 4:30 p.m., Thursday, May 2, the committee was recessed, to reconvene at 2:30 p.m., Tuesday, May 7.]

HOMELAND SECURITY AND THE FISCAL YEAR 2002 SUPPLEMENTAL APPROPRIATIONS BILL

TUESDAY, MAY 7, 2002

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

The committee met at 2:32 p.m., in room SD–192, Dirksen Senate Office Building, Hon. Robert C. Byrd (chairman) presiding.

Present: Senators Byrd, Inouye, Hollings, Leahy, Murray, Dorgan, Feinstein, Johnson, Stevens, Cochran, Specter, Domenici, Bond, Burns, Shelby, Gregg, Bennett, Hutchison, and DeWine.

STATEMENT OF HON. DONALD H. RUMSFELD, SECRETARY OF DEFENSE, DEPARTMENT OF DEFENSE

ACCOMPANIED BY:

DR. DOV ZAKHEIM, COMPTROLLER

DR. STEPHEN CAMBONE, PRINCIPAL DEPUTY UNDER SECRETARY OF DEFENSE FOR POLICY

OPENING STATEMENT OF CHAIRMAN ROBERT C. BYRD

Chairman BYRD. The committee will come to order. The Appropriations Committee has a heavy responsibility to carry as we craft the supplemental appropriations bill and later the fiscal year 2003 defense appropriations bill. With the men and women of our Armed Forces engaged in extended military actions overseas, there will be added pressure to approve a Defense Department budget quickly, and there is already pressure from the executive branch, but this committee needs answers before acting. We need a better understanding of ultimate goals. We need more specifics about the plans and the objectives, and we need a better explanation as to the duration and scope of various missions.

We also need more information on how the funding that Congress has already approved has been spent. There are many questions surrounding the scope of our military efforts in Afghanistan, in the Philippines, in Colombia, and in Iraq. This committee should not endorse a blank check for military operations that are yet to be determined. We will hope to make sound judgments based on the information that we are given.

Our Nation's effort to combat terrorism is a multifaceted challenge. We must be realistic about what is achievable. I have great confidence in our military. I have great confidence in Secretary Rumsfeld. I have great confidence in Secretary of State Powell, but I also understand that this Nation, in the name of a global war on terrorism, can very easily be led down a path paved with good in-

tentions, only to see that path lead into a tangled web where missions are unclear, lives are lost needlessly, and the American people are left in the dark.

Former President Theodore Roosevelt understood the need for clarity and understanding. He also understood that the needs of the military must be balanced reasonably with other needs of the Nation. We Americans, he said, have many grave problems to solve, many threatening evils to fight, and many deeds to do, if, as we hope and believe, we have the wisdom, the strength, and the courage and the virtue to do them, but we must face the facts as they are. We must neither surrender ourselves to foolish optimism nor succumb to a timid and ignoble pessimism.

This committee will not surrender to foolish optimism. We will try to keep our feet planted firmly on the ground. We will work to craft a responsible spending plan for the Defense Department. We must not shortchange the men and the women of our Armed Services. At the same time, we must not shortchange the many other priorities that are before this committee. We must remain skeptical of any military plan that lacks specific goals, objectives, and benchmarks for success.

This committee looks forward to hearing from Secretary of Defense Donald Rumsfeld, who has had a steady hand on the helm of our global efforts to fight terrorism since the awful events of September 11. We also look forward this afternoon to the testimony of former Senator Sam Nunn and to his seasoned and always well-reasoned views on our national and international goals and objectives. We welcome the insights and viewpoints of both men.

There are many important issues before this committee today, issues that likely will shape the debate of Congress over the course of the next months, if not longer. It is my hope that we will examine these issues in a true spirit of bipartisanship and cooperation, remembering that our efforts are better served by thorough examination before the court of the American people who we serve.

I now turn to Senator Stevens for any remarks he may wish to make. Senator Stevens is not only the ranking member of the full committee, he is also, of course, the ranking member of the Subcommittee on Appropriations for Defense. Following Senator Stevens and Senator Inouye, we will hear from Secretary Rumsfeld, who will proceed to read his statement in its entirety, if he wishes, or summarize it, if he so chooses. Should he choose to summarize his prepared remarks, without objection, the entire statement will be in the record as though read.

When the chair turns, then, to the subcommittee chairman, the subcommittee chairman will have 10 minutes, as again will Senator Stevens, if he so chooses to take time as the ranking member of that subcommittee, and all other Senators will be limited to 5 minutes each.

Senator Stevens.

Senator STEVENS. Could I yield to the chairman of the subcommittee, Senator Inouye.

Chairman BYRD. Yes. I was just yielding to the ranking member of the full committee. Senator Inouye.

STATEMENT OF SENATOR DANIEL K. INOUYE

Senator INOUYE. Thank you very much. Mr. Secretary, it is good to see you again. In this supplemental that you are submitting, you are requesting $14 billion to support the global war on terrorism. According to the papers, it is in addition to the $17 billion Congress has already provided your Department. The amount you are seeking today includes $7 billion to support combat operations, $4 billion to pay reservists called up to support this war, nearly $1½ billion to support command, control, communications, and intelligence, $500 million to replace expended ordnance, and another billion for other miscellaneous activities.

The committee fully understands your activities are a key element of homeland defense. Every member of Congress supports your efforts in your fight against terrorism. We all marvel at the terrific work being done by our men and women in uniform, and we all agree there is nothing we will not do to support them, therefore we look forward to hearing your views today on the need and justification for this additional funding to support your efforts. I thank you very much.

Thank you, Mr. Chairman.

Chairman BYRD. Senator Stevens.

STATEMENT OF SENATOR TED STEVENS

Senator STEVENS. Thank you, Mr. Chairman. I thank you very much for inviting the Secretary to join us today. He is one of the significant voices we should listen to as we review not only homeland security matters but also the supplemental, and I commend you on the job that Dr. Zakheim is doing, Mr. Secretary.

We were pleased to join you on the trip to San Guantanamo. Since then, Senator Inouye and I have been out in the field in Afghanistan, Uzbekistan, Pakistan, Indonesia, the Philippines, and we are certain that our forces that are in the field have what they need to prosecute, pursue their duties now. We are reviewing the concept of how much should be involved in homeland defense, and I do think we have got to mention the selfless commitment of the men and women of the National Guard and Reserves, and the difference they have made in responding to the crisis of September 11. They stepped in to fill the breach, and now we have to determine how much role they will play in the future, how to get the right law enforcement agencies to execute their mission without reliance on the military for day-to-day activities in the future. I note with interest that the National Guard has announced they are withdrawing from the airports in Alaska this week.

We thank you for appearing before us. Senator Inouye has spoken for our subcommittee in terms of the supplemental. I do hope that we will learn your role in the homeland security matters. There is an overlap there. I think that is one of our jobs, is to determine where the military responsibility ends and homeland security measures and command begin, and the recent reorganization of the Continental Command I think has a lot to do with this overall problem.

So again, Mr. Chairman, thank you very much for the hearings. I look forward to the comments of my colleagues and to the questioning we will have following that.

Chairman BYRD. Thank you, Senator Stevens.

ADDITIONAL SUBMITTED STATEMENT

Senator Tim Johnson asked that he be allowed to submit a statement for the record, and it will be placed in the record at this point.

[The statement follows:]

PREPARED STATEMENT OF SENATOR TIM JOHNSON

Mr. Chairman, I would like to thank you and Senator Stevens for calling today's hearing on Homeland Security and the fiscal year 2002 Supplemental Appropriations bill. Your continued dedication and leadership on the important issue of defending the American people from the threat of future terrorist attacks should be commended. In my opinion, this series of hearings is critical to ensuring Congress wisely invests our homeland security budgetary resources.

Today, we are joined by two distinguished witnesses. Secretary of Defense Donald Rumsfeld has been at the center of our fight against global terrorism. I appreciate his willingness to come before the Appropriations Committee to share with us his thoughts on the war on terrorism and to talk about the Department of Defense's fiscal year 2002 Supplemental Appropriations request.

We are also joined by former Senator Sam Nunn. During his time in the Senate, Senator Nunn was widely recognized as an expert on defense policy and has remained actively engaged in foreign policy and national security issues. I look forward to hearing his testimony and having the benefit of his expertise.

I believe the reaction of the American people to the September 11 tragedy was nothing short of remarkable. Despite the unthinkable devastation and uncertainty that followed the attack, there was no panic. Instead, the American people were resolute in their determination to honor those who had died, to rebuild from the destruction, and to track down those responsible for terrorism, wherever they may be hiding.

I believe one of the reasons the American people reacted with such determination was the confidence we all have in the men and women serving in the Armed Forces. Each time we have called on them to defend our nation and our values, they have responded. While Operation Enduring Freedom is far from over, the actions of our servicemembers have made all Americans proud.

I am especially proud of the contributions the military men and women from South Dakota have made to the war on terrorism. They are serving in every branch of the military throughout the world. I am thankful for their sacrifices and for the sacrifices of their families. In particular, I would like to note the members of the South Dakota Air National Guard who have been flying CAP missions over New York City and Washington, D.C. since the September 11 attacks and the men and women from Ellsworth Air Force Base whose work has played a major role in the success of Operation Enduring Freedom.

Secretary Rumsfeld, as you know, Ellsworth Air Force Base is home to the B–1 bomber's 28th Bomb Wing. The B–1 has played a central role in Operation Enduring Freedom. In fact, this has been the most significant combat role in the B–1's history, and its performance has been exemplary. To highlight this, the B–1 has delivered 40 percent of all munitions dropped over Afghanistan since October. This compares with 29 percent for the B–52 and just 1 percent for the B–2. Additionally, because dust storms and other weather impedes laser guided weapons, the weapon of choice has generally been the satellite guided Joint Direct Attack Munitions (JDAM), and the B–1 has delivered more of these weapons than all other aircraft combined. The combination of the B–1's large weapon load, new tactics, and great accuracy were critical to our ability to quickly free Afghanistan from the Taliban and al Qaeda forces.

The Air Force has recently informed me that certain wing components are wearing out faster than anticipated and that additional money above the President's fiscal year 2003 budget request will be needed to ensure the future safety of the B–1 fleet. The funding will go towards the repair of a pivot bearing that allows the B–1 to pull its wings forward or sweep them back to fly at varying speeds and land on runways of different lengths. This is normal wear and tear, but I believe we

should address the problem now, so as not to risk the safety of our Air Force personnel with a mechanical issue that can be remedied in the short term. I intend to work with Senators Inouye and Stevens, the Chairman and Ranking Member of the Defense Appropriations Subcommittee, to address this problem. I look forward to hearing Secretary Rumsfeld's thoughts on this issue and his general impressions of the role the B–1 has played during Operation Enduring Freedom.

Mr. Chairman, the fiscal year 2002 Supplemental request includes approximately $14 billion for the Department of Defense. This money will fund the ongoing operations associated with the war on terrorism, replace depleted reserves of equipment and munitions, improve command, control, communications, and intelligence capabilities, and pay reserve and guard personnel who have been called to active duty.

To maintain the best-equipped and best-trained military in the world requires a significant financial investment. If approved, the addition of the $14 billion in this supplemental request will raise total defense spending in fiscal year 2002 to over $360 billion. I intend to work with the members of the Appropriations Committee to carefully consider this request so that we ensure we are providing the men and women of our Armed Forces the equipment and resources needed to defend our nation.

Once again, I am pleased both Secretary Rumsfeld and Senator Nunn are appearing before the full Committee this afternoon to share with us their thoughts about homeland security and the war on terrorism. I thank both of them for their service to our nation, and look forward to hearing their testimony.

Chairman BYRD. Mr. Secretary, would you please proceed.

OPENING COMMENTS

Secretary RUMSFELD. Mr. Chairman, Senator Stevens, I have asked Dr. Dov Zakheim, who is the Comptroller of the Department of Defense, to join me. He has been intimately involved in the details of the supplemental and the budget, and I have also asked Dr. Stephen Cambone, who is Principal Deputy Under Secretary of the Department of Defense for Policy——

Chairman BYRD. Mr. Secretary, could you turn your microphone on?

Secretary RUMSFELD. How is that, better?

Chairman BYRD. Yes.

Secretary RUMSFELD. I have asked Dr. Steve Cambone to join me, also the Principal Under Secretary of the Department of Defense for Policy, who has been involved in both the organization of the Department with respect to homeland security, and also the unified command plan, which is the document which will stand up the Northern Command later this year, so I appreciate this opportunity to meet with you on the subject of the Department of Defense, and the important subject of homeland defense.

HISTORICAL CONTEXT

While September 11 was a call for the military to do more with regard to homeland defense, defending the United States, of course, has been the number 1 priority of the U.S. military since the founding of the Republic. In fact, providing for the common defense was so basic an obligation of Government that the Founding Fathers saw fit to place in the Constitution, the very words providing for the common defense.

For most of our history, our security has benefitted from excellent geography, two vast oceans, two friendly countries to the north and the south, and with the exception of the Soviet Union during the Cold War, no nation has had the power to destroy our cities or our way of life, but on September 11, our Nation awoke to new dangers. We suffered the first attack on the United States territory

since World War II, and the first attack on our capital by a foreign aggressor since the war of 1812. Today, Americans well understand that the security of the United States is our top defense priority.

In the early days our Nation, the Army and the Navy provided for the Nation's defense with internal forts, fixed harbor defenses, and occasional naval cruisers abroad. Since the end of the 19th century, however, U.S. military forces have focused their efforts on engaging enemies abroad. For more than 50 years, defending the Nation has entailed the permanent basing and deployment of U.S. forces around the world to deter and defend against attacks on our country, on our forces, on our friends, and on our allies.

During the Cold War, it was clear that physical distance from an adversary, the Soviet Union, no longer assured that we would be safe at home. Accordingly, we developed the forces necessary to deter a Soviet attack. NORAD was created to serve as an early warning system for aerospace attack, including ballistic missiles. Because of the determination of the West, the Cold War ended without an attack on our people or our territory. Today, the brave men and women waging the war against terrorism in Afghanistan and in other locations around the world are America's first and most important line of defense against homeland attack. By going directly to the source and seeking to root out terrorists and their networks where they are, they prevent and help to deter terrorist attacks before they occur.

APPROACHES TO DEFENDING AMERICA

September 11 taught us, to our regret, that our people and our territory is still vulnerable to attack, but it is a vulnerability that is different from that of the Cold War. To be sure, we remain vulnerable to missile attack, which is why we are working to develop and deploy defenses against the most likely forms of ballistic and cruise missile attack, but the significant difference today is that we are vulnerable not only to external attack, but to hostile forces among us, who enter our country easily, who remain anonymous, and who use the freedom America affords to plan and execute their violent deeds. It is this vulnerability that has prompted the President to take the following approach to defend the Nation.

PROSECUTION OF WAR ON TERRORISM

First, prosecution of the war on terrorism abroad. The President understands that a terrorist can attack at any time at any place, using any conceivable technique. He also understands that it is physically impossible to defend against every conceivable threat in every place at every time. To successfully defend against terrorism and other 21st century threats requires that we take the war to the enemy, and our task is to put pressure on terrorists wherever they are, in Afghanistan, across the globe, to ensure that they have no safe haven, no sanctuary. That is why the President has marshalled all of the Nation's capabilities, political, economic, financial, law enforcement, military, intelligence, to attack and destroy and put pressure on terrorist organizations with global reach and those who harbor them.

Those organizations threaten the United States, our interests, and our allies, and while these organizations are operative in the

United States, their headquarters and the majority of their people and resources are abroad.

OFFICE OF HOMELAND SECURITY

Second, the President established the Office of Homeland Security to coordinate the efforts of Federal, State, and local agencies, to provide for security here at home. Both efforts are crucial, and the role of the Department of Defense differs in important ways. With respect to the war abroad, U.S. military forces, at the direction of the President, are charged with engaging terrorist forces and the Governments or other entities that harbor them. In this effort, the Department works closely with other Government agencies, including the Department of State, Treasury, Justice, and the international community. In military operations, the Department of Defense takes the lead with other Departments and agencies working in support of our efforts.

SUPPORTING SECURITY EFFORTS AT HOME

With regard to supporting the effort to improve security here at home, there are three circumstances under which the Department of Defense would be involved in activity within the United States. First, under extraordinary circumstances that require the Department to execute its traditional military mission. In these circumstances, DOD would take the lead. Combat air patrols and maritime defense operations are examples of such missions. As with military missions abroad, DOD has the lead role in the conduct of traditional military missions in defense of the people and the territory of our country. In these instances, DOD is supported by other Federal agencies. Plans for such contingencies, to the extent possible, would be coordinated as appropriate with the National Security Council and with the Homeland Security Council.

As an example, in the case of combat air patrols, the FAA, a civilian agency, provides data to assist the efforts to Air Force fighter pilots and the Guard and Reserve in identifying and, if necessary, intercepting suspicious or hostile aircraft. Also included in the category of extraordinary circumstances are cases in which the President, exercising his constitutional authority as Commander in Chief and Chief Executive authorizes military action. This inherent constitutional authority may be used only in cases such as terrorist attack where normal measures are insufficient to carry out Federal functions.

Second, in emergency circumstances of a catastrophic nature. For example, responding to an attack, or assisting in response to forest fires or floods, hurricanes, tornadoes, and so forth. In these instances, the Department of Defense may be asked to act quickly to provide or to supply capabilities that other agencies simply do not have.

Third, missions or assignments that are limited in scope, where other agencies have the lead from the outset. An example of this would be security at a special event like the Olympics, where we literally had more men and women in uniform in the State of Utah for the Salt Lake City Olympics than we had in Afghanistan at the same time.

Another example is assisting other Federal agencies in developing capabilities to detect chemical and biological threat. The first of those three categories, extraordinary circumstances when DOD conducts military missions to defend the people or territory of the United States at the direction of the President, falls under the heading of homeland defense. In these cases, the Department is prepared to take the lead.

HOMELAND SECURITY SUPPORT

The second and third categories, which are really emergency or temporary circumstances in which other Federal agencies take the lead and DOD lends support, are appropriately described as homeland security. In these cases, Governor Ridge, as the President's Advisor for Homeland Security, coordinates the planning among civilian Federal agencies, as well as State and local agencies. DOD is represented in these deliberations of the Homeland Security Council. DOD is prepared to support the plans that are developed in that process.

In the event of multiple requests for the Department of Defense assets, whether domestic or international, the President would be the one to make the allocation decisions using the coordinating mechanisms of the National Security Council and the Homeland Security Council.

To take another example, in the case of an incident that might exceed the capacity of a State or local authority to address such an attack—for example, employing chemical weapons—the Federal response plan assigns to FEMA responsibility for coordinating and directing the activities of Federal agencies. Under this plan, resources of the Department of Defense could be made available to support these activities. This could include the deployment of soldiers to control crowds or assist in evacuation, the provision of transportation or medical facilities and supplies or communications equipment.

In sum, the Department of Defense really has two roles to play in providing for the security of the American people where they live and work. The first is to provide forces to conduct those traditional military missions under extraordinary circumstances such as the defense of the Nation's air space or its maritime approaches. The second is to support the broader efforts of the Federal domestic Departments and agencies and, indeed, the State and local government, as coordinated by and in cooperation with the Office of Homeland Security under emergency conditions for special purposes.

ROLE OF THE NATIONAL GUARD

Before turning to the steps the Department has taken since September 11, I would like to discuss the role of the National Guard briefly. The National Guard can support homeland security in several ways, first, in State service, under the direction of the Governors. For example, on September 11 the National Guard in New York and New Jersey and Connecticut responded to the attacks on the World Trade Center Towers.

Second, in State service, but performing duties of Federal interest, the so-called title 32 status. This is primarily designed to com-

pensate Guardsmen for Federal training, but most recently it was used also to support patrols in over 400 airports across the country.

Third, in Federal service, the so-called title 10 status. For example, when the National Guard is mobilized to serve under the direction of the President or the Secretary of Defense.

These arrangements have worked well in the past. The challenge today is to translate them into our new security environment. There are many proposals for doing so, and we will work with the Congress, the National Guard Bureau, the Governors, and the Office of Homeland Security to make certain that we have an approach that meets the Nation's needs.

DOD ACTIONS SINCE SEPTEMBER 11

Having said that, let me be more specific about what the Department of Defense has been doing since September 11 with regard to homeland security and defense. Recognizing that these complex missions demand a comprehensive and coordinated approach, the Department has taken a number of steps. The first step has to do with the budget. For fiscal year 2002, $14 billion in supplemental DOD funds has been requested, and an increase in $48 billion in defense spending has been requested for fiscal year 2003. Both are essential for continuing the prosecution of the war on terrorism.

That $48 billion represents the largest increase in generation. However, the war on terrorism is the greatest challenge this Nation has faced, indeed, the greatest challenge the world has faced in a generation.

Even as we fight today's war on terrorism we must prepare for the wars of the future by modernizing our forces for the wars they may have to fight still later in this decade, and by transforming our forces for the wars they may have to fight in 2010 and beyond.

Nothing is more important than our Nation's security. On that, we all agree. But, if true, nothing can be more important than passing the defense budget, and so if I may digress, I would like to take this opportunity to urge that you take up the defense budget first, not last, to give our fighting forces the tools they need to do the job, to help us better plan for the war in which we are and must remain committed, and to help us transform the force so we are prepared for the wars of the future.

NEW COMMAND PLAN

Second, the unified command plan makes a number of important changes to the military command structure around the world. Indeed, it is described by the chairman of the Joint Chiefs of Staff, Dick Myers, as the most important set of changes in his military career. The President has approved a major revision of the command plan. Of interest today is that it will establish a combatant command for homeland defense, U.S. Northern Command, or what will undoubtedly be called NORTHCOM. NORTHCOM will be devoted to defending the people and territory of the United States against external threats, and to coordinating the provision of U.S. military forces to support civil authorities.

In addition, NORTHCOM will be responsible for certain aspects of security, cooperation, and coordination with Canada and with Mexico. It will also help DOD coordinate its military support to

Federal, State, and local Governments in the event of natural or other disasters. Peterson Air Force Base in Colorado is the site that the Department has selected as the preferred location for the new NORTHCOM headquarters.

DOD OFFICE OF HOMELAND DEFENSE

Third, DOD has established its own interim Office of Homeland Defense, and intends to establish by summer a permanent office within the Office of the Secretary of Defense to ensure internal coordination of DOD policy direction, to provide guidance for Northern Command for its military activities in support of homeland defense, and support to civil authority, and third, to provide for coordination with the Office of Homeland Security and other Government agencies.

Fourth, in addition to establishing an internal Office of Homeland Defense and the Northern Command, the Department is conducting a study on the DOD role in homeland defense as directed by the 2002 National Defense Authorization Act. The law calls for a comprehensive plan on the organization of the Office of Secretary of Defense that addresses the most beneficial organizational structures for combatting terrorism, defending the U.S. homeland, and securing intelligence. We expect the study to be completed this summer.

Where we go in the future will be informed not only by the result of that study, but also by a rigorous examination of the evolving threat environment, our success in the global war on terrorism, and the evolving national homeland security strategy. The Department has and will continue to coordinate its plans for supporting lead Federal agencies with the Office of Homeland Security, just as we do on the other side of the house with the National Security Council.

CLOSING

In announcing the creation of a Cabinet-rank position to coordinate the Nation's homeland security effort, President Bush said that a comprehensive national strategy to safeguard America against attack and respond to any that might occur is essential. The Department of Defense supports that effort through its assistance to civil authorities and to the Homeland Security Council.

PREPARED STATEMENT

But the President also said that the only way to defeat terrorism as a threat to our way of life is to stop it, to eliminate it, and to destroy it where it grows, and after just returning from visiting with our troops in Afghanistan and the surrounding countries, I can assure you that the men and women in uniform are prepared to accomplish that mission.

Thank you very much, Mr. Chairman.

[The statement follows:]

PREPARED STATEMENT OF DONALD H. RUMSFELD

Mr. Chairman and Members of the Committee: Thank you. I appreciate the opportunity to meet with you on the subject of the Department of Defense and Homeland Defense.

While September 11th was a call for the military to do more with regard to homeland defense, defending the United States has been the number one priority of the U.S. military since the founding of the Republic.

In fact, "providing for the common defense" was so basic an obligation of government that the Founding Fathers saw fit to place it in the Preamble to the Constitution.

For most of our history, our security has benefited from excellent geography—two vast oceans and friendly neighbors to the north and south. With the exception of the Soviet Union, no nation has had the power to destroy our cities or our way of life. But on September 11th our nation awoke to new dangers. We suffered the first attack on U.S. territory since World War II, and the first attack on our capital by a foreign aggressor since the war of 1812. Today, Americans well understand that the security of the United States is our top defense priority.

In the early days of our nation, the Army and the Navy provided for the Nation's defense with internal forts, fixed harbor defenses, and occasional naval cruises abroad. Since the end of the 19th century, however, U.S. military forces have focused their efforts on engaging enemies abroad.

For more than 50 years, defending the nation has entailed the permanent basing and deployment of U.S. forces around the world to deter and defend against attacks on our country, our forces, our friends, and our allies.

During the Cold War it was clear that physical distance from our adversary, the Soviet Union, no longer assured that we would be safe at home. Accordingly, we developed the forces necessary to deter a Soviet attack. NORAD was created to serve as an early warning system for aerospace attack, including ballistic missiles. Because of the determination of the West, the Cold War ended without an attack on our people or our territory.

Today, the brave men and women waging the war against terrorism in Afghanistan and other places around the world are America's first and most important line of defense against homeland attack. By going directly to the source and rooting out terrorists and their networks where they are, they prevent and help to deter terrorist attacks before they occur.

September 11th taught us, to our regret, that our people and our territory are still vulnerable to attack.

But it is a vulnerability different from that of the Cold War. To be sure, we remain vulnerable to missile attack. That is why we are working to develop and deploy defenses against the most likely forms of ballistic and cruise missile attacks.

But the significant difference today is that we are vulnerable not only to external attack, but to hostile forces among us, who enter our country easily, who remain anonymous, and who use the freedom America affords to plan and execute their violent deeds.

It is this vulnerability that has prompted the President to take the following approach to defending the nation.

First, prosecution of the war on terrorism abroad.

The President understands that terrorists can attack at any time, in any location, using every conceivable technique. He also understands that it is physically not possible to defend against every conceivable threat, in every place, at every time. To successfully defend against terrorism, and other 21st century threats, requires that we take the war to the enemy. Our task is to put pressure on the terrorists wherever they are, in Afghanistan and across the globe, to ensure that they have no safe haven, no sanctuary, anywhere in the world.

That is why the President has marshaled all of the Nation's capabilities—political, economic, financial, law enforcement, military and intelligence—to attack, destroy and put pressure on terrorist organizations with global reach, and those who harbor them. Those organizations threaten the United States, our interests, or our allies. And while these organizations have operatives inside the United States, their headquarters, and the majority of their people and resources, are abroad.

Second, the President established the Office of Homeland Security to coordinate the efforts of federal, State and local agencies to provide for security here at home.

Both efforts are crucial, and the role of the Defense Department in each differs in important ways.

With respect to the war abroad, U.S. military forces, at the direction of the President, are charged with engaging terrorist forces and the governments or other entities that harbor them.

In this effort, the Department works closely with other government agencies, including the Departments of State, Treasury and Justice, and the intelligence community. In military operations, the Department of Defense takes the lead, with other Departments and agencies working in support of our efforts.

With regard to supporting the effort to improve security at home, there are three circumstances under which the Department of Defense would be involved in activity within the United States.

First, under extraordinary circumstances that require the DOD to execute its traditional military missions. In these circumstances, DOD would take the lead. An example of these missions are combat air patrols and maritime defense operations.

As with military missions abroad, DOD has the lead role in the conduct of traditional military missions in defense of the people and territory of the country.

In these instances, DOD is supported by other Federal agencies. For example, in the case of combat air patrols, the FAA provides data to assist the efforts of Air Force fighter pilots in identifying and, if necessary, intercepting suspicious or hostile aircraft.

Also included in the category of extraordinary circumstances are cases in which the President, exercising his Constitutional authority as Commander-in-Chief and Chief Executive, authorizes military action. This inherent Constitutional authority may be used only in cases, such as a terrorist attack, where normal measures are insufficient to carry out Federal functions.

Second, in emergency circumstances of a catastrophic nature, for example responding to an attack, or assisting in response to forest fires, floods, hurricanes, tornadoes and so forth. In these instances, the Department may be asked to act quickly to provide or to supply capabilities other agencies do not have.

Third, missions or assignments that are limited in scope where other agencies have the lead from the outset. An example of this would be security at a special event like the Olympics. Another example is assisting other Federal agencies in developing capabilities to detect chemical/biological threats.

The first category—extraordinary circumstances—when DOD conducts military missions to defend the people or territory of the United States at the direction of the President, falls under the heading of homeland defense. In these cases, the Department is prepared to take the lead.

The second and third categories—emergency or temporary circumstances—in which other federal agencies take the lead and DOD lends support, are appropriately described as homeland security. In these cases, Governor Ridge, as the President's advisor for homeland security, coordinates the planning among civilian federal agencies, as well as State and local agencies. DOD is represented in the deliberations of the Homeland Security Council. DOD is prepared to support the plans developed in that process. In the event of multiple requests for DOD assets, domestic and international, the President would be the one to make the allocation decisions, using the coordinating mechanisms of the National Security Council and the Homeland Security Council.

To take another example, in the case of an incident that might exceed the capacity of State or local authorities to address such as an attack employing chemical weapons, the Federal Response Plan assigns to FEMA responsibility for coordinating and directing the activities of federal agencies.

Under this plan, resources of the Department of Defense could be made available to support these activities. This could include the deployment of soldiers to control crowds or assist in evacuation, the provision of transportation or medical facilities and supplies, or communications gear.

In sum, the Department of Defense has two roles to play in providing for the security of the American people where they live, work and play.

The first is to provide forces to conduct traditional military missions under extraordinary circumstances, such as the defense of the nation's airspace or its maritime approaches.

The second is to support the broader efforts of the federal domestic departments and agencies and the state and local governments—as coordinated by and in cooperation with the Office of Homeland Security—under emergency conditions or for specific purposes.

Before turning to the steps the Department has taken since September 11th, I would like to discuss the role of the National Guard.

The National Guard can support homeland security in several ways:

First, in state service, under the direction of Governors. For example, on September 11th, the National Guard in New York, New Jersey and Connecticut responded to the attack on the World Trade Center.

Second, in state service, but performing duties of federal interest—the so-called Title 32 status. This is primarily designed to compensate Guardsmen for federal training, but most recently it was also used to support patrols in over 400 airports.

Third, in federal service—the so-called Title 10 status. For example, when the National Guard is mobilized to serve under the direction of the President or the Secretary of Defense.

These arrangements have worked well in the past. The challenge today is to translate them into our new security environment. There are many proposals for doing so. We will work with the Congress, the National Guard Bureau, Governors and the Office of Homeland Security to make certain that we have an approach that meets the Nation's needs.

Having said that, let me be more specific about what DOD has been doing since September 11 with regard to homeland defense.

Recognizing that these complex missions demand a comprehensive and coordinated approach, the Department has taken a number of steps.

The first step has to do with the budget. For fiscal year 2002, $14 billion in supplemental DOD funds has been requested, and an increase of $48 billion in defense spending has been requested for fiscal year 2003. Both are essential for continuing the prosecution of the war on terrorism.

That $48 billion represents the largest increase in a generation. However, the war on terrorism is the greatest challenge this nation has faced—indeed, the greatest challenge the world has faced—in a generation.

Even as we fight today's war on terrorism, we must prepare for the wars of the future—by modernizing our forces for the wars they may have to fight later in this decade, and by transforming our forces for the wars they may have to fight in 2010 and beyond.

Dr. Zakheim, Comptroller of the Department, is here to discuss the details of our budget.

Nothing is more important than our nation's security. On that we all agree. But if true, nothing can be more important than passing the defense budget, and so—if I may digress—I would like to take this opportunity to urge that you to take up the defense budget first, not last—to give our fighting forces the tools they need to do the job; to help us plan for the war to which we are—and must remain—committed; and to help us transform the force so we are prepared for the wars of the future.

Second, the Unified Command Plan makes a number of important changes to the military command structure around the world. The President has approved a major revision to the Unified Command Plan. Of interest today is that it will establish a combatant command for homeland defense, the U.S. Northern Command or NORTHCOM.

NORTHCOM will be devoted to defending the people and territory of United States against external threats and to coordinating the provision of U.S. military forces to support civil authorities. In addition, NORTHCOM will be responsible for certain aspects of security cooperation and coordination with Canada and Mexico. It will also help DOD coordinate its military support to federal, state and local governments in the event of natural or other disasters.

Peterson Air Force Base in Colorado is the site the Department has selected as the "preferred" location for NORTHCOM headquarters.

Third, DOD has established its own interim Office of Homeland Defense and intends to establish, by summer, a permanent office within the Office of the Secretary of Defense, to: ensure internal coordination of DOD policy direction; provide guidance to Northern Command for military activities in support of homeland defense, and support to civil authorities; and provide for coordination with the Office of Homeland Security and other government agencies.

Fourth, in addition to establishing an internal office of Homeland Defense and the Northern Command, the Department is conducting a study on the DOD role in homeland defense, as directed by the 2002 National Defense Authorization Act.

The law calls for a comprehensive plan on the organization of the Office of the Secretary of Defense that addresses the "most beneficial organizational structures" for combating terrorism, defending the U.S. homeland, and securing intelligence.

We expect the study to be completed this summer.

Where we go in the future will be informed not only by the results of that study, but also by a rigorous examination of the evolving threat environment, our success in the global war on terrorism, and the evolving National Homeland Security Strategy.

The Department has, and will continue to, coordinate its plans for supporting lead federal agencies with the Office of Homeland Security.

In announcing the creation of a Cabinet-rank position to coordinate the Nation's homeland security efforts, President Bush said that a comprehensive national strategy to safeguard America against attack, and respond to any that might occur, is essential.

The Department of Defense supports that effort through its assistance to civil authorities and the Office of Homeland Security.

But the President also said that "the only way to defeat terrorism as a threat to our way of life is to stop it, eliminate it, and destroy it where it grows."

And, after just returning returned from visiting with our troops in Afghanistan and the surrounding countries, I can assure you that the men and women in uniform are also prepared to accomplish that mission.

Thank you, Mr. Chairman.

Chairman BYRD. Thank you, Mr. Secretary. Thank you for your appearance before this committee, and we certainly want to thank you for any light you may be able to shed on the need for the appropriations requested. We would also be happy if the Director of the Office of Homeland Security would also appear before this committee and make a contribution to our effort.

I have a few questions here before I turn to Senator Inouye.

ACCOUNTING FOR APPROPRIATED FUNDS

Of the $14 billion you are requesting for the Defense Department in the supplemental appropriations bill, more than $11 billion is earmarked for a central account called the defense emergency response fund for loosely defined purposes to support the global war on terrorism. We all support the fight against terrorism, but the Defense Department has a terrible record—and we have discussed this before, you and I have.

Secretary RUMSFELD. We have indeed.

Chairman BYRD. A terrible record of managing similar contingency funds, those for Kosovo, Bosnia, and Southwest Asia. The General Accounting Office has reported that a portion of those contingency funds had been used in the past for repairing facilities here in the United States that were never used in a contingency, to pay for golf course memberships overseas, to pay for sightseeing tours, to pay for the purchase of cappuccino machines, and to pay for ceremonial chinaware.

The funding for the war on terrorism is too important to be wasted. Now, $11 billion is a lot of money. It is more than we can contemplate, coming from a rural State like Mississippi or West Virginia, and I know you are personally opposing this kind of waste. However, under the funding mechanism that is proposed, how can you assure this committee that any supplemental appropriations provided in the defense emergency response fund will be used only for the costs of the war, and not for unrelated or frivolous items?

Secretary RUMSFELD. Mr. Chairman, you are, of course, correct, we have talked about this before, and what has happened in the time that I have been in the Department is, besides bringing Dr. Zakheim in as the Comptroller, he has undertaken a major, truly significant effort to try to deal directly with the issues that you have raised about not so much the management of DOD funds, but the tracking and ability to connect specific accounts with the expenditures of specific dollars, and I would be happy to have Dr. Zakheim give a brief update on the progress in that effort. It is not a cheap effort. It is an expensive effort, I am afraid, but it is something that you and I both agree needs to be done urgently.

Would you like to comment, Dov?

Chairman BYRD. Very well. Dr. Zakheim.

Dr. ZAKHEIM. Yes, Mr. Chairman. First of all, on the emergency response fund itself, that actually is a vehicle that allows us to have much more visibility into the way the moneys are being spent

in connection with the war and, indeed, it actually makes it a little more difficult to push all the paper, but the intent was to work more closely with OMB in order to have the kind of scrutiny over the funds that you are talking about.

More generally, Mr. Chairman, I have been working with the General Accounting Office, with the Office of Management and Budget, to completely overhaul the way we manage our financial reporting system and, in fact, we have just let a major contract for developing a new, what is called an architecture that will allow us to deal with the hundreds upon hundreds of systems that all are supposed to talk to one another and frequently do not do so. We are on a strict timetable, and we would be happy to report to you in detail at your convenience.

Chairman BYRD. I think it is well for us from time to time if I can read the Constitution. In the Constitution we are told in section 9, Article I, no money shall be drawn from the Treasury but in consequence of appropriations made by law, and a regular statement and account of the receipts and expenditures of all public money shall be published from time to time.

So the Constitution requires accountability in the expenditures of these sums, and in the past, defense officials have been given the flexibility to use the funds where they appear to be needed most, but accountability suffers. Accountability suffers, as the funds do not go through the traditional appropriations accounts for procurement of items, or for specific operations, or maintenance activities.

So I wonder what kind of strings we might be able to write into the appropriations bills that will give to the elected representatives of the people in the legislative branch the wherewithal that they may be assured that accountability is being given to the expenditure of the taxpayer's money.

REPORTS ON WAR-RELATED EXPENDITURES

Secretary RUMSFELD. Mr. Chairman, I am advised that we have an arrangement with the Office of Management and Budget whereby we are currently providing them with, I believe, monthly reports that are related to war-related expenditures. These reports are also coming up to the Hill, although I honestly do not know where they are going on Capitol Hill—apparently the staffs. Of which committees, do you know?

Dr. ZAKHEIM. This one.

Secretary RUMSFELD. This committee is being briefed not on a monthly basis, I would think.

Dr. ZAKHEIM. Pretty much.

Secretary RUMSFELD. Pretty much?

In any event, I am not sure that the reports we are talking about will go directly to your question, but we have, in fact, been supplying on a monthly basis the war-related expenses.

Chairman BYRD. Well, anyway, I just feel that we ought to be ever vigilant. This request for $11 billion is a tremendous amount of money, and I think Congress ought to have better strings attached than simply to put this money into a fund and allow the Defense Department to disburse it without further ado, virtually.

Congress has provided the Defense Department $17.4 billion to date to support the war on terrorism. The Department has in-

formed us that it will run out of money to prosecute the war by the end of May, but I have been informed that you are not yet able to inform the Congress how much of the $17.4 billion you have expended, how much the Department has expended, or how it has been expended. Can someone now tell us how much has been spent, and on what it has been spent?

Secretary RUMSFELD. Well, yes, indeed, we can. I think first, with respect to the fund you were referring to, I believe that is a transfer fund, and that as the money goes into the transfer fund it then is moved out of the transfer fund for very specific purposes, and that is all knowable and known to the extent it has thus far been transferred.

Dr. Zakheim is in a position to give you some granularity on your question.

Dr. ZAKHEIM. Yes, Mr. Chairman. Actually of that $17-odd billion, the Department of Defense actually received $16.4 billion. We have already committed nearly $14 billion, and actually obligated approximately $12½ billion. We can provide you for the record with the details of exactly where that money has gone, sir.

Chairman BYRD. Very well, if you will do that. We need that information, otherwise the committee cannot be expected to approve the additional $11 billion that is being requested and feel confident that the funding is fully justified and will be spent for the purposes for which it was appropriated.

[The information follows:]

The Department was provided $17.4 billion for the Global War On Terrorism (GWOT), however, $227 million was realigned to the Department of State. The Department of Defense (DOD) actually received $17.2 billion. The following table shows the amount obligated from supplemental funding as of April 30, 2002 for the funds the DOD has received:

[In millions of dollars]

Increased Situational Awareness	3,588
Enhanced Force Protection	1,007
Improved Command and Control	978
Increased Worldwide Posture	4,273
Offensive Counterterrorism	1,430
Initial Crisis Response	309
Pentagon Repair/Upgrade	1,305
Other Requirements	3
Airport Security	198
Total	13,091

In addition to the above funds obligated by the DOD Components, the Military Department have used $501 million of their 4th quarter O&M funding to cash flow GWOT requirements. The Military Department will reimburse their O&M accounts from funds made available by the Congress from the fiscal year 2002 Emergency Supplemental.

CYBER ATTACKS

Chairman BYRD. The Department of Defense is subject to almost daily attacks on its computer infrastructure. As our way of fighting wars becomes more dependent on computers, these cyber attacks constitute a growing threat to our national security. Of the thousands of cyber attacks on the Department of Defense each year, how many of the perpetrators of these attacks do we catch, and what do we need in order to track down more of these criminals?

Secretary RUMSFELD. Mr. Chairman, a couple of answers there. First, it is my understanding that the Federal Bureau of Investigation as well Defense Investigative Services look into cyber attacks. The exact number of people that are tracked down, I cannot say, but certainly there is no question that a number of them are tracked down and caught, and stopped, and a number of them are not, and it is the nature of the beast, I am afraid, that we live in a time when that is the case.

We are investing funds in the capability to defend against cyber attacks in a variety of different ways, and we have to expect that as a society that is dependent on computers and electronic capabilities and satellites that we are going to be as vulnerable as any other country on earth to attacks because of the degree of our dependency being what it is.

Chairman BYRD. Now, this committee is interested in being of help to you in dealing with these cyber attacks, so if you would, please give us the response to my first question, how many of the perpetrators of these attacks do we catch, secondly, what do you need in order to track down more of these criminals, and finally, are you satisfied that the Pentagon has the best cyber security that we can buy? If not, what are we not doing that we should be doing?

Now, we want to help you here, and we are preparing a supplemental appropriations bill, and if you can think of something we need to help you with by way of funding, and if you can give us the reasons and the justification, we would like to be of assistance, because we think it is vital that this country be better able to defend itself against these cyber attacks, especially your Department.

Secretary RUMSFELD. We will certainly supply the answers to your first question for the record, and I thank you for that suggestion, and we will be happy to respond to it in writing.

Chairman BYRD. Very well. Senator Inouye.

[The information follows:]

CYBER SECURITY

As of this month (May 2002), the department has detected about 12,000 cybersecurity incidents, of which about 100 (or slightly less than 1 percent) involved gaining unauthorized access to our unclassified networks. These incidents or attacks are referred to law enforcement as a matter or course and are generally pursued by the FBI, where the information is restricted to law enforcement channels. The Department does not maintain consolidated figures on how many are "caught" through law enforcement channels—which can be variously interpreted as identified, prosecuted or convicted.

The Department continues to work on improving its abilities to detect and identify attackers, but unfortunately current technology makes it fairly easy for an attacker to disguise his identity, which means we rely on the investigative capabilities of law enforcement, primarily of the FBI, to track the source of these attacks.

With respect to whether I am satisfied that the Pentagon has the best cyber-security that it can buy and what could be done to improve that, the Department has made significant progress over the past few years to protect its information infrastructure, but it's an ongoing effort that will never reach a final conclusion—especially in a field where technology is changing rapidly and the threat is enabled by this same technology. We must, and are continually working to find new ways to do business to respond more rapidly. Adequate resources are allocated in the President's budget for protection of our information systems. That does not mean that an increase in resources would not improve the situation—clearly it would. But resource needs for this task must be balanced against other critical requirements.

JUSTIFICATION MATERIAL AND QUESTIONS

Senator INOUYE. I thank you very much, Mr. Chairman.

Mr. Chairman, traditionally supplemental requests do not contain much justification material, and accordingly, as you have noted, I instructed my staff to submit to the Department a set of questions relating to the use of funds that have been appropriated. Mr. Chairman, I am pleased to advise you, sir, that I have been advised that the responses are now at the final stage of compilation, and we should be receiving the responses by the end of this week. At that time, I will make certain that every member of the committee is not only made aware, but made privy to these responses, because without that information it might be very difficult for us to tell our colleagues in the Senate the justification for such funds. I would like to thank you very much, Mr. Secretary, for expediting this request.

Secretary RUMSFELD. Thank you, Senator. I am told by Dr. Zakheim that he still is working on one of the answers, but all of the others were sent up yesterday, and so the complete package ought to be ready shortly.

Senator INOUYE. Thank you, sir.

OPERATIONS IN THE PHILIPPINES

Mr. Secretary, during the Easter recess, Senator Stevens and I visited China, Singapore, Indonesia, and the Philippines to meet with leaders of these countries to discuss the one thing on all of their minds, terrorism, and in Manila we received an extremely important and informative briefing from General Worcester of the Pacific Command concerning the Philippine U.S. action exercise, Politikan. I am pleased to report to you, Mr. Secretary, that the Commanders in the Philippines have been very sensitive to their mission. They have struck an appropriate balance in instructing and supporting the Filipinos while letting them focus on their operations.

I look upon this not from a military standpoint but from my standpoint as a member of the committee that this has been a success. Do you consider this a military success?

Secretary RUMSFELD. Senator, I do, although it is not completed. The activities that we have in the Philippines, but they have gone along very well, and the work that is being done, and the degree of cooperation that has been achieved, it seems to me certainly fits that description.

The work that is being done on Basilan Island by way of training in the Philippines has as one of its goals to assist the 4,000 or 5,000 Philippine Army members in that portion of their country to do a more effective job in dealing with their very serious problem, and of course we do have two Americans still being held hostage, probably on that island, by a terrorist organization, and I guess I will feel more successful if and when those folks are found and released, and the terrorist organization has been dealt with, but all in all I think it is going along quite well.

Senator INOUYE. Does this supplemental include sufficient funds to carry on this activity?

Secretary RUMSFELD. It does. We not only are doing that, but as I am sure you were briefed and know, we are also doing some civil affairs work on Basilan Island and assisting with some roads and some other activities that we believe make the Philippine Army more successful and more effective.

GUARD AND RESERVE PERSONNEL

Senator INOUYE. Mr. Secretary, on something else, the matter of the National Guard, I note in your supplemental that you requested $4.1 billion for Reserve and Guard personnel called upon active duty. I presume that this request assumes a mobilization limited to 80,000, but I note you have 81,000 at this time. Is that a sufficient number?

Secretary RUMSFELD. My recollections of the numbers we currently have is that it is 71,500 Guard and Reserves who have been activated. I could be wrong, but at least in recent days I think it was roughly that, and we believe that we—we are working with the Office of Management and Budget now to calibrate it. One of the problems is that it is always a moving target. A budget is a budget. It is not something that actually happens. It is something that people project and intend to have happen if events evolve in exactly that way, but we are, for example, making changes with respect to the combat air patrols over the United States.

Now, to the extent the number of patrols goes up, the cost goes up. To the extent it goes down, the cost goes down, and that is threat-based as opposed to budget-based, and my response to you is that I feel comfortable that at the present time, insofar as I am aware, the work we are doing with the Office of Management and Budget, that we are going to end up with sufficient funds for the Guard and Reserves.

Senator INOUYE. History has noted, Mr. Secretary, that at times of stress and danger, we may have some difficulty in recruiting personnel for military service. Since September 11, have the first term reapplications increased or decreased?

MILITARY RECRUITING AND RETENTION

Secretary RUMSFELD. I would really want to sit down with the numbers by service to answer that perfectly, but we are fully able to attract and retain the numbers that we currently need for end strength. We are doing two things. One, we have about a 71,500 Reserve and Guard call-up. The second thing we have done is, we have something between 20,000 and 25,000 so-called stop losses, where people serving were due to get out and have stayed in because of our request that they stay in.

An awful lot of the Guard and Reserve are on a volunteer basis, and a large number of those—for example, the ones that were helping with the airports were in their own locale, so they were not moved, which is a help in terms of the issue you are asking, but we do have to continuously concern ourselves, because we are competing in the civilian manpower market for both full-time people as well as Guard and Reserves, and we have to see that we can attract and retain what we need.

Dov tells me that he does not have the hard numbers, but the first-term retention has increased, but by how much I do not know.

I know that morale is high, and you know that from your visits, Senator. You have been out there visiting with the troops, and I am sure you have experienced what I have experienced.

Senator INOUYE. I know that on active duty, for example, we had a hearing on the Navy, before September 11 it was 55 percent reenlistment on a first term. Today, it is over 71 percent, and I was just wondering if that is the same in the Reserves and the National Guard.

Secretary RUMSFELD. We will check in the other services and in the Reserve and Guard and get back to you.

Senator INOUYE. Mr. Chairman, I have a few other questions. May I submit them, sir?

Chairman BYRD. Absolutely.

Senator INOUYE. I thank you very much.

Chairman BYRD. Senator Stevens.

ELIGIBILITY TO ATTEND UNITED STATES MILITARY ACADEMIES

Senator STEVENS. Mr. Secretary, first a sort of unrelated question, but when we were in the Philippines Senator Inouye and I attended the 60th anniversary of the Bataan March and spoke to quite a few of the veterans who at that time were really considered members of the United States forces, and I learned that—I did not know this—that after we removed our forces from Subic Bay and Clark Field, I believe it was the Department, the Department canceled the eligibility of Filipinos to attend our military academies. Are you aware of that?

Secretary RUMSFELD. No, sir.

Senator STEVENS. I wish you would take a look at that. I do not think any country in the world has suffered more during World War II as a result of having been a friend of the United States to the very end, and that was one of the backbones of building of their rather superb military in that period of time when they did come here and train with us, the officers trained with us. I would hope you would reinstate it.

Secretary RUMSFELD. When those bases were closed, of course, there was a significant change in the U.S.-Filipino military relationship, and it undoubtedly involved a whole host of educational exchange programs.

Senator STEVENS. I think it did, but this was not IMET now. They were coming directly here and going through the full academy training, and I think that is the relationship we ought to maintain with those people who fought so well with us in World War II.

RESERVE MOBILIZATION

Mr. Secretary, it is my understanding that the budget now before us, the request now before us is for a supplemental of $4.1 billion to pay for Reserve and National Guard personnel. You have already talked about the numbers that have been mobilized. It is my understanding the policy of the Department is to just mobilize them for 1 year. The authority is to bring them in for 2 years. That is a more expensive way to do business. Is that going to continue to be your policy?

Secretary RUMSFELD. I think that I cannot project on that question. It seems to me that we are currently reviewing a whole host

of things involving personnel. It is pretty clear that the global war of terrorism is not going to end in a matter of months. It is a problem that I am afraid we are going to have to live with for a somewhat longer period, and therefore, as that occurs, we do have to address things like end strength.

We have to address the demands on the Guard and Reserve, and we have to address the problem, as the Senator pointed out, of recruiting and retaining people if, in fact, we have got stop losses in that affect their ability to do the things they would like to do, and it is a very complex situation. It is something that varies from service to service, and I am not personally in a position to give you a definitive answer.

WITHDRAWING GUARD FROM AIRPORT

Senator STEVENS. Well, let me go back—I made the comment about withdrawing the Guard from airports up my way. It is my understanding that that is going to be a national policy now. You are going to stand down the National Guard's activities at airports?

Secretary RUMSFELD. I do not know whether I would call it a national policy. What happened was, when the United States decided that we needed people quickly in airports, the Department of Defense entered into an agreement at the request of the President with the Department of Transportation whereby we would arrange with the Governors to provide the national Guard officials necessary, but that we would have a memorandum of understanding which would recognize the truth that it is not a military job, it is basically a civilian job, and that we were doing it on an interim basis, and that we would have an agreement with them that they would undertake a training program immediately so that they could replace us within a reasonable period of time.

That time is now here, and the month of May is the month when the individuals in the Guard who have been serving, assisting in the airports, will begin being phased out, and their places will be taken by the individuals that the Department of Transportation has either trained or contracted for to take their places.

Senator STEVENS. I am going to lead up to a question that I am going to ask at the very last, but can you tell me, is there anything in your policy today that would lead to the activation and deployment of uniformed personnel for homeland security measures on a full-time basis for a prolonged period?

Secretary RUMSFELD. Well, let me think. The places we are currently doing things, one is the airport, another is Customs, which is part—temporary, just like the airports, another is the Border Patrol, where we have some military people there, another is INS. All of those are temporary.

Now, if you think of combat air patrol, and characterize that as homeland defense, those are Guard and Reserve and active duty people, and whether they are flying AWAC's or flying a combat air patrol or whether they are on strip alert, that is a job that very likely is going to be a long-term task of some level, depending on the threat level.

Senator STEVENS. Will you bill those costs to homeland security, or will you continue to finance them through the military accounts, when they are over the United States?

Secretary RUMSFELD. They would certainly be billed through the Department of Defense, if that is the question.

Senator STEVENS. Well then, let me ask a final question. The House added $1.4 billion for this supplemental, for Guard and Reserve personnel costs, as I understand it, for 2002. If these people are being released now, and we are not really assigning military personally to the Homeland Security Agency, do you need that money?

Secretary RUMSFELD. I think it is a mischaracterization to say, assigned to Homeland Security Agency, because they never were. The combat air patrols have been a part of the Department of Defense from the beginning to the end. They always would be. They are part of the Defense Department's assets, and at the request of the President those assets were allocated for a task that is characterized as homeland defense, properly so, but the same people could within a week be assigned overseas some place, to Hawaii, or to Japan for another Department of Defense function.

Senator STEVENS. I understand, and I accept that correction, but I am looking at the need for the $1.4 billion. I think that is going to be one of the key issues in the supplemental when we get to conference if the House maintains its $1.4 billion increase Guard and Reserve personnel costs for 2002, and my question is, in view of the fact that the forces you have been using, the National Guard and Reserve, that they are being—I understand it is the policy now to reduce the use of those people. Will you need $1.4 billion more this year for that activity?

Secretary RUMSFELD. And the answer is, we have not asked for that money. We are working with the Office of Management and Budget, and as we see the levels change, we will know more as we go through the year, but the short answer is that the administration is not requesting the $1.4 billion.

Senator STEVENS. Thank you, Mr. Chairman. Thank you very much, Mr. Secretary.

Chairman BYRD. Thank you, Senator.

Senator STEVENS. Oh, I do have one question.

POSSE COMITATUS

Chairman BYRD. Very well.

Senator STEVENS. You advocate a change in the legal status of military forces assigned to the mission within the United States under the posse comitatus doctrine, or are you looking for any long-term change in the posse comitatus?

Secretary RUMSFELD. No, Senator, we are not. We are not looking for any long-term or short-term change with respect to posse comitatus.

Senator STEVENS. Thank you very much.

Secretary RUMSFELD. The roles and missions of the military will remain exactly as I have stated in the opening statement, and as they have been historically, and until and unless the President makes a judgment that that is not appropriate, in which case he would have to under certain circumstances make a waiver or come to the Congress.

Senator STEVENS. Thank you very much.

Chairman BYRD. Thank you. Senator Gregg.

LAW CHANGES

Senator GREGG. Thank you, Mr. Chairman. Following up on that question from Senator Stevens, are there any other laws that you need adjusted in order for you to effectively support homeland security either in operational areas or in intelligence areas?

Secretary RUMSFELD. I think the answer is yes. There are some laws that have been proposed for amendment by the executive branch that the Department of Defense I do not believe is making any specific request, that I would restrict totally to homeland security. Is that fair?

Senator GREGG. If you have some, could you get them to us?

Secretary RUMSFELD. Yes, sir.

ROLES FOR THE GUARD

Senator GREGG. One of the issues that I have been interested in is the role of the National Guard as we develop homeland defense, and originally the concept was that there were going to be I think 34 specialist units which I call second responders who are going to come in with weapons of mass destruction capability, as consequence management teams. They would be centered around the country. I think we have 12 up and running or something like that now, that would be National Guard units. That has had fits and starts as an exercise for a variety of reasons, and one example of the fits and starts was that one of the units that was up and running during the New York crisis took 12 hours to get from Albany to New York City because of local official problems.

I am wondering if you still see that as a viable role for the Guard, to have these second responder teams, which are highly trained in weapons of mass destruction abatement and consequence management, and if so, what sort of progress are we making on that?

Secretary RUMSFELD. Insofar as I am aware, that is a perfectly appropriate task for the Guard. They are, as I recall, being trained and certified at the Federal level. They can do that task well, and I do think it is appropriate.

Senator GREGG. Has anybody taken a look at the New York situation and what happened with the CST unit that could not get from Albany to New York for 12 hours because of paperwork issues involving local officials?

Secretary RUMSFELD. That is surprising to me, because as I recall these are under the control of the Governors.

Senator GREGG. Right. That was the problem. It was a local issue, a local political issue.

Secretary RUMSFELD. Well, it is not as though it was between two States. It was within a State.

Senator GREGG. Right, but it happened.

Secretary RUMSFELD. You can be sure I have not addressed it.

Senator GREGG. Well, as you are bringing these units up, it might be worth taking a look at the experience there.

Secretary RUMSFELD. When you say political, you mean bureaucratic, or actually disagreements politically?

Senator GREGG. I understand there was an issue of local officials and the inability to get the Guard units authorized to come into

New York as a result of lack of official designation. It took them 12 hours to get there as a result of that.

Secretary RUMSFELD. My recollection is they are supposed to be able to respond within 6 or 8 hours, in that range, so 12 sounds long. We will check it.

Senator GREGG. Well, it may have been involved with the death of some local officials who had to sign paperwork or something. In fact, that is I think what caused it to happen.

NORTHCOM

NORTHCOM, to what extent will NORTHCOM bring into play the issues of border security such as the management of the Coast Guard as it tries to intersect coast activity as coming into our ports that may be a threat?

Secretary RUMSFELD. The precise arrangements for NORTHCOM, needless to say, are in the very early stages. A combatant Commander has not been named as yet. We expect to do that within a very short period of time, and the command would stand up October 1. Exactly how it would—right now, the relationship between the defense establishment and the Coast Guard is, of course, intimate in that regard, and there is a high degree of cooperation, coordination, and in some instances deconfliction, so that the Coast Guard, which has a significant role in that regard, is able to function.

I do not know that it would necessarily change at all with the standing up of Northern Command. I cannot imagine quite how it would change, but that would be premature to judge that.

Senator GREGG. But it just seems to me that if you have got the Coast Guard, which is essentially responsible for protecting the coasts, for protecting the access to our borders, especially from ships that are coming in, in the Navy you have container units, and they represent a significant threat, which I think we all deem to be one of the more higher probability threats, and now you have got a Northern Command, which is responsible for protecting North America, that I was just wondering if there was going to be some sort of line responsibility there, or is it just going to continue to be the transportation agency and the Defense Department working together.

Secretary RUMSFELD. They have been working together intimately all year in a very effective way, and with the division of labor depending on the location and the circumstance.

CRUSADER ARTILLERY SYSTEM

Senator GREGG. Is the Crusader artillery piece needed for terrorism defense?

Or any other type of defense, for that matter.

Chairman BYRD. Let the hearing show that the Secretary smiled, and that there was much laughter throughout the hearing room.

Senator GREGG. I see my time is up, so you are not even going to get to answer that question.

Secretary RUMSFELD. I see the red bulb.

Chairman BYRD. Mr. Secretary, the time is extended.

Secretary RUMSFELD. Well, Mr. Senator, I think that there is a strong probability that the Department of Defense will be commenting on that tomorrow or the next day.

Senator GREGG. Thank you, Mr. Secretary. We look forward with bated breath to that comment.

Chairman BYRD. Thank you, Senator. Senator Dorgan, I believe you are next on this list.

BALLISTIC MISSILE DEFENSE

Senator DORGAN. Mr. Chairman, thank you very much.

Mr. Secretary, what will we be spending this year on national missile defense, roughly?

Secretary RUMSFELD. I doubt—first of all, we hardly use the phrase any more, national missile defense. We really talk about ballistic missile defense, because the division line is imperfect, and I guess national depends a bit on where you live.

The figure in the budget that I think—that is concentrated in the Ballistic Missile Defense Office, as opposed to being spread throughout the other portions of the budget, I believe is $7.6 billion. As a budget target.

Senator DORGAN. $7.6 billion?

Secretary RUMSFELD. Yes, sir.

Senator DORGAN. I wanted to ask that question because there is a range of, or there are a range of threats to this country, one of which is by kind of a ballistic missile with a nuclear warhead, another by a cruise missile and a range of other threats.

Secretary RUMSFELD. You bet.

OTHER HOMELAND DEFENSE SPENDING

Senator DORGAN. Among those threats represent the threats suggested by Senator Byrd in questioning last week, and it seems to me like it also is a threat. You talked about the number of containers coming into this country at seaports, 5.7 million containers, 15,000 per day coming into our seaports, and I assume they are coming in at 2, 3, 4, 5 miles an hour. They are not a speeding ballistic missile, but 2 percent of them are inspected, 98 percent are not.

I tried to get some information on what we are spending on that, and I believe it is around $66 million that we are spending on trying to evaluate whether one of these containers might contain a weapon of mass destruction, for example, and I am wondering how you see that issue on the threat meter.

I understand the concern. Many of our colleagues are very anxious to build a system that would defeat a ballistic missile that would be incoming. What approach are we using to defeat a much, much slower vehicle, that would be a container with a weapon of mass destruction that comes at a seaport?

Secretary RUMSFELD. Well, we are spending a good deal more than $7.6 billion if one approaches it the following way. Your question is a critically important one, because there is no question but that the success of our Armies, Navies, and Air Forces have been so notable that the more likely threats that we are going to see because of the deterrent effect of our Army, Navy, and Air Force, are asymmetrical threats, the kinds of that take advantage of not hav-

ing to compete with Armies, Navies, and Air Forces, and that means ballistic missiles, cruise missiles, terrorist threats, satchel bombs, cyber attacks, as was raised by the chairman, and other types of attacks.

The amount of money that the United States Government is now spending on homeland security in the broadest sense, what you would have to include would be the funds we are spending going after terrorists all over the world, the very people who would be putting something in one of those containers, and then all across the spectrum to the $66 million which you mentioned, but it is very hard to disaggregate all of that, because when we go out and arrest a terrorist, or we shut down a bank account, or we put pressure on in the Philippines, or we put pressure on in Afghanistan, all of that, it seems to me, is addressed to that problem.

Senator DORGAN. The reason I asked the question, I think September 11 suggests once again that terrorist weapons might well be low tech rather than high tech.

Secretary RUMSFELD. You are exactly right.

Senator DORGAN. Low tech was an airplane loaded with fuel, or it could be a container containing a device that could cause mass destruction.

ARMING MOBILIZED GUARDSMEN

Let me ask you two other very quick questions. The Department of Defense has resisted arming guardsmen mobilized to assist the Customs Service, INS, and Border Patrol. The Commissioner of the Customs Service in testimony before my subcommittee a week or so ago indicated that he had recommended last December that some members of the military and National Guard that had been assigned the role to assist, especially in remote locations, be armed. He indicated that he made that recommendation last December. There has been a great deal of discussion, as you know, about the advisability of having men and women in uniform out performing duties with customs and others and not being armed.

Can you tell me what is being done? The recommendation was made in December. If we continue to use Guard and Reserve in the future, will they be armed? Are you aware of the recommendation being made by the Customs Commissioner?

Secretary RUMSFELD. I am, and the response is this. The initial decision under the rules of engagement was that the uniformed personnel would not be armed. The issue was raised, as you suggest, and it was under review in the Department, and the initial decision was not based on the military viewpoint, it was based on the INS and the customs people, as I understand it.

A proposal is pending before, I believe, General Myers at the present time, the Chairman of the Joint Chiefs, to provide an ability for U.S. military to be armed, as you point out, in remote locations. Apparently, to get that accomplished it has to go through the people that are in charge of the organizations to whom we are loaning military people, and that is the INS and the Border Patrol.

Senator DORGAN. Well, my time is up. The Customs Commissioner gave testimony that differs with that. He indicated last December that they had recommended that some be armed.

Secretary RUMSFELD. Well, let me just check and clear it up.

Senator DORGAN. If you would, I would appreciate that.

Secretary RUMSFELD. Go ahead.

Dr. CAMBONE. We have, sir, taken that advice, and at the moment there are some 411 people who are undergoing training for the purposes of being deployed with arms.

Senator DORGAN. Thank you, Mr. Secretary.

Chairman BYRD. Senator Shelby. Let the Chair explain, the Chair is attempting to call on Senators in the order of their appearance, but also within that wheel, another wheel. The Chair is attempting also to go from side to side and alternate, so I hope the Chair will have the understanding of Senators.

Senator Shelby.

Senator SHELBY. Thank you, Mr. Chairman.

Mr. Secretary, I welcome you to this committee again, like everyone else has, and I look forward to supporting the supplemental appropriation. I think it is very, very important.

CHEMICAL DEMILITARIZATION

Having said that, when you take a broad look at your Department's homeland security responsibilities, where does the chemical demilitarization program appear in your field of view?

Secretary RUMSFELD. Well, the responsibility for it is with the Under Secretary of Defense—Pete Aldridge—for Acquisition, and your point clearly is a fair one, that the existence of those materials that need to be treated and taken care of could conceivably pose an attraction to somebody.

Senator SHELBY. Sure, whether it is in my State or somewhere else, right?

Secretary RUMSFELD. And as you know, we have funds in the budget that Dr. Zakheim tells me is being increased by $465 million in the fiscal year 2003 DOD budget.

Senator SHELBY. Mr. Secretary, the chemical demilitarization program was labeled, quote, ineffective by the President's 2003 budget, and just this week received certification by Secretary Aldridge, that you just mentioned, for a Nunn-McCurdy breach. How much funding is included in the supplemental request for the chemical demilitarization program, and for what purpose will the funding be used? Doctor, do you know that?

Dr. ZAKHEIM. Senator, we do not have money in the supplemental for the chem-demil program.

Senator SHELBY. Do you think there is enough money in the regular budget?

Dr. ZAKHEIM. We believe that there is money that would get our program moving quite well. It is something below $1 billion. I believe we have added several hundred million in the 2003 budget, but as you may know, in terms of the supplemental we put in money for only two things, one, those items that we knew we would spend that money on before October 1, and secondly, money that was directly related to the war effort. Obviously, where we felt that we had sufficient funds in our current budget request, then we just did not ask for more.

Senator SHELBY. Do you believe, Mr. Secretary, that the chemical demilitarization program is on the right track, and our chemical weapons stockpiles are safe and secure?

Secretary RUMSFELD. Senator, it cannot be on the right track if it is in Nunn-McCurdy breach——

Senator SHELBY. That is right.

Secretary RUMSFELD [continuing]. And requires a waiver. You know that, I know that.

Senator SHELBY. But I wanted you to say that.

Secretary RUMSFELD. You wanted me to say that.

Senator SHELBY. And you did. Thank you.

Secretary RUMSFELD. I was afraid of that—and I would feel a lot better if those stockpiles were not there——

Senator SHELBY. Absolutely.

Secretary RUMSFELD [continuing]. In terms of security. Have I responded appropriately, in a fulsome and complete manner?

Senator SHELBY. Yes, sir, you have responded appropriately, and you have worked with us, and I believe Secretary Aldridge is working with us, but what we want to do is just what you just said. You would feel better, as a Secretary of Defense and as a citizen, if these stockpiles were dispensed with safely, right? That is why we keep raising these issues, because some of us, including my home State of Alabama, we have some serious problems in reaching that, and I want to commend you for trying hard to work with us. We are trying to work it out, and that is why I continue to raise it until it is worked out safely.

Secretary RUMSFELD. Thank you, sir.

Senator SHELBY. Thank you. Thank you, Mr. Chairman.

Chairman BYRD. Thank you, Senator. Senator Feinstein.

PORT SECURITY

Senator FEINSTEIN. Welcome to the committee, Mr. Secretary. I wanted to follow up on Senator Dorgan's comment on port security. Is there anything in this supplemental to meet what is a grievous need in our country, which is increased port security, to be able to search and certify containers coming into our country?

Secretary RUMSFELD. Not in the supplemental.

Senator FEINSTEIN. Is there anything in your budget? If so, what is it, and how will this money be utilized?

Secretary RUMSFELD. Senator, we have approximately $43 million in the fiscal year 2002 budget precisely for port security. We are going to spend about $16 million of that for Coast Guard support for Navy equipment on Coast Guard ships to ensure interoperability between the Navy and the Coast Guard in these matters.

We also have another, close to $27 million regarding monitoring of key ports, harbors, shipping approaches, and shoreline facilities, so yes, there is money specifically for the kind of concern you have just raised.

Senator FEINSTEIN. But actually a rather small amount of money. I know the ports in California, particularly the Southern California port, Long Beach, San Pedro, Los Angeles, where huge amounts—I mean, that has got to be the biggest incoming port in the United States in terms of cargo, and very few of these containers, as Senator Dorgan pointed out, less than 2 percent are searched.

We heard from the Customs Department at a prior hearing Chairman Byrd held that they were trying to extend the perim-

eters to get a system in other countries where ports could search, seal, and certify containers that would then come into the United States, but the vulnerability in our ports is extreme at the present time. A container can come in, not be opened at Long Beach, go into New Mexico, go all the way back to Missouri and Mississippi, and no one has looked at that container.

Secretary RUMSFELD. Senator Feinstein, Dov Zakheim I am sure responded correctly with respect to the Department of Defense budget, but of course the Department of Treasury budget has customs, and that is the principal responsibility, and the Coast Guard, of course, is budgeted through the Department of Transportation, as of course you know, so what he has cited ought not to be taken by anybody as the totality of the Federal Government's efforts with respect to that problem, and I quite agree with you that it is a problem.

STANDING UP NORTHERN COMMAND

Senator FEINSTEIN. Mr. Secretary, last year's quadrennial defense review stated that homeland defense is the Pentagon's primary mission, hopefully above ballistic missile defense, but accordingly, a few weeks ago you announced that a North American Command would be established to coordinate the disparate agencies involved in homeland defense. I understand that many of the statutory and command relationships have not yet been worked out, but is there funding in this supplemental for that, and if so, what is it, and how will it tie into the Office of Homeland Security?

Secretary RUMSFELD. First, let me say that it will not require statutory adjustment. What has not yet been worked out precisely is the actual organization and arrangements within the Northern Command when it is going to be, I think October 1 is the date that we planned to stand up that command, and the work is currently being done to determine the number of people and how it ought to be arranged.

There is some money in the supplemental for the Northern Command, and Dov, it is how much?

Dr. ZAKHEIM. The supplemental has $10 million for what we call CINC-identified, Commander in Chief-identified requirements to satisfy immediate war-fighting needs. The $10 million will support the task force that is currently operated—it is called the Joint Task Force Civil Support—the Homeland Security Directorate, and the NORTHCOM transition team, because NORTHCOM, as you know, does not stand up until the next fiscal year. In the next fiscal year we have $81 million to stand up the Northern Command as well as an interrelated category, $215 million for secure command, control, and communication.

Secretary RUMSFELD. If you think about it, the Northern Command is going to take the existing activities and responsibilities and pull them together under a single command. At the present time, for example, the Space Command has responsibility for NORAD. NORAD will be moved over to Northern Command. Joint Forces Command, down in Norfolk, has a variety of activities that will become part of the new Northern Command, so it will be in some instances some new funds, but in other instances it will be moving funds from one CINC-dom to another.

Senator FEINSTEIN. So if I understand it, between this supplemental and the 2003 budget, total there will be about $300 million set up for the North American Command, is that correct?

Dr. CAMBONE. Senator, that is not quite right. The $10 million for 2002, and the $81 million for 2003, related to the Northern Command are specifically——

Senator FEINSTEIN. And the $215 million?

Dr. CAMBONE. That $91 million between those two budgets is specifically for Northern Command. The other $215 million is meant for the National Guard, for example, to prove their capability, so it is not specifically earmarked for use by the Northern Command.

Dr. ZAKHEIM. There are three categories there for command and control, which as I said was related to the general homeland security effort. But you have secure communications, a Reserve component, the National Guard Bureau communications, and equipment to support information systems security program, all of which is related to the homeland security, but it is not specific to the Northern Command.

Senator FEINSTEIN. Mr. Chairman, would you allow me just to ask how that interfaces with the Director of Homeland Security?

Chairman BYRD. Very well.

Senator FEINSTEIN. I appreciate that, thank you.

Secretary RUMSFELD. In my prepared remarks I tried to analyze the relationship between the Northern Command and the Office of Homeland Security and the Department of Defense and the Homeland Defense piece of it, and the Homeland Security Council, and the Homeland Security Council is a coordinating body, as the National Security Council is a coordinating body, and we worked very closely with them. The Department of Defense serves on the Homeland Security Council, full stop. The Northern Command is a one more combatant command for the United States, just as the Pacific Command in Hawaii, and in the European Command, General Ralston, Tom Franks in Central Command, and the chain of command there, under the statute, of course is from the President to the Secretary of Defense to the combatant Commander, and the relationship between the Homeland Security Council would be from the civilian side of the Department of Defense, and the relationship there would be intimate, because we serve on the Homeland Security Council.

Senator FEINSTEIN. In other words, that would be under your direct control?

Secretary RUMSFELD. NORTHCOM, absolutely, and the President's.

Senator FEINSTEIN. Thank you. Thank you very much.

Chairman BYRD. Senator Cochran.

Senator COCHRAN. Mr. Chairman.

Mr. Secretary, I want to first compliment you and congratulate you on the outstanding leadership you are providing as head of the Department of Defense in defending the security interest of our country and the citizens of the United States.

Secretary RUMSFELD. Thank you very much, Senator.

Senator COCHRAN. I think we all take very seriously the request that has been submitted to us for consideration, supplemental

funding for the Department of Defense and other departments of the Government as well. A little over half, I think, of the funding is for the Department of Defense in this supplemental appropriation request of $27 billion for defense use, and we have before us an outline of how those funds will be allocated for functions among the services and that kind of thing. I wonder, does the National Guard end up deriving any financial benefit in terms of training or support in this supplemental appropriation?

BENEFITS FOR NATIONAL GUARD PEOPLE

Secretary RUMSFELD. Gee, that is a hard thing to disaggregate. The National Guard has gotten a lot of exercise since September 11, and God bless them. They have done a wonderful, wonderful job. They are serving in places like Kosovo and Bosnia, there are National Guard people who are performing all kinds of services here in the United States, there are Guard and Reserve who have been called up providing the combat air patrols over our country, they are flying missions in Afghanistan, so the total force concept that the United States has fashioned over the years exists, it works, it works well, and they are doing a superb job.

So are they deriving any benefit? You bet. They are getting a lot of exercise, a lot of training, a lot of experience, and the country is benefitting enormously from them.

ASSIGNMENT OF NATIONAL GUARD UNITS

Senator COCHRAN. In the establishment of the Northern Command, is there any plan to assign specific National Guard units to the Northern Command?

Secretary RUMSFELD. Not as such. What we are doing is, the biggest thing that is being assigned to Northern Command is NORAD, in terms of numbers of activities and organization structure. There have been suggestions that the role of the National Guard should be homeland defense. We hear that from time to time, and there is no question but that the Guard does play a role in homeland defense.

The problem is, it also plays a role in world-wide defense and national defense, as we all know, and I think that trying to divide it up and say, this is for that particular activity, it does not really reflect the reality of the world we live in, where forces have to be able to function in different theaters for different purposes at different times.

ASSISTANCE FROM OTHER NATIONS

Senator COCHRAN. I know that one example of a mission that I did not think we would have to call on NATO for was providing some AWAC's flights, overflights of the United States after the attacks on New York City and Washington, D.C. As I understand it, those flights have been discontinued now, and those units are no longer flying, is that correct?

Secretary RUMSFELD. I think that takes place this month, but they have just done a wonderful job for many, many months now, from any number of countries. 12, 14 different countries have par-

ticipated, and it has been an enormous benefit to the United States to have that work being done by our NATO allies and friends.

Senator COCHRAN. Is there any plan to involve NATO or any units of NATO in our homeland defense effort in the future?

Secretary RUMSFELD. Well, if you think about it, we have a close and, indeed, intimate relationship with our friends to the North. NORAD is the North American system, and the United States and Canada are connected very closely to our mutual benefit, so I would say there is an example of homeland defense where our NATO ally, as opposed to NATO as an entire entity, is directly connected to homeland security.

Senator COCHRAN. One thing that some people may wonder about is, local police responsibilities such as in these pipe bombs that have been put in mailboxes and other Federal agencies have responsibilities for investigating and bringing to justice people who are responsible for things like that, and not necessarily the military.

We talked about the posse comitatus statute, and restraints on military action in law enforcement activity. Will there be an effort made to clearly define the difference between police action? Will we need to modify statutes with respect to the new homeland security responsibilities of the military so people will not get the idea they can call on the military to come in and try to deal with problems of that kind?

CHANGES TO STATUTES

Secretary RUMSFELD. Well, Senator, I do not at the moment know of any statutes we need changed in the Department of Defense with respect to posse comitatus. We have addressed it. We feel it is fair, we can live with that, we do not plan to change the roles and the missions of the military in a way that would inject the Department of Defense and uniformed personnel into the responsibilities of State and local governments. We would do most everything we did in a supporting role, as we did for the Superbowl, for example. We were asked to provide some security for the Olympics and various events like that. We do, but we do it as a supporter, as opposed to the entity that is directly in charge.

Dr. CAMBONE. Part of the discussion having to do with the personnel up on the northern border had to do with what role they would be playing, and part of the issue whether they were armed or not then entered into this question. I mean, how do you carefully place our people so that they are not caught in that situation, and I misspoke with Senator Dorgan. We got the MOA's almost signed, and as soon as those MOA's with INS and customs are signed, we will be able to have a small number who are in isolated places armed for their self-protection, not for the purposes of law enforcement, and there is an important distinction between those two.

Chairman BYRD. Senator Murray.

Senator MURRAY. Thank you, Mr. Chairman, and thank you, Mr. Secretary, for being here. I know you were out at Fort Lewis in my home State of Washington a few weeks ago, and had a chance to see some of the work they are doing in laying a foundation for transformation for the Army, and we are very proud of their work,

and I am really pleased that you had an opportunity come out and see what they were doing there.

Secretary RUMSFELD. They do a great job.

ARMING OF NATIONAL GUARD

Senator MURRAY. Well, I want to follow up with a question Senator Dorgan had, and you just referred to it again, and that is the issue of arming the National Guard, and not to beat a dead horse, but it took 3 months from the time Attorney General Ashcroft said that we were going to get the National Guard until they were finally deployed, and now it has been 6, almost 8 weeks since we were told they were going to be armed so that they could be effective, and we have been told it is close for so long now that it has become part of the rhetoric of the bureaucratic agencies working together more in my State, so if you could give us a better than we are this close estimate of time, I would really appreciate it.

Secretary RUMSFELD. Well, the last I heard about this subject was about 48 hours ago, and my recollection is, I was told it is on General Myers' desk, and he is the Chairman of the Joint Chiefs, and it goes from his desk to my desk, and what it involves is a calibration of the rules of engagement which is required by the Department of Defense before, supposedly before military personnel can be deployed so that there is clarity with respect to whether or not they are armed, and under what instances they are supposed to use those weapons.

Senator MURRAY. That is a bureaucratic response, and I appreciate it, but I hope that we can come to a conclusion on this fairly quickly. We do have these people deployed in very difficult situations. They are not armed. We end up having our border guard protecting them, rather than them having them do the job that they were trained and should be out doing, so I hope we can resolve that.

And let me just follow up quickly with that. It is clear that we may not have the trained personnel in place very quickly to actually do INS-Border Patrol-Customs positions that they were sent there to augment. If they are still needed, the National Guard beyond 179 days that is in the original MOA, would you support having them stay there until we get those people in place?

Secretary RUMSFELD. I would support doing whatever the President told me to do, but if you want to know my first choice, it is to get the INS and the customs hustling and find the people they need to do the job that they are statutorily required to do, and if it is humanly possible to not put further demands on the defense establishment and the uniformed men and women that we need for lots of other tasks.

Senator MURRAY. I would completely agree with you that I want the correct people in those positions doing them, but we do have a concern, and I will come back to you if we return in 79 days and we do not have them in place.

PORT SECURITY

Let me also follow up on Senator Feinstein's question on port security, and as chair of Transportation Appropriations I am working with the chairman on dealing with port security. It is a very real

concern out there. But I also am concerned about the burden that we have placed on the Coast Guard today. We know that they are not able to fulfill some of their role in search and rescue, in fisheries enforcement and drug enforcement interdiction that we do require of them, because they have had to take on significant responsibility elsewhere, and I want to make sure that the Department of Defense, especially the Navy, is providing the necessary personnel and equipment to adequately provide force protection on our naval installations.

And let me just ask you, is the reliance on the Coast Guard a function of mission, or does the Navy need additional assets so that they can secure their naval installations?

Secretary RUMSFELD. So that they can secure what?

Senator MURRAY. Naval installations. For example, in Puget Sound we have a number of naval installations on the water that we have had to have the Coast Guard doing some of the force protection there. Do you need additional assets directly to the Navy so that they can take back over those functions so we are not pulling the Coast Guard away from their other missions?

Secretary RUMSFELD. When you say take back over those functions, it is not clear to me they were Navy functions. The Coast Guard's responsibilities are what they are, and the threat has gone up, and so I suspect the demands on the Coast Guard have gone up because the threat has gone up, not to my knowledge because they have assumed any responsibilities for the Navy that they ought not to have assumed.

The relationship between the Navy and the Coast Guard is, as you know, very, very close, and it works very, very well. I do not doubt for a minute that everybody who has installations along a coast, indeed, installations anywhere—we were talking earlier about a chemical installation inside of our country, far away from oceans, all of which need greater force protection.

Senator MURRAY. The challenge is that we now have calls on our Coast Guard to take care of our ports, to take care of our Navy installations, to do a number of other functions that have increased dramatically, obviously, since September 11.

Secretary RUMSFELD. Sure.

Senator MURRAY. And they are now not doing the safety inspections, or safety—actually, mission that they have, inspections, fisheries enforcement, a number of other things, and if the Navy needs additional dollars to secure their naval installations, I think we need to know where the functions are.

You are saying to me it is not the Navy that is responsible for providing naval protection on our installations on the water.

Secretary RUMSFELD. I hope I did not try to answer definitively. I said, to the best of my knowledge, no roles or missions have been altered. That is to say, the Coast Guard is continuing to do what it is charged to do, but that the threat level being up, there is more of it being asked of them. The same thing is true of the Department of Defense. I mean, the Navy is being asked to do lots of things they had not previously been asked to do all over the world, and so it is more a question of where the Government decides they want to increase capabilities, and maybe it is in both.

Senator MURRAY. I totally understand that, but if it is a matter of, we need additional dollars to secure these installations, we cannot have different institutions saying it is their problem, or it is their problem. We need to know what the costs are so that we can provide them.

Secretary RUMSFELD. Sure. That is fair enough.

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

Senator DOMENICI. Thank you very much, Mr. Chairman. Mr. Secretary, I apologize for being late. I had a responsibility on the floor or I would have been here earlier, and I do not want to keep the committee very long with questions, so I would like to, Mr. Chairman to submit for Senator Nunn two questions, if he can answer them for us within whatever time you set.

I would just observe that one of the most difficult problems that I think the appropriators are going to end up having is distinguishing what functions are homeland defense, and what functions are defense, and as I understand it, the OMB and the Defense Department have worked that out in terms of, if OMB says something is homeland in their requests of us, then it gets attributed to the homeland part of the budget. Is that correct?

WHAT TO ATTRIBUTE TO HOMELAND DEFENSE

Secretary RUMSFELD. I think that the changes in our activities is leading to the issues you are mentioning. That is to say, how do you want to allocate a certain expenditure, and there is no question but that OMB gets involved in that, as does the Congress and this committee.

Senator DOMENICI. Well, Mr. Secretary, it is already being done, and I am just trying to ask, as they do it, who is in charge, the national security community, or the defense community in several activities, the Office of Management and Budget has defined as homeland defense security in the 2003 budget, and OMB and the national security community requested $7.8 billion for homeland security out of a total of $37 billion.

What I am trying to find out is, when we put our bills together, how do we know the distinction between that which is defense and that which is homeland security is what we would think? I do not think that should only be a decision of OMB, or you. I think we ought to be able to look at it, and how can we do that? Is there some designation? Does Dov have that? Who would have that information?

Dr. ZAKHEIM. Senator, OMB has looked at our budget and has essentially identified certain elements of that budget as being homeland security. Now, we have a group of programs, whether they are antiterrorism or counterterrorism, or consequence management, or intelligence, that we have budgeted for, and we work with OMB on those programs.

Having put that together, Senator, OMB in effect stars them and says, "these are homeland security programs." This year the number, as you well know, was $7.9 billion, but fundamentally we put our budget together, the Secretary approves it, we coordinate with OMB.

Senator DOMENICI. So you all are going to end up being happy if we appropriate money for defense and it is a certain amount, and

we appropriate an amount for homeland defense, and it has some of your money in it? You are going to be satisfied with OMB's designation which will continue on as homeland and which will be defense in subsequent appropriation bills?

Dr. ZAKHEIM. Senator, if you appropriate the funds we ask for, then we are certainly going to be happy. In terms of the specifics you just mentioned, again, if there is a given program, and that was in our budget and the Secretary and the President have sent it on up, and OMB then labels that as homeland security, in practice it is the same program. Therefore in effect you are killing two birds with one stone.

Senator DOMENICI. Well, I had a couple of research and development questions that I will submit to the Secretary and we can do that in due course. Thank you.

Chairman BYRD. Thank you, Senator Domenici. The questions are very pertinent. It would have been very helpful to this committee if Director Tom Ridge had appeared before the committee and helped to resolve some of the good questions you have asked.

Senator Hollings.

Senator DOMENICI. Mr. Chairman, what I am concerned about is, we have to get to a point where we say, this is a defense budget, this is a nondefense budget.

Chairman BYRD. Yes, absolutely.

Senator DOMENICI. We are making that designation based on the OMB Director putting stars along certain ones and saying that is and that is not, and then 2 years from now will it still be that way, defense and nondefense? I do not know.

Chairman BYRD. Senator Hollings.

Senator HOLLINGS. Thank you very much, Mr. Chairman.

Mr. Secretary, it was last September 10 when you made an appearance and gave a rundown of the reorganization of the Department of Defense, and I commented at the time that that was perhaps the best presentation by a Secretary of Defense in my 35 years.

Hearkening back, I want to talk about money. I remember you said, now, wait a minute, what we are doing is, we are taking and going from the old line defense into high tech defense. We are going to take the legacy savings and apply it to the new defense, but we caution you, you were saying we caution the Congress to realize that we still, next year, which is now, will need $33 billion more, even though you were reallocating from the old to the new, and that was coming at $347 billion, and now the appropriation for this subcommittee to look at in defense is $396 billion. It is increased almost $100 billion in the last 2 years. We have had a $17 billion supplemental emergency last year, $14 billion this year.

Dr. Zakheim, do not worry about the exact figures. I am just talking about a lot of money, and I want to help the Secretary. I am going to support him. I support getting rid of that Crusader. You can put the V–22 on that list, too, because we have got to save some. I know Senator Stevens will have a heart attack, but don't worry about it.

DEFICIT CONCERNS

But Mr. Secretary, we are going to have a budget here, and Senator Domenici, myself, and all others are going to be trying to take care and get a budget before Memorial Day. I think it is wrong, wrong, wrong to say that we have got a war now and therefore we are going to run a deficit, and incidentally, the war is never going to end.

I am ready and have been talking around proposing a 2-percent value-added tax allocated to taking care of this terrorism war, at least part of the expenses moving along. I want to help you with all of these billions more that I think and you think are absolutely necessary. But, we are already $162 billion in the red this fiscal year, even with all of the revenues from April 15, and it is going up. I am willing to bet anybody in the room it will be at least $350 billion by September 30.

Now, we have got to mark that down. I say that publicly. We have got to pay for these things. Can I get your help while I am helping you?

Secretary RUMSFELD. No, sir. I want your help, but I am supporting the President's budget.

Senator HOLLINGS. Yes, but you are about the only uncontrolled Cabinet member I know.

And that is why I asked you the question. I mean, heavens above, we cannot get through to the rest of them, but you know, Cheney used to work for you, the President is still working for Cheney. We have got to get somebody responsible over there.

We have got to have sacrifices. You see, all of this is about seaport security, and we passed a seaport security bill before Christmas. It languishes in the House. We have ground our horse. We are not doing anything. We are talking about cloning, we are talking about estate tax cuts, we are talking about $4 trillion permanent tax cuts, and anything else it is just up, up, and away. Nobody wants to talk sense, and yet we are supposed to give an honest budget here in the next 2 or 3 weeks, and you are the only fellow over there that I know I can rely on.

Secretary RUMSFELD. Senator, we have got a good team down there, the President and the Vice President, and they have spent a lot of time focusing on the overall budget, and come to the conclusion that our defense budget is, I guess, what is it, 2.9 percent of the gross national product, maybe a little more, 3 percent? It is a big amount of money, and yet as a fraction of our national——

Senator HOLLINGS. Oh, I am not saying it is too much. I am supporting it, and supporting the President.

I see they are going to cut my time here. With respect to the Philippines as was mentioned here, and heaven knows, military exchanges and joint training, let us move along, too, with the People's Republic of China. I visited there four times now since 1976, and they are making a miraculous drive towards a heck of a lot of capitalism. I can tell you that, and I found over the years up there that the best calling card we have is the military friends that we have made through those exchanges and everything else. So anything you can do to stop cussing and talking about communism—I will get right to the point. Way back, I had to control crowds for

all of marryings, buryings, lay-ins, sit-ins and everything else, and it took up 50 percent of my time as Governor.

If I had to run the country of China and they started these demonstrations around, and if you ever let one get out of hand and you have got 1.3 million, then you have lost the Government, and you have lost control. So unfortunately it has got to be traumatic in some cases. We all regret Tiananmen Square, but I have got an understanding of trying to control different ideas where the law says one thing and yet the demand is otherwise, and those kind of things. So I think we ought to move forward, and you are the best one to move forward with us in trying to develop an influence there. We are not developing an influence the way we are going after it now.

CHINA ISSUES

Secretary RUMSFELD. Senator, I met with the vice president, Mr. Hu, and we discussed this issue of military-to-military relationships, and of course it was interrupted by the EP–3 disaster, where this incident—they call it an incident. Incident is a little too small a word for me, but it was a terribly dangerous situation, and the relationships were interrupted there, and we had a good discussion about it, and I expect that we will begin to reinitiate some military-to-military relationships.

I, too, think they can be important. I think that they can be particularly important in a multinational environment where people in the region can see the United States involved in military-to-military contact with the countries in that region, so I suspect that, oh, sometime in the months ahead we will see some movement in that area.

Senator HOLLINGS. Thank you, Mr. Chairman.

Secretary RUMSFELD. Thank you.

Chairman BYRD. Thank you, Senator Hollings.

Senator Bond.

Senator BOND. Thank you very much, Mr. Chairman. Welcome, Mr. Secretary. I will forego the normal comments and get right down to the point. As you said, the National Guard has gotten a lot of exercise, and correctly, we are very proud of the role they played.

As co-chairman of the National Guard Caucus, I would agree with you that the Guard has a very important role in its worldwide mission as well as homeland defense, and homeland defense, as a former Governor I can tell you they are the eyes and the ears. They have done a tremendous job, and I think they ought to be a fully and vibrant coordinated player in homeland security, and I am a little concerned in your response to Senator Cochran's question about the role of the National Guard and Reserve, and I am concerned that in the homeland security, in the Northern Command they may not have the role that they should.

NATIONAL GUARD ROLE IN NORTHCOM

I introduced a bill, and I had written to you to urge consideration of making a National Guard officer as the Deputy Commander of the Northern Command. I think that having the Guard more fully involved, and we know the tradition in the Pentagon has been to

keep the Guard at a rather low level, but when it comes to homeland defense and the Northern Command, these are men and women who live in almost every community in America. They are undoubtedly not only the most readily available, but also the eyes and ears for national defense, so I would urge you to give a careful consideration to that role for the Guard.

Secretary RUMSFELD. Well, thank you, Senator. I am aware of that proposal, and it is certainly something that the new commander ought to think about. I have not developed a conviction on the subject, to be perfectly honest. I think of the National Guard as a national asset. In that sense I think of it as an asset to be used anywhere in the world where it is needed, for the kinds of functions that are appropriate to it, and certainly one of those is homeland security.

I do not think of homeland security as the sole responsibility of the Guard, and I think that it would—we are not organized and arranged for that to be the case. Clearly, we need to recognize the connection between the northern command and the Guard, and I am sure we will do that in one way or another.

Senator BOND. I thank you, and I agree with you, and several of us will work to try to help convince you of the importance of that.

CBRN TRAINING

A couple of questions I will ask you, perhaps, Dr. Zakheim. On chemical, biological, radiological, and nuclear CBRN training, that is a critical part of homeland defense. We are very proud of the U.S. Army Chemical School located in Fort Leonard Wood, and they are training all elements. Their first class Coast Guard personnel went on to perform admirably at the Olympic Games, but as I understand it, the chemical school is only resource-staffed to provide traditional training to soldiers' programmed for assignment to the field Army. Their CBRN training is resource-intensive.

Given the current needs for training on a much wider scale, can you give a more detailed look at the budgetary requirements and the resources necessary for that training?

Dr. ZAKHEIM. Senator, as you know, we have put quite a bit of money in for the chem-bio defense program generally. I will give you an answer for the record on your specific question.

[The information follows:]

The United States Chemical School currently spends approximately $7.2 million on Chemical, Biological, Radiological and Nuclear (CBRN) training. This amount covers expenses for civilian payroll (52 percent), recurring contracts and wastewater treatment (29 percent), consumable supplies and equipment (18 percent), and travel (2 percent).

The scope of the training provided by the Chemical School has been expanded to conduct CBRN training to all Army installations. This includes developing training and support for Mobile Training Teats and developing and conducting over 14 different CBRN courses. This expanded training will require an additional $4.6 million annually to hire additional instructors, increase contractual support and purchase additional supplies and equipment. In addition to the increased annual recurring requirement, the Chemical School requires and additional $4.6 million as a one-time increase in fiscal year 2003 for initial start up equipment, doctrine/training developments and Mobile Training Team travel and support.

WMD CIVIL SUPPORT TEAMS

Senator BOND. We will look forward to working with you. I just wanted to call this one to your attention.

The second question, the GAO report of September 2001 said that there was specialized National Guard teams, the weapons of mass destruction civil support teams are supposed to assist States and local authorities in responding to a terrorist incident, but the GAO found numerous problems with readiness and deployability, and the DOD Inspector General said the Army's process for certification lacks rigor, the program schedule has slipped, there are no plans to arrange for dedicated aircraft to get the teams in position.

Could you tell me what response the Department of Defense has made to the GAO report and whether our troops are being adequately equipped to respond to CBRN attacks here at home and abroad?

Dr. ZAKHEIM. As you know, we have now gone up from 27 to 32 of these teams, and there are about 22 people each, as I recall. They are supposed to be responsive within 6 to 8 hours, although we heard earlier some problems took place in New York.

My understanding is that we have, in fact, addressed many of those GAO concerns, and again I will give you an answer for the record on that, sir.

Senator BOND. Thank you very much. Thank you, Mr. Chairman.

Chairman BYRD. Thank you, Senator. Senator Inouye, you had another question.

Senator INOUYE. Yes. Before I do, if I may just comment, several questions were asked on the port security matter. It is true that there are about 400 visitations on average per day in our harbors, but I do not want to leave the impression here that only 2 percent of the containers on these ships are being inspected, because we do have memorandums of understanding and agreement with many other countries, most of them, and most of these countries do monitor and inspect these vessels, and these containers, and as a result, many of the inspections that we make in the 2 percent are done out on the high seas because of our fear that if you bring it in to inspect it, it may just explode.

Our Coast Guard is inspecting containers out on the high seas. That is how we find smugglers coming in. That is how we find drug dealers, so our containers are inspected and they are monitored. Not all of them. It is not perfect. It is just like the airlines.

Secretary RUMSFELD. Thank you.

ATTACK BY WEAPONS OF MASS DESTRUCTION

Senator INOUYE. I had just one question. Because of the importance of the person who had made the statement during this weekend, Mr. Warren Buffet said it is not whether it is going to happen. It will happen, he said, and this country will be hit by a nuclear attack. Now, is he privy to classified information?

Secretary RUMSFELD. Senator, not to my knowledge. I know of no particular information he would have.

I think, if you would like me just to comment on the subject broadly, the reality is that weapons of mass destruction, chemical, biological, nuclear, radiation weapons have been around a long

time, and the longer things are around, the more information is available and the more the technologies are available, and the more people with the technical competence to make them and deliver them are around to assist people who may want them.

We know there are six or seven terrorist states that exist. We know that they have active weapons of mass destruction programs. We know they test them. We know they weaponize these things. We know they trade among themselves, and one's comparative advantage is given to another in exchange for their comparative advantage, and the reality is, we are arriving at time in our world's history where more of these things are available than have been previously, and more of them are in the hands of people who are perfectly willing to use them against their neighbors, and more of them are in the hands of people who have a relationship with terrorist networks.

Now, what that means and when it might mean it is something that is not knowable. What it does mean is that the task we are embarked on to try to put pressure on these terrorist states and terrorist organizations is terribly important, because our margin for error is much more modest today.

Each of those countries has fewer years before they achieve those, and it seems to me that we have an obligation to ourselves to do everything humanly possible to try to prevent that from happening. If September 11 involved the death of thousands of people, the use of weapons of mass destruction could involve the deaths of tens of thousands, or hundreds of thousands of people.

To put a different cast on the question, however, I think it is useful from time to time to reflect on the fact that nuclear weapons have been around since 1945, and they have not been fired in anger since the end of World War II. That is an amazing accomplishment. I do not know when in history there has been a situation where a weapon, a major weapon of that kind of power, or any major power has existed that long and not been used in anger.

So we have got a pretty darned good record, and I would like to see us extend it a good long time in the future, but I do not think we will extend it by hoping. I think we need to be very willing to go out and do what we can to see that those weapons do not fall into the wrong hands.

Senator INOUYE. Thank you very much.

Chairman BYRD. Thank you, Senator Inouye. Senator Stevens, you had another question.

Senator STEVENS. Well, I really had a comment more than a question, Mr. Chairman. We have been reading a lot about these tankers that we have tried to deal with in the appropriations bill at the end of last year, the bill that was signed in January. I still have feelings as a former transport pilot of people who have to fly airplanes that were made before they were born, some of them made before their fathers were born, and how long they are going to last.

Somehow or other people seem to be getting the idea this is pork. It was my idea. We do not produce those airplanes in my State. We have no interest at all in the manufacturing process. What we are interested in is the safety of the people who fly them, and a lot of them are stationed in my State.

Now, I do think that this is being dragged on a long time, and it seems to me that as every day goes by there are more and more of those world-weary tankers going out every night refueling people, and one of these days one of those tankers is going to have to abort, and about a whole flight is going to not get home. People do not seem to be thinking about the military people who are flying that old equipment. I do not know of anything—anything—even the Navy ships are not 44 years old. These tankers are 40-plus years old, and I would hope that somehow or other the Department would get beyond criticism and be part of the solution rather than part of the problem, Mr. Secretary.

I do not need an answer. I just want you to know I am very disturbed when I read these magazines that are coming out accusing—my God, they have got—one of them written this last week says it is because I slipped three items into the budget at midnight for one of the Senators that he did not object to it any more. Specious, specious speculation, no connection at all, but I do think about the guys who are flying those airplanes, not just the tankers.

The guys who are flying the other planes that have to be refueled two and three times a night, and I really have serious worry about them at night, when I start thinking about those kids over there, and we saw them, you know. They are barely older than we were when we were in World War II, and we were flying planes that were made 10 or 12 years before, but 40 plus years before they were—God, I cannot understand opposition to replacing those planes.

135E should not be in inventory 1 year from now, we all know that, and if they are not there we have lost one-third of our tanker fleet, and the whole concept of a deployable force comes down if those tankers are not there.

I hope you will help us get some solution. I do not know what. If the solution we came up with is not right, we need a solution. Those boys should not—and they are not all boys now. There are men and women flying those airplanes. They need to know that we are thinking about them and are going to give them better equipment in the future.

BETTER TANKER EQUIPMENT

Secretary RUMSFELD. Senator, I was in a transport company out of Afghanistan en route north to Moscow last week, and it was about 1:00 in the morning, 12:00, 1:00 in the morning, and they did an in-flight refueling, and I agree with you, those folks do a superb job, and there is no question but that this is an issue that needs to be addressed.

Dov, do you want to comment?

Chairman BYRD. Could we move along quickly? We have another witness. Senator Nunn is being kept waiting.

Senator STEVENS. Thank you Mr. Chairman. I am sorry to take the time.

Senator INOUYE. I want to associate myself with his remarks.

Chairman BYRD. Senator Specter.

Senator SPECTER. Thank you, Mr. Chairman. I congratulate you, Mr. Chairman and Senator Stevens and Senator Inouye for con-

ducting these hearings, especially this one, and I thank you, Mr. Secretary, for the job you are doing——

Secretary RUMSFELD. Thank you, Senator.

Senator SPECTER [continuing]. Traveling the world.

I want to ask a question relating to homeland security, for which, as Secretary of the Department of Defense, you have a lot of responsibility, perhaps the primary responsibility. We have a Director of Homeland Security, and from our conversations before, I know you are reluctant to get into territory that is outside of your specific realm, but I think that there is sufficient overlap with the Department of Defense that your view would be valuable, as we are struggling with what to do on this subject.

Senator Lieberman and I have introduced a bill which would create a Cabinet position, and I have concern that Governor Ridge, who I think is doing an excellent job to date, given the limited power he has, runs into some very, very difficult turf battles.

CONSULTATIONS WITH GOVERNOR RIDGE

The air patrols were withdrawn over New York, according to media reports—and I take them with a grain of salt. I identify them as only media reports—that he was not consulted, and that an Assistant Secretary of Defense, or a DOD official who was unnamed, not an uncommon reference to officials all over this town who are unnamed, said that Governor Ridge is not consulted, he is told, in effect.

Secretary RUMSFELD. Could I stop you there and respond to that piece of it?

Senator SPECTER. Sure.

Secretary RUMSFELD. It would be helpful, I think.

The individual who was so quoted was in my view quoted out of context. I have discussed it with him, and it is true, there are instances where Governor Ridge is intimately involved and has the responsibility for coordinating things. There are also aspects of things where in fact he is not the coordinator, the National Security Council is the coordinator, and you are quite right, each of these things, as we move to a new era, new security environment, need to be sorted through well, and the individual did not mean anything other than the fact that in some instances the coordinator is the National Security Council, and in some instances the coordinator is the Homeland Security Council, so I would really love to put that to rest, if I could.

Senator SPECTER. Okay. I am glad to have your comment, Mr. Secretary, but I hardly think it puts it to rest, because they are overlapping responsibilities, and I am not picking at that, but there is a pattern here. When there was a terrorist threat against the banks, the Attorney General went before the cameras and took charge, really preempting Governor Ridge. When there was a classified briefing about a so-called dirty bomb, or at least these are according to news reports, again, Tom Ridge was out of the loop.

Now, Governor Ridge has said that he does not need any more authority, because he can walk down the hall and get the President to arbitrate all of these disputes, but it is a long way down the hall sometimes, and my thinking—and I am interested in your view, obviously—is that you need to institutionalize the Department.

The Department of Defense was created by an act of Congress, not an advisor, an act of Congress, as were all the other Departments, and the next man in charge of homeland security may not have the close personal relationship with the President which Governor Ridge and President Bush enjoy, and I do not have to tell you, Mr. Secretary, about the seriousness of what we are doing here.

When I think back about when President Reagan was shot, and Vice President Bush was flying back home, and Alexander Haig appeared and made the famous statement, I am in charge here, does there not have to be somebody beside the President who is in command? Can the National Security Council have part of the responsibility, a la the air patrols over New York, and Governor Ridge have some other responsibility? Should there not be one person who has total control of all facets of homeland security?

RESPONSIBILITIES FOR HOMELAND SECURITY

Secretary RUMSFELD. Let me address that in three pieces. First, I briefed the National Security Council and I believe the Homeland Security Council combined, with Governor Ridge present, on the subject of the combat air patrols over the United States. General Myers and I briefed. It was in the situation room. We explained what we had been doing, what the alternative possibilities might be, they were discussed, and Governor Ridge was in my view not out of the loop on that. Now, that is my recollection.

Second, with respect to the broader question, I do not know the answer, except that I have never seen anything where one person is totally in charge. Our Government is so big and so complex that when the Attorney General gets up and talks about some person that we have captured in Afghanistan in the Department of Defense, and they are prosecuting them or deciding to prosecute or indict them, that does not surprise or bother me at all.

When the Department of State gets up and talks about something that is in that blurred area between Defense and State, which happens every single day—there are things where we are constantly connected. The Central Intelligence Agency and the Department of Defense, we are constantly into each other's areas, and there is not one of us that is in charge in any one of those instances, nor do I think it is even conceivable that you are going to end up with one single person in charge of homeland security.

Let me give you an example. Let us go to those combat air patrols. The Department of Defense has as its responsibility the defense of our country, and if you took for example, NORAD and combat air patrols and took them away from the Department of Defense and put one person in charge of everything involving homeland security, you would then have kind of bifurcated responsibilities over assets which need to be allocated across the world depending upon what is the single most important thing that needs to be done then to provide for our country's national security, and therefore it is not clear to me that it is ever going to be possible to get perfect clarity and responsibility of a single individual over really any aspect, because our responsibilities do run up and touch very close to each other, but it is not for me to say, and I do not

really have a well-developed opinion on it. I just think it is hard to achieve the goal that you have set.

Chairman BYRD. Senator Specter, you had another question?

CONGRESSIONAL ACCESS TO INFORMATION

Senator SPECTER. I do have one more question.

Mr. Secretary, I am concerned about access by the Congress to key information, and I took this up with Secretary Thompson at some length. It was my Subcommittee on Bioterrorism matters, where we had made a request to the Centers for Disease Control and Prevention, and CDC sent it on to HHS, Health and Human Services, and they sent it on to OMB. We could never get the answer, and I know there is a considerable controversy now about the chain of command in the Department of Defense and the weapons systems. I am not going to get into the details, and I may have a parochial interest which I am not pursuing at the moment as to Pennsylvania's interest, but it seems to me that even where subordinates to the Secretary of Defense have information which is critical to a congressional decision, that Congress ought to have access to it.

If the Secretary and the President disagree with the Congress about a weapons system, Congress has the authority under the Constitution to legislate and make a direction. The President can veto it, and then we have the constitutional authority to override the veto, so my question to you is, should we not have access to information, even if it is from the Secretary of the Army, who has disagreed with the Secretary of Defense, so that Congress could make the ultimate decision on the question?

Secretary RUMSFELD. I have no idea what you are referring to, Senator Specter. You say there is a discussion or a debate going on in the Pentagon on this issue?

Senator SPECTER. Well, there is a dispute as to a major weapons system where you were quoted as saying that you have a minimal amount of regard.

Secretary RUMSFELD. Oh, you are talking about the Crusader issue.

Senator SPECTER. Yes.

Secretary RUMSFELD. I thought you were talking about bioterrorism.

Senator SPECTER. I started there.

Secretary RUMSFELD. It is late in the day, and you lost me.

Senator SPECTER. I started there, Mr. Secretary, because that was one that I had an intimate familiarity with and a detailed responsibility. I could not find out, and when I talk about the weapons system, it is an analogy. I may come back to you. We have some defense contractors in Pennsylvania, but I am not on that point now. I am on the point of having Congress having access to all the information so we can make a decision on the Crusader weapons system, for example.

Secretary RUMSFELD. Well, there is no question but that Congress can get briefed on weapons systems. We do all the time. The Secretaries of all the services are up here frequently. The staffs are briefed, and there is just mountains of information available on these weapons systems.

Senator SPECTER. Even after the Secretary of Defense has made a decision.

Secretary RUMSFELD. Well, at some point a decision has to be made.

Senator SPECTER. By the Secretary of Defense.

Secretary RUMSFELD. Yes.

Senator SPECTER. But then the Congress has to make a decision.

Secretary RUMSFELD. You bet. That is the way it works.

Senator SPECTER. Okay.

Secretary RUMSFELD. Absolutely.

Senator SPECTER. Thank you, Mr. Secretary.

Secretary RUMSFELD. Yes, sir.

Senator SPECTER. Thank you, Mr. Chairman.

Chairman BYRD. Thank you, Senator Specter. Mr. Secretary, do not close your books yet. You have been very generous with your time, and we had very good attention by our full committee here. That is why you are being kept longer than we had expected to ask you to be here.

I want to go back to my original question. I am not satisfied at all with the answers that I got with respect to the $14 billion you are requesting for the Defense Department in the supplemental appropriations bill, of which more than $11 billion is earmarked for a central account called the defense emergency response fund for loosely defined purposes to support the global war on terrorism.

Congress has provided the Defense Department $17.4 billion to date to support this war on terrorism, and as I repeat what I said earlier, the Department has informed us it will run out of money to prosecute the war by the end of May, but I have been informed that the Department is not yet able to inform the Congress how much of the $17.4 billion has been expended, or how it has been expended.

Now, I have to tell you that if we do not get some answers, Dr. Zakheim, on this question, I cannot be fully supportive of this request. Of the $40 billion that the Congress made available to the administration to support the war on terror, homeland defense and the recovery efforts for New York, Pennsylvania, and Virginia, the other half, $17.4 billion was for the Defense Department. I am informed that the DOD Comptroller, Dr. Zakheim, has informed the committee that they are not yet able to identify how they have spent the funding.

Now, when I first came to Congress, John Taber of New York, a Republican, was chairman of the Appropriations Committee in the House. John Taber would not have been satisfied with the answer, and I believe that the last year I was in the House, Styles Bridges, a Republican, was chairman of the Appropriations Committee in the Senate, and I was in the House. Carl Vinson, who I believe was the great uncle, perhaps, of our next witness, former Senator Sam Nunn, was chairman of the Armed Services Committee in the House. He would not have been satisfied with this answer, and I am not satisfied with it.

INFORMATION ON HOW $17.4 BILLION IS BEING SPENT

Now, you indicated that you would provide the committee with your analysis of how the $17.4 billion approved by Congress last

fall is being spent, yet as recently as last week, I am told that Dr. Zakheim told Senator Inouye that information on how the funds are being spent is not available. I want to stress that it is very important—it is very important for the committee to have this information this week.

Now, we will not take no for an answer. We want the information as we prepare to mark up the supplemental. I want to be supportive. I want to help the Defense Department, but I also have a responsibility to the taxpayers and to the Senate, and to the other members of the committee. We want this information. If you have it, let us have it, otherwise you are not going to get the support from this chairman for what you are asking for. I am just not made that way.

I came here 50 years ago, and I am a little bit of the old school, so we just cannot slide by on these answers. I say this in a good spirit. I am not mean-spirited, but we have a responsibility to our people who send us here, and we have a responsibility to ask these questions, and we expect to get the answers if they are available at all.

Mr. ZAKHEIM. Mr. Chairman, I certainly appreciate your concern. To the best of my knowledge, the answers were sent up yesterday. These are the answers I believe Senator Inouye referred to. It is difficult for me to have discussed anything with Senator Inouye last week, since I was not in the country last week. I have given you my word before, Senator, and I believe you know that I have kept it. You will get what you need this week, and I will double-check to make sure that what I was told—it went up yesterday. I was told it went up yesterday. I will double-check again today. We will get you the final answer, and if you or your staff feel as the week moves on that you still do not have what you need, please let me know and I will respond immediately.

Chairman BYRD. Thank you. We will do that.

Mr. Secretary, thank you. You are a very busy man, and we have a great deal of confidence in you. We apologize for keeping you as late as you have been here, but we do thank you.

Secretary RUMSFELD. Thank you so much, Mr. Chairman.

Chairman BYRD. This committee will stand in recess for 3 minutes. Senator Nunn will then appear before the committee. Thank you.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY CHAIRMAN ROBERT C. BYRD

POLICY TOWARD CHINA

Question. On our policy toward China, as you know, there is a growing contradiction between the huge amount of economic resources and technology the Chinese are acquiring from the United States, both legally and illegally, and the growing security issues arising over their military build-up off of Taiwan and their proliferation of weapons of mass destruction and delivery systems to so-called "rogue" states or the axis of evil.

How does the Department cost out the resources necessary to combat these military trends? Do we know what the proliferation practices are costing us in the way of systems which will defend against these threats in the next decade?

Answer. There is no doubt that the proliferation of weapons of mass destruction and their delivery systems is expanding the number and types of scenarios with

which we must be prepared to deal, requiring ever-more capable and flexible U.S. military forces.

While the Department of Defense does not develop its budget or capabilities to deal with a specific adversary, it does develop forces capable of countering and defeating the means any adversary might employ against us.

Recognizing that the nature and scale of the capabilities that potential adversaries might use to threaten U.S. interests are both changing and proliferating, the Department has mounted an aggressive transformation effort to exploit new operational concepts, capabilities, organizational arrangements and technological opportunities to address key emerging operational challenges. Secretary of Defense Rumsfeld laid out six critical operational goals in the Quadrennial Defense Review that the Department's transformation efforts must focus on meeting. Two of these—(1) protecting critical bases of operations and defeating weapons of mass destruction and (2) projecting power in anti-access environments—were formulated precisely with the sort of worrisome proliferation trends noted in the question.

Question. Secondly, the Chinese leader Mr. Hu Jin Tai visited with you, and seemed to emphasize a policy of renewing a high level "strategic dialogue" with us. What is your assessment of Chinese motives here; what would be the nature of such a dialogue, and of military exchanges with the Chinese?

Answer. The motivation of Chinese leaders is their belief that stable military relations, in addition to political and economic relations, are an integral component of the overall bilateral relationship. As a result, the Chinese leadership strongly supports a resumption of the annual United States-China defense talks first held in 1997. The talks were last held in December 2000. In the aftermath of the April 2001 EP–3 incident, no talks were held in 2001. During my May 1 meeting with Chinese Vice President Hu, I agreed to send Assistant Secretary of Defense for International Security Affairs, Peter Rodman, to Beijing this spring to discuss the possibility of resuming these talks. I believe that any United States-China military exchanges must be based on the principles of reciprocity, transparency and consistency. In addition, they must directly benefit the United States and strictly adhere to congressional restrictions.

Question. There seems to be a debate in the Administration over the assessment of the Chinese threat or challenge to the United States. Would you favor the funding of so-called alternate assessment teams to give you and other officials the full range of thinking and options on the Chinese?

Answer. It is important for policymakers to have alternative analyses of important issues. Competitive analyses can help to develop such alternative views.

UNMANNED AIR VEHICLES VS. U–2 UPGRADES, OR AN UNMANNED U–2

Question. Your budget has proposed new resources for unmanned aerial vehicles, or UAV's, but my understanding is that they are not ready to be fielded yet, and have a number of development problems. Are we going to maintain our U–2 fleet, and do you think we need to reopen the U–2 line to keep this asset in the ready inventory while we develop the UAV's over the next decade?

Answer. The resources in the President's fiscal year 2003 Defense budget fully fund acceleration of the Predator, Global Hawk, and X–45 unmanned combat aerial vehicles (UCAVs). Predator is a fielded system which has been deployed almost continuously since 1996. Global Hawk is currently supporting operations in Operation ENDURING FREEDOM and winning great acclaim from the supported Commander in Chief as a source of highly persistent battlefield intelligence. Clearly Global Hawk is not yet ready to be declared operational—as there are only a few vehicles and they are all in the Advanced Concept Technology Demonstration configuration—but they are funded and programmed to achieve maturity with the Spiral 2 configuration within the time frame of this budget. UCAV, an even more autonomous vehicle, is the Department's lead effort to achieve Senator Warner's goal of one-third of our strike aircraft being unmanned by 2010.

The Department does not plan to phase out the U–2 before we have a like capability elsewhere in our intelligence, surveillance, and reconnaissance collection fleet. Global Hawk will offer a multi-intelligence capability in its Spiral 2 version, but will not achieve parity with U–2 sensors until later spirals. We intend to maintain the U–2 fleet and will continue to monitor requirements and development of our UAVs leaving reopening the U–2 line as an option. At this time, we believe the pace of UAV development and production will provide sufficient force structure so we need not produce more U–2s.

Question. I have suggested that you consider an unmanned U–2. What is your reaction to this proposal?

Answer. The U–2 is performing well as the nation's premier collection platform for high altitude imagery and signal intelligence. The Global Hawk unmanned aerial vehicle, although still developmental, has surpassed our expectations in its support of Operation ENDURING FREEDOM. We believe the optimum airborne reconnaissance fleet includes the Global Hawk for long endurance missions as well as the U–2 with its more capable sensor suites. We continue to upgrade the U–2's airframe and sensors to insure the ability to collect against evolving targets of interest. We are also working to harmonize sensor development between the U–2 and Global Hawk to reduce cost and shorten fielding schedules. As with previous opportunities for "unmanning" the aircraft, we do not believe that modifying the U–2 to an unmanned configuration would be prudent; the costs involved are substantial, and many of the airplane's systems would require redesign or replacement to allow automatic flight control. The U–2 is notoriously difficult to fly and land, and the risk of aircraft losses in the attempt to develop an unmanned version could cripple the already high-demand U–2 fleet.

TREATY WITH RUSSIA

Question. It appears that the President may sign a new arms control treaty with Russia before the end of the month.

Does this treaty create any new programs or legal obligations for Russia and the United States to control and secure excess nuclear weapons before they are destroyed?

Answer. No. The United States has pre-existing programs to address the control and security of the United States and Russian nuclear weapons.

Question. During the course of negotiations with your Russian counterparts, did you raise the issue of accelerating the implementation of the Nunn-Lugar programs, which are designed to prevent the theft of nuclear warheads by terrorist groups?

Answer. Yes. The Nunn-Lugar program was specifically mentioned by the U.S. side at several points during the course of negotiations with Russia over possible transparency measures that might have accompanied the treaty.

Question. What was the reaction of the Russians?

Answer. We do not detect a great deal of Russian interest in our proposals. Department of Defense officials will continue discussions with their Russian counterparts on this in the future and will continue to explore ways to foster transparency and bolster security at Russian facilities.

QUESTIONS SUBMITTED BY SENATOR PATRICK J. LEAHY

NORTHERN COMMAND

Question. I recently read about the creation of Northern Command, which will coordinate military forces helping governmental agencies—civilian, local, and federal—in domestic missions. The command might be a good idea, especially if the command truly facilitates communication among supporting military units and civilian organizations leading up counterterrorist efforts. However, there are obviously a lot of restrictions on the military's involvement in civilian affairs, and it will be critical to ensure that the command doesn't take on responsibilities better handled by other federal agencies. Can you please tell me how you addressed some of those issues in developing the command? Did you solicit input from other federal agencies, such as the Department of Justice?

Answer. On April 17, 2002, Gen. Myers and I publicly announced our intention to create the new Northern Command and other key revisions in the 2002 Unified Command Plan (UCP). The President approved the 2002 UCP on April 30, 2002. The UCP changes will be effective on October 1, 2002.

Northern Command will be responsible for defense of the United States, including its land, sea, and aerospace approaches, and for providing forces to assist civil authorities in accordance with U.S. law. The new command will also be charged with responsibility for security cooperation and military coordination with Canada and Mexico. While the UCP revision process was underway, the Department consulted with other federal organization, including the National Security Council, the Office of Homeland Security, and the State Department.

I fully agree with your comment that it is critical that Northern Command not take on responsibilities better led by other federal agencies. As I stated in my testimony, the Department of Defense does not seek to change Posse Cumitatus. The establishment of Northern Command is an organizational realignment that will enable the Department to continue to conduct its existing missions—defending the nation and providing support to civil authorities—but with greater organizational ef-

fectiveness. It does not change the Department's role in homeland defense nor does it add new missions. Additionally, a newly-established component within the Office of the Secretary of Defense will both provide policy oversight for Northern Command and represent the Department at meetings hosted by the staff of the Homeland Security Council. This will serve to ensure that the activities of the Department of Defense are appropriately coordinated with those of other federal agencies such as the Department of Justice and the Federal Emergency Management Agency.

NATIONAL GUARD

Question. Thousands of National Guard troops were called to duty after September 11 under Title 32 of the U.S. Code. Under this status, National Guard troops were able to carry out national mission, such as increasing security at out airports, the Capitol, and the Olympics. Yet they served under the command-and-control of the nation's governors and could carry out a full-range of the law enforcement missions. That gave maximum flexibility to the Guard and more accountability at the local level. In future crises, it seems advisable to exploit the advantages of call-ups under this authority, and I would like to know if DOD has plans to recommend further activations under this title.

Answer. The Department of Defense assesses and makes recommendations on each activation based on individual merits and circumstances. We plan to continue this approach in the case of future activations.

QUESTION SUBMITTED BY SENATOR ARLEN SPECTER

MANUFACTURING WORK

Question. I am very concerned about Bechtel, Nevada's performance of manufacturing work on behalf of the Department of Energy, displacing Pennsylvania private industry manufacturing capabilities and jobs that have been in place for 16 years. What is the justification for this move?

Answer. Bechtel, Nevada is not displacing private industry by performing manufacturing work. The Department of Energy requested proposals (RFPs) from a number of qualified companies to produce a different product from the products currently produced by Osram Sylvania. Bechtel, Nevada was selected to procure those products after a fair competition under the Federal Acquisition Regulations was completed. The initial proposal from Osram failed to meet the requirements of the RFP, and Osram was invited to resubmit its proposal. The contract was subsequently awarded to an Indiana company, one of two companies that submitted proposals that were responsive to the contract requirements. Osram will continue the work that it has performed for the Department of Energy for the last 16 years. The relevant information requested by Osram is classified. Osram, a foreign owned company, is not approved for access to U.S. classified information, and the request was, therefore, denied.

QUESTIONS SUBMITTED BY SENATOR PETE V. DOMENICI

DOD HOMELAND SECURITY

Question. The National Security Community (the Department of Defense and the Intelligence Community) engages in several activities that the Office of Management and Budget (OMB) defines as Homeland Security in the fiscal year 2003 Budget. According to OMB, the National Security Community requested $7.8 billion for Homeland Security activities (out of a total Homeland Security request of $37.7 billion). This request includes: $4.6 billion for the protection of over 500 military installations and their associated personnel in the United States; $835 million for research and development activities that focus on combating terrorism, including $420 million in funding to support bioterrorism; $140 million in assistance to state and local law enforcement; $777 million in training for civil support and emergency response activities, information technology and information security, the purchase of chemical and biological protective equipment, and domestic continuity of operations activities; and $1.3 billion in funding for Combat Air Patrols (CAP) that increase homeland air space security (This activity was shifted from a short-term response activity in fiscal year 2002 to a more permanent homeland defense deterrence activity in fiscal year 2003).

For similar homeland security activities, OMB estimates that the National Security Community was appropriated $4.6 billion in fiscal year 2001 and $5.7 billion in fiscal year 2002. Of those amounts, $580 million was appropriated in fiscal year

2001 in Public Law 107–38 (the Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States) and $981 million was appropriated in fiscal year 2002 in Public Law 107–117 (the Department of Defense and Emergency Supplemental Appropriations Act).

As Secretary of the Department of Defense, do you agree with OMB's definition of the Homeland Security activities within your purview?

Answer. The Department of Defense is in the process of developing definitions of Homeland Security and Homeland Defense to be used for budgeting and organizational purposes. Until these definitions have been finalized, it is premature to say whether they are consistent with those presently used by OMB.

Question. How much of the $14 billion in the President's fiscal year 2002 supplemental request for the Defense Department (out of a total supplemental request of $27.1 billion) will be used for Homeland Security activities, as defined by OMB?

Answer. The OMB definition of Homeland Security activities included the Combat Air Patrols (CAP). The President's fiscal year 2002 supplemental request for DOD of $14 billion includes $300 million for Combat Air Patrols.

RESEARCH AND DEVELOPMENT

Question. Mr. Secretary, you know that I have had the benefit of seeing firsthand the incredible work that the scientists at our national laboratories in New Mexico are capable of achieving.

Throughout the years I have been vociferous in advocating the use of their expertise in addressing both our military and domestic needs.

Once again, I have great confidence in their ability to apply technology in a way that will help us both in our war on terrorism abroad and right here at home.

Within the Department of Defense, as you know, we also have great work being done at our research labs. Much like our national labs, our military labs have been working on innovations to address the special problems posed by terrorism.

For example, the Air Force Research Lab at Kirtland Air Force Base has been doing crucial work in the area of Unmanned Aerial Vehicle (UAV) technology and directed energy.

Mr. Secretary, I know that you have also been forward-thinking about the application of research and development both in the war on terrorism and in the overall transformation of the armed forces.

Can you give us a sense of how the R&D priority has been has been accounted for in the supplemental request?

Answer. The primary purpose of the fiscal year 2002 Supplemental request is to enable the Department to continue the global war on terrorism through the end of the fiscal year, while fulfilling our other national security responsibilities. As such, the supplemental requests very little research and development funding—a total of $83 million for all Services. The majority of this funding is for continued command, control, communications, and intelligence (C^3I) support to military operations and for enhanced communication and control between the Combatant Commanders and the White House.

Question. Is there a plan to accelerate R&D initiatives within DOD to ensure more timely integration of new technologies into the war on terrorism?

Answer. Again, there is very little RDT&E funding requested in the supplemental. Most is oriented toward Intelligence, Surveillance, and Reconnaissance programs. While not an acceleration, there is approximately $20 million requested for the Air Force to continue development of their SIGINT High Band Subsystem for the Unmanned Aerial Vehicle program.

Question. To what extent might such a plan integrate directed energy technology?

Answer. There is no RDT&E funding requested in the supplemental for directed energy technology efforts.

49TH MATERIAL MAINTENANCE GROUP

Question. I had the opportunity last week to meet with the base commander from Holloman Air Force Base. Holloman is home of the F–117 Stealth Fighters that we are all so proud of. But it is also home to the 49th Material Maintenance Group, known as "bare base."

The 49th responds worldwide for the deployment, setup, and maintenance of support equipment such as tents, electric generators, heating and ventilation, and many other amenities our troops need to sustain themselves while they serve in far away places.

Mr. Secretary, I know that you are aware of how critical the support efforts of units like the 49th Material Maintenance Group are to our military missions

abroad. Without them, our forces cannot be successful in carrying out their operations.

How has the war on terror in Afghanistan affected the readiness of and resources available to maintenance groups like the 49th?

Answer. Support for Operation Enduring Freedom (OEF) required 28 of the 50 mission capable Bare Base sets (56 percent) available prior to September 11, 2001. There were 22 mission capable sets available after the initial deployment. Since that time the Air Force has reconstituted 4 sets. The Air Force currently has 26 mission capable sets available.

Question. Does the supplemental request seek additional funds to ensure that maintenance groups will be able to provide the first-rate support our fighting men and women may need in any possible future conflicts?

Answer. The Supplemental requests funding for the deployment of military forces. Embedded in the deployment request are funds necessary to maintain equipment in support of deployed military forces and the funds necessary to reconstitute equipment when forces are redeployed.

QUESTIONS SUBMITTED BY SENATOR CHRISTOPHER S. BOND

CBRN TRAINING

Question. Chemical/Biological/Radiological/and Nuclear (CBRN) Training is a critical part of Homeland Defense. Under Public Law 103–160 all CBRN training of the Department of Defense is required to be conducted at the U.S. Army Chemical School, which is located at Fort Leonard Wood, MO. Fort Wood is host to CBRN training detachments from all branches of service. In fact, the first class of Coast Guard personnel just graduated earlier this year and went on to successfully help defend the Olympic Games in Salt Lake City, UT.

However, the Chemical School is only resourced, staffed, and equipped to provide "traditional" training to soldiers programmed for assignment to the field Army. CBRN training is resource intensive and will bring thousands of additional trainees to Fort Leonard Wood. Given the current environment, will the CBRN training taking place at Fort Leonard Wood get a more detailed look from the Department of Defense?

Answer. The Department of Defense recognizes that the current strategic environment highlights capabilities needed for Homeland Security and the emerging Service requirements to conduct non-traditional CBRN training and certification. With additional resources, a CBRN Center of Excellence could provide a needed focal point for future investments to provide needed Full Spectrum non-traditional CBRN training, doctrine, facilities, and instruction. DOD supports further consideration of a CBRN Center of Excellence by the new Joint Requirements Office on the Joint Staff and inclusion into the Joint CBRN Strategic Plan.

CBRN ATTACKS

Question. In a recent GAO report (dated September 2001) it was reported that specialized National Guard teams, known as Weapons of Mass Destruction Civil Support Teams, have been developed to assist state and local authorities in responding to a terrorist incident involving weapons of mass destruction. However, there are numerous problems with readiness and deployability. According to the DOD Inspector General the Army's process for certification lacks rigor; the program schedule has slipped; and there are no plans to arrange for for dedicated aircraft to get the teams in position. Can you tell us what has happened since this GAO report was released? Are our troops adequately equipped to respond to Chemical, Biological, Radiological, and Nuclear (CBRN) attacks at home and abroad?

Answer. Since the January 2001, DOD Inspector General Report on the WMD–CST program, the Department conducted a detailed program review that established a rigorous certification criteria that includes: attaining the highest readiness rating level in the areas of personnel, training and equipment on the Unit Status Report, without subjective upgrades; successfully completing a comprehensive External Evaluation (EXEVAL) conducted by either 1st or 5th U.S. Army; and a validation by the state Adjutant General of the unit commander's request for certification.

The DOD IG was a full participant in reviewing the process for validating the requests for certification of the first 10 teams prior to these packets being submitted to the Chief, National Guard Bureau and Secretary of the Army, who also validated each request prior to submitting them to the Secretary of Defense. In accordance with Public Law 105–261, a CST is not considered deployable until the Secretary of Defense certifies that the CST has attained the requisite skills, training, and

equipment to be proficient in all mission requirements. As of May 1, 2002, the Secretary of Defense has certified 27 of the 32 teams as being fully operational and ready for deployment. The remaining five teams, which were formed in November 2001, are projected to be equipped, manned, and certified by April 2003. Since September 11, 2001, the WMD–CSTs have performed 421 operational missions at the request of civil authorities. The 27 certified WMD–CSTs are adequately equipped, manned and trained to respond to CBRN attacks at home. The teams do not have an overseas mission.

GOCO VACCINE PRODUCTION FACILITY

Question. I am aware that there is great concern in the Pentagon regarding the threat posed by biological weapons. Many in the Congress had anticipated that DOD's fiscal year 2003 budget submission would contain the down payment for the construction of a government-owned, contractor-operated (GOCO) vaccine production facility. Regrettably, the Department's initiative has stalled. Instead of measurable progress, I understand DOD has now convinced HHS to consider paying for the facility. Do you believe that HHS is going to build a vaccine production facility whose laboratory space would be dominated by the production of DOD-specific vaccines?

Answer. DOD and HHS are continuing to work together identifying requirements for vaccines that address unique military requirements and the larger need for public heath vaccines. Each Department will need to identify resources necessary to meet its needs. If a dedicated facility is needed to meet national requirements, it is expected that multiple agencies will share the cost to construct and operate such a facility.

QUESTIONS SUBMITTED BY SENATOR JAMES M. INHOFE

FOREIGN TERRORIST TRACKING TASK FORCE

Question. Is the Department of Defense coordinating with the Department of Justice on an initiative entitled the Foreign Terrorist Tracking Task Force?

Answer. Yes. Identifying terrorists preparing to attack DOD facilities and personnel within the United States is a priority for DOD counterintelligence. DOD's counterintelligence assets can enhance the anti-terrorism efforts of other government agencies.

Due to DOD's authority and purview to protect its facilities and personnel from terrorist attacks, a logical and significant partnership began with the Foreign Terrorist Tracking Task Force (FTTTF). The Joint Counterintelligence Assessment Group (JCAG) is the element DOD has identified to work with the Department of Justice led task force.

Question. What is the mission of this Foreign Terrorist Tracking Task Force?

Answer. The mission of the FTTTF is to provide information that keeps foreign terrorists and their supporters out of the United States.

Question. Has the Foreign Terrorist Tracking Task Force identified a need to acquire available personal information from the following twenty-six nations in which terrorists have been known to originate and dwell, as well as from Germany and Canada: Saudi Arabia, Algeria, Egypt, Kazakhstan, Afganistan, Qatar, Philippines, Malaysia, Iran, Bahrain, Thailand, Tajikistan, Libya, United Arab Emirates, Morocco, Uzbekistan, Pakistan, Oman, Jordan, Turkmenistan, Sudan, Lebanon, Somalia, Yemen, Indonesia, and Syria?

Answer. The FTTTF does wish to acquire commercially available personal information from these countries and additional countries not listed above. FTTTF has already reached agreements with and received terrorist information from several foreign countries and Interpol.

Question. According to what prioritization procedure would you commence obtaining this information?

Answer. We will prioritize the type of information and the countries from which that information is to be attained based on the ease of acquisition and the expense required in obtaining that data.

Question. What is the cost to obtain this information?

Answer. FTTTF estimates $2 million per country as an initial requirement.

Question. Is Department of Defense appropriations PE #0305146D8Z an appropriate account in which to fund this activity?

Answer. Yes. This is the account code for the Joint Counterintelligence Assessment Group, which has been the DOD component most directly involved with the FTTTF data acquisition and processing efforts.

Question. What other unmet needs have been identified by the Foreign Terrorist Tracking Task Force, and what is the cost to meet these needs?

Answer. The degree to which the FTTTF can fulfill its detection and tracking mission is a function of the quality and quantity of available data. Accordingly, the FTTTF's primary need will always be for richer data sets from a wide variety of both government and public sources. However, as these data nodes have not yet been definitively identified, it is difficult to predict the likely costs.

STATEMENT OF HON. SAM NUNN, CO-CHAIRMAN AND CHIEF EXECUTIVE OFFICER, NUCLEAR THREAT INITIATIVE AND FORMER UNITED STATES SENATOR

Chairman BYRD. May we have order. Senator Nunn, I am pleased to welcome you to this hearing on homeland security, and it is a great pleasure to see you in the halls of the Senate complex again. As one of the Nation's foremost experts on national security issues, you have a very clear perspective on the state of our homeland defense strategy, and the committee is eager to hear from you.

I apologize for the lateness of the hour. We had a full committee when we started these hearings earlier today, and Senators had questions, lots of them, and the hearing has been prolonged beyond what we expected. I apologize to you on behalf of the committee for the delay in having the opportunity to hear you. It is a real pleasure, I want to tell you, to see you back here. We miss you. We miss you.

When I first came to Congress 50 years ago, I remember Carl Vinson in the House. He was chairman of the Armed Services Committee, and he was your relative, and he was tight-fisted, and he ran a tight ship, and he knew the subject matter that his committee had jurisdiction over. I had great admiration for him.

And then later, when I was in the Senate, I kind of looked upon the late Senator Richard Russell as perhaps my foremost mentor, and the State of Georgia has much to be proud of in the services rendered by these two fine individuals.

I believe that Carl Vinson—I believe he lived to be 97 or 98 years old. I will never forget the part that the State of Georgia has played in the founding of this country, when William Few and Abraham Baldwin were the two representatives who signed the Constitution of the United States on behalf of the State of Georgia.

I have always felt, as I have watched you come here, watched you grow—I remember going to Georgia on one occasion when they were having Sam Nunn Day, and I said on that occasion that here was a young man—I think I was Whip in the Senate at that time—that would go places, he would amount to something, and I have been proud to see that prophesy well-placed, and to see it come true.

I have considered you as being a Senator who had good judgment, the kind of good, cool, sound judgment that Senator Richard Russell always displayed in his work and his services in the Senate, and you certainly have made the people of the State of Georgia proud. They have had great confidence in you, and that confidence has never been in vain. I wish you were still here. We really, really miss you.

We are particularly interested in your viewpoint as co-chairman of the Nuclear Threat Initiative, a nonprofit organization which has a global focus on reducing the threat of nuclear, biological, and chemical weapons, and so I thank you for appearing before this

committee, and before you begin your testimony I would like to recognize Senator Inouye for any comments that he might wish to make.

Senator INOUYE. If I may, Mr. Chairman, I would like to associate myself with your remarks and tell you, Sam, we miss you.

Chairman BYRD. Thank you. Thank you, Senator Inouye.

Senator Nunn.

Senator NUNN. Thank you, Mr. Chairman, and thank you, Senator Inouye. You do not need to apologize to me. First of all, I enjoyed watching in the back room the hearing. I had not seen one in total for a long time, and it brought back a lot of memories, and one of those memories is being the last Senator in the room where a lot of witnesses had not yet been heard from. I suspect that I have done that as often as anybody in the present Senate except the two gentlemen in front of me right now.

So I am delighted and honored to be here, Mr. Chairman. I have always, as a Senator or as a citizen, basically responded to the beck and call of the chairman of the Appropriations Committee, and will continue to do so.

In the interest of time, and I know that all of you—hello, Senator Stevens. Nice to see you.

Senator STEVENS. Sorry to be late, Senator.

Senator NUNN. No, I am delighted to be here. I was just saying, I feel at home.

In the interest of time, I have a shortened version and I think I will present that, and then if you have time remaining for questions, then I will submit my entire statement for the record.

Chairman BYRD. Thank you. It will be included in the record as so stated.

Senator NUNN. I remember Senator Inouye's question right at the end of the hearing with Secretary Rumsfeld about the whole question of Warren Buffett's statement about nuclear weapons and so forth, and my testimony is going to concern that, and I was gratified both to hear that question, Senator Inouye, and also to hear Secretary Rumsfeld and his answer where he said that we ought to do everything, we must do everything possible to keep that from happening, and we ought to go out and do it wherever we need to, and so I will take up with that point.

I think the most pressing national security issue of our times is how to protect our homeland, and that includes our homes, our cities, and our people, from terrorist attacks. Last October, according to news accounts, and I have had no briefing on this from intelligence community, so this is all open sources, top U.S. Government officials received a highly classified intelligence report. The report warned that terrorists had stolen a 10-kiloton nuclear bomb from the Russian arsenal and planned to smuggle it into New York City. That was just last October.

As far as we know, no one in Government claimed that this was impossible that a nuclear weapon could have been stolen from Russia, or that a nuclear weapon could be smuggled into New York City, or that a terrorist group would want to kill several hundred thousand Americans with a nuclear weapon. To the contrary, the experts knew that this was all possible, and even before the Octo-

ber warning from the intelligence community they took it dead seriously.

Senior level Federal managers in Washington were moved outside the city so the Government could continue to function in the aftermath of a possible nuclear or other catastrophic attack. The Washington Post reported that following a CIA briefing in October, President Bush told his national security staff to give nuclear terrorism priority over every other threat to America.

In the end, officials came to two conclusions. Number 1, that the particular intelligence report was false. Thank God for that. Number 2, if terrorists were to succeed in acquiring a nuclear weapon, or enough materials to make a nuclear weapon, there is a low probability that we would intercept it at our borders or find it once it is here.

Today, I think it would be useful to ask ourselves two questions. If that report had been true and a bomb had gone off in New York City, what could we have done to prevent it, how would we second-guess ourselves if that had happened, and if we came up with a list of things that we wished to had done, why are we not doing them now?

Mr. Chairman, we are in a new arms race between those seeking to acquire weapons of mass destruction and those trying to stop that from happening. Keeping terrorists from acquiring weapons of mass destruction is either a priority, or it is an afterthought. If it is a priority, our budget should reflect that. If it is an afterthought, I pose the subsequent question, after what? What is more important?

Homeland defense begins abroad, and I think we see that from the actions in Afghanistan that Secretary Rumsfeld, President Bush and our military have taken firmly, and I think with great effectiveness. Cooperative threat reduction and homeland defense are different phases of the same mission to prevent a catastrophic terrorist attack.

The most effective and least expensive way to prevent nuclear terrorism is to secure weapons and materials at their source. Acquiring weapon materials is the hardest step for terrorists to take. Some in the military would use the term, that is the long pole in the tent if you are a terrorist. The hardest step for them to take, and the easiest step for us to stop. By contrast, every subsequent step in the process is easier for the terrorist to take and harder for us to stop.

I have a little chart here, and if I could get someone to come up I will share it with the members of the committee, and I have a few extra here, but I think it demonstrates this point pretty vividly. If you look at the color blue, you will basically see the cooperative threat reduction program. Some call it the Nunn-Lugar program.

All three of you, Senator Byrd, Senator Inouye, and Senator Stevens have been champions of supporting that program both in its inception, because I remember when we presented it on the floor in 1991, and since then, and then if you look in yellow, you will see where homeland security efforts begin, and then if you look over on the right-hand side in red you will see a chart showing what a terrorist group would have to do to detonate a weapon,

starting with stealing the fissile material or nuclear weapon, and this is just one continuum here that basically is one—these are different phases in the same kind of effort.

Mr. Chairman, my point is, in protecting America from nuclear terrorism, an ounce of prevention is worth a megaton of consequence management. That is why homeland defense must begin by securing weapons and fissile materials in Russia, where they are there in huge quantities, as well as in every country with dangerous weapons or materials.

There are 58 nations with research reactors designed to use HEU. My longer statement goes into some detail on this. Suffice it to say, we are talking about the raw material of nuclear terrorism stored in hundreds of facilities in more than 50 nations, some of it secured by nothing more than an underpaid guard sitting inside a rather insecure fence.

There are no international standards for securing nuclear materials within countries. The IAEA has the jurisdiction to determine whether there are missing materials, but there are no standards within countries, and many countries have small amounts of HEU, some of them enough to make bombs in and of themselves, and others combined with other stockpiles would be enough to make weapons that would produce a catastrophe.

I think this situation must change. Right now, we would only be notified by the IAEA if they found material had been missing, and we would not have—no one has jurisdiction to prevent that from happening within individual countries, other than the country themselves.

In November, at his joint White House press conference with President Putin, President Bush said, quoting him, our top priority is to keep terrorists from acquiring weapons of mass destruction, end quote. Unfortunately, the President's priority is not yet his administration's priority. Even as the administration seeks increases of tens of billions for fighting terrorism, for homeland security and for developing a missile defense system, all of them legitimate needs, it seeks no increase for efforts to keep weapons of mass destruction out of the hands of terrorists.

The Government's total threat reduction programs for securing nuclear weapons and materials in Russia and the New Independent States is requested at approximately $1 billion in the President's 2003 budget request before you, roughly the same level appropriated last year. Last year, the President's request would have reduced this overall effort by over $100 million. Fortunately, instead Congress increased these programs by $200 million, primarily in the supplemental.

We may even be losing ground, Mr. Chairman. Some of the vital work that is being done to protect America from a nuclear attack is being put on hold because the administration has not certified Russia's commitment to comply with arms control agreements, which is a requirement of law. I believe that Russia should and must fully implement its strong verbal commitments to comply with its arms control obligations.

I strongly support, however, the administration's request to Congress, which is also before you on the supplemental, for permanent waiver authority to allow this work that is vital to our nation, secu-

rity to go forward. Whatever our differences with Russia over its arms control commitments, suspending efforts to reduce the nuclear threat to the United States, which these programs are all about, should not be viewed as leverage, and is not the answer. To me, this is a top priority in preventing catastrophic terrorism.

Mr. Chairman, at your hearings on homeland security last month, you repeatedly returned to the question of priorities, stating, how could we better prioritize our funding decisions to best protect the safety of our citizens. I agree with your question and the emphasis of your point. I submit that we must begin with an objective, comprehensive national security estimate that assesses each major risk, ranks each major threat, and estimates each major cost.

From this analysis, we can begin to build a broad-based strategy, one that would allow us to direct the most resources to prevent the threats that are the most immediate, the most likely, and the most potentially devastating. Our best Government and non-Government sources should submit to this committee their best estimates of the risks, the priorities, as well as the cost. I also recommend, and this is perhaps the most important point, that your funding decisions be based on such an analysis. The cost incurred must be proportionate to the threat deterred.

President Bush this month has a second summit with President Putin. I think it is essential for our two presidents to bring our nations together, the United States and Russia, together as lead partners in a global coalition against catastrophic terrorism. I believe that today the challenges of preventing catastrophic terrorism, that challenge is important enough, is urgent enough, and geographically broad enough to become our organizing security principle for the 21st century, so let me close with a few recommendations based on these abbreviated remarks.

First, both President Bush and President Putin should commit each nation to the highest international standards of weapons of mass destruction security to ensure that nuclear, chemical, and biological weapons and materials are safe, secure, and accounted for, with reciprocal monitoring sufficient to assure each other and the rest of the world that this is the case, and I am talking about a partnership here, not simply the United States furnishing funds and the Russians being in a supplicant position. I am talking about having the Russians step up to the plate and be a leader in this effort.

The United States and Russia must lead the rest of the world, encouraging and assisting all countries to adopt these high standards. Both presidents should find a way to build on their commitments from their Crawford, Texas meeting to speed the pace of reducing the numbers of nuclear weapons by both the United States and Russia without losing—and this is very important—the transparency, the verifiability, and the stability that are the benefits of traditional arms control.

In other words, I agree with accelerating the process from the 10, 12-year procedures in the past on arms control, but we must not lose the verifiability and the transparency and the stability. We have an example of that in 1991, where we had the tactical nuclear reductions, which I applauded. I think it was a great initiative, but

there was no follow-through, no parallel written commitment, so now we have no baseline on tactical nuclear weapons, perhaps the most likely weapons to be stolen by a terrorist group.

Numbers are important, but what is even more important than the numbers of nuclear weapons is that we find a way to reduce the risk of a catastrophic accident or miscalculation. Both the United States President and the Russian president should order their military leaders, in joint consultation and collaboration, to devise operational changes in the nuclear forces of both nations that would reduce towards zero the risk of accidental launch or miscalculation, and provide increased launch decision time for each president.

Mr. Chairman, I think it is really unacceptable, 10 years after the so-called end of the Cold War, that our two presidents have about the same amount of time to decide whether to blow up the world after a warning as they did during the peak of the confrontation, but that is the case.

The two presidents should insist on an accurate accounting and guarantee adequate safeguards for tactical nuclear weapons, as I mentioned a moment ago. These are the nuclear weapons most attractive to terrorists, far more valuable to them than fissile material itself, and much more portable than strategic warheads.

The two presidents also should combine our biodefense knowledge—and this is enormously important, and will be difficult but has a huge, huge potential up-side—should combine our defense knowledge and scientific expertise and apply these joint resources to defensive and peaceful biological purposes.

When the same investment can improve international security, advance public health, and promote global partnership, it is an investment that ought to be made, and the Russians, because unfortunately they did not follow the applications in the biological treaty, at least that is our strong suspicion, probably know more about this area than we do, so I am saying that we must work together with them, get them inside the tent, leading, rather than outside the tent.

Finally, the two presidents should link Russia and the United States capabilities to plan and practice in advance for a joint response if weapons or materials ever get loose from the custody of either State, or from any third nation.

Mr. Chairman, Senator Stevens, Senator Inouye, members of the committee, we must think anew. It is difficult, but I think it is time for us to do it. The threat of weapons of mass destruction is global. The United States and Russia cannot meet it alone, but the actions of many nations often follow the actions of a few, particularly when the actions of the few are in the interest of the many.

Our two nations have done more than any others to build up these nuclear, chemical, and biological arsenals. We have to take the lead in building them down and, of course, in our case we have already done so with biological, and we hope the Russians have. Until we do so, we will not have the credibility to gain the world's full cooperation in reducing the global threat of catastrophic terrorism.

The initial steps in building a coalition against catastrophic terrorism must begin with the action from the United States and Rus-

sia, and I would hope that would begin at the summit conference in about 2 weeks. We must set the example and ask others to join.

Thank you, Mr. Chairman.

[The statement follows:]

PREPARED STATEMENT OF SAM NUNN

Mr. Chairman and Members of the Committee, it's an honor to come before my former colleagues today to testify on the most pressing national security issue of our times—how to protect our homeland and homes, our cities and people from terrorist attacks.

Last October, according to news accounts, top U.S. government officials received a highly classified intelligence report. The report warned that terrorists had stolen a 10-kiloton nuclear bomb from the Russian arsenal and planned to smuggle it into New York City.

As far as we know:

—No one claimed it was impossible that a nuclear weapon could have been stolen from Russia;

—No one claimed it was impossible that a nuclear weapon could be smuggled into New York City;

—No one claimed it was impossible for terrorists to disarm the safeguards and explode the bomb; and

—No one said it was impossible that a terrorist group could want to kill several hundred thousand people with a nuclear weapon.

On the contrary, the experts knew this is all possible, and even before the October warning, they took it very seriously:

—Senior-level federal managers in Washington were moved outside the city so the government could continue to function in the aftermath of a nuclear or other catastrophic attack.

—The Washington Post reported that—following a CIA briefing in October—President Bush told his national security staff to give nuclear terrorism priority over every other threat to America.

In the end, officials came to two conclusions. Number one: That particular intelligence report was false, thank God. Number two: If terrorists were to succeed in acquiring a nuclear weapon, there is low probability we would intercept it at our borders or find it once it's here.

Mr. Chairman, let's imagine for a moment we had not been so fortunate, and a 10-kiloton bomb had exploded in New York City. Beyond the horror and human catastrophe, we can imagine the bitter public comment on our government's stewardship of homeland defense. Without a doubt, the media would have catalogued exhaustively and scathingly all of the warnings policymakers heard and should have heeded, but did not.

Today, I think that it would be useful to ask ourselves two questions: (1) If that report had been true and a bomb had gone off, what could we have done to prevent it? and (2) Why aren't we doing it now?

Former Senate Majority Leader Howard Baker and former White House Counsel Lloyd Cutler headed a panel in the year 2000 that studied the threat to our country posed by nuclear weapons, materials, and know-how in the former Soviet Union. The Baker-Cutler report, which came out in January of 2001, stated: "The most urgent unmet national security threat to the United States today is the danger that weapons of mass destruction or weapons-usable material in Russia could be stolen and sold to terrorists or hostile nation states."

When Senator Baker testified on this report before the Senate Foreign Relations Committee about six months before September 11, he said: "If I were arguing this matter on the floor of the Senate of the United States on a matter of appropriations, I would simply say that there aren't any issues of national defense that are more important . . . [than] the protection and safeguarding of existing sources of nuclear material."

Mr. Chairman, we are in a new arms race—between those seeking to acquire weapons of mass destruction and those trying to stop them.

Keeping terrorists from acquiring weapons of mass destruction is either a priority or an afterthought. If it's a priority, our budget should reflect that. If it's an afterthought, after what?

In my view, both before September 11 and after, the greatest threat to the United States is, was, and remains nuclear, biological and chemical weapons. On the nuclear side, the greatest specific threat to our national security is, in my view, the danger that terrorists could acquire weapons-grade materials, build a rudimentary

nuclear device or a radiological bomb, and blow it up in a U.S. city. I believe this is the most likely nuclear threat we face. Together with a biological attack with a contagious agent, I believe it is the most potentially devastating terrorist threat we face.

To prevent our worst nightmare from becoming a reality, we have to determine the steps terrorists would take to carry it out, and the best ways to block them.

First, the terrorists would have to acquire nuclear material. Second, they would have to build the weapon. Third, they would have to transport the weapon (or the material to make the weapon) to the target location—which could include smuggling it across international borders into the United States. Fourth, they would have to explode it.

Analyzing the pathway to a terrorist nuclear weapon helps us understand several points:

First: Homeland defense begins abroad. Cooperative threat reduction and homeland defense are different words for the same mission—to prevent a catastrophic terrorist attack.

—Our threat reduction initiatives in Russia are responsible for helping Russia monitor stockpiles and secure warheads and materials to prevent theft.

—If we fail to protect these materials at the source, the international law enforcement and intelligence communities are responsible for identifying the threat and interrupting transport.

—If we fail there, Customs and Coast Guard officials are responsible for keeping the weapon or material from entering our borders.

—If we fail there, nuclear emergency search teams and law enforcement tackle the nightmare job of searching for, finding and defusing a nuclear weapon.

—If all of these steps fail and a nuclear device is exploded in an American city, we turn to the terrible task of managing the consequences.

It becomes obvious from analyzing the terrorist path to a nuclear weapon that the most effective, least expensive way to prevent nuclear terrorism is to secure weapons and materials at the source. Acquiring weapons and weapons materials is the hardest step for the terrorists to take, and the easiest step for us to stop. By contrast, every subsequent step in the process is easier for the terrorists to take, and harder for us to stop.

When I say "we" and "us," I do not mean the United States alone. I mean the United States, Russia, China, India, Europe, Japan, and all our allies, and all nations who have dangerous weapons and materials. Even as the strongest country on earth, America cannot prevent catastrophic terrorism alone.

Mr. Chairman, our top priority must be to prevent terrorists from gaining possession of nuclear material. Once they gain access to nuclear materials, they've completed the most difficult step. Recruiting individuals with physics knowledge, explosive expertise and machining capability to build a weapon or device is a much easier task.

Mr. Chairman, my point is this—in protecting America from nuclear terrorism, an ounce of prevention is worth a megaton of consequence management.

That is why homeland defense must begin with securing weapons and fissile materials in Russia—and in every country with dangerous weapons or materials.

U.S. work in threat reduction has so far been limited to Russia and the new independent states, but the threat extends beyond these countries. There are 58 nations with research reactors designed to use highly enriched uranium. That means 58 nations where terrorists might go to steal premium material to build a nuclear weapon. I don't know for certain how many of these reactors still have dangerous materials. I hope someone in the government does. While the International Atomic Energy Agency checks to make sure that the material has not been stolen or diverted, there are no international standards for securing nuclear materials within countries. This has to change. We are talking about the raw material of nuclear terrorism, stored in hundreds of facilities in more than 50 nations—some of it is secured by nothing more than an underpaid guard sitting inside a chain-link fence.

As Senator Lugar wrote in The Washington Post: "We have to make sure that every nation with nuclear, biological, or chemical weapons capacity accounts for what it has, secures what it has, and pledges that no other nation or group will be allowed access."

President Bush has made some strong statements on this matter. In November, at his joint White House press conference with President Putin, President Bush said: "Our top priority is to keep terrorists from acquiring weapons of mass destruction."

Unfortunately, the President's priority is not yet his Administration's priority. Last September, Congress approved $40 billion to respond to the events of September 11. On top of that, Congress now has a $27 billion request from the Presi-

dent to fight terrorism abroad, and a $38 billion request from the President for homeland defense initiatives. As Senator Stevens has pointed out (and I quote), "This is a combination of $65 billion and reflects the largest commitment of federal resources to any security threat since the Vietnam War, and significantly exceeds the $15 billion appropriated during the Gulf War."

Yet, even as the Administration seeks increases of tens of billions for fighting terrorism, for homeland security and for developing a missile defense system, it seeks no increase for efforts to keep weapons of mass destruction out of the hands of terrorists. Last year, the Administration's request [$745 million] would have reduced these programs by approximately $100 million, but the final appropriations approved by Congress, including the supplemental bill, increased the programs by $257 million to approximately $1 billion. The government's total threat reduction programs for securing nuclear weapons and materials in Russia and the new independent states is requested at approximately $1 billion in the President's 2003 budget—roughly the same level appropriated last year.

We may even be losing ground on current work. The Nunn-Lugar and Nunn-Lugar-Domenici programs, which this committee helped establish and has strongly supported, has contributed to a decade of improvements in U.S. national security and reduced the threats from weapons of mass destruction terrorism. These programs have also greatly enhanced Russian compliance with its arms control commitments and have greatly increased the transparency of Russia's weapons programs. But we have a long, long way to go.

I'm very concerned, Mr. Chairman, that some of the vital work that is being done to protect America from a nuclear attack is being put on hold because the Administration has not certified Russia's commitment to comply with arms control agreements. I believe that Russia should fully implement its strong verbal commitments to comply with arms control treaties. I strongly support, however, the Administration's request to Congress for permanent waiver authority to allow this work that is vital to our national security to go forward. It is indeed ironic and disturbing that the United States and Russia—both nations with a huge security stake in preventing catastrophic terrorism—allow this critical work to be interrupted or slowed. Whatever our differences with Russia over its arms control commitments, suspending efforts to reduce the nuclear threat to the United States should not be viewed as leverage, and is not the answer. To me, this is a top priority in preventing catastrophic terrorism.

Mr. Chairman, at your hearings on homeland security last month—in your opening statement and in your questions to the witnesses, you repeatedly returned to the question of priorities—how we could "better prioritize our funding decisions to best protect the safety of our citizens."

I agree with your emphasis on this point. Designing an effective defense against the full range of risks is a formidable challenge. To do this, I believe we must begin with an objective, comprehensive national security estimate that assesses each major risk, ranks each major threat, and estimates every major cost. From this analysis, we can begin to build a broad-based strategy—one that would allow us to direct the most resources to prevent the threats that are the most immediate, the most likely, and the most potentially devastating. We must confront the full range of dangers in a way that defends against one without making us more vulnerable to another. In the absence of an infinite budget, relative risk analysis must be the beginning point in shaping our strategy and allocating our resources.

Our best government and non-government sources must be involved in conducting this relative risk analysis of the threats we face, and they should submit to this Committee their best estimates of the risks, the priorities, and the costs. I also recommend—and this is the most important point—that your funding decisions be based on such an analysis. The cost incurred must be proportionate to the threat deterred.

We have now a window of opportunity to reduce these risks and to build a framework to address these ongoing threats on a continuing basis. President Bush, this month, has a second summit with President Putin. I believe it is essential for our two Presidents to bring our nations together as lead partners in a global coalition against catastrophic terrorism.

Mr. Chairman, during the last half of the century, our organizing security principle was to contain Communism. I believe that today, the challenge of preventing catastrophic terrorism is important enough, urgent enough and geographically broad enough to become our organizing security principle for the 21st century. Preventing catastrophic terrorism is a mission that demands unparalleled security cooperation. To be effective, it must include our traditional allies and must also include Russia, China, India, Pakistan—indeed, every civilized nation.

Recommendations

I have a few suggestions for the upcoming Bush-Putin Summit that could significantly affect the security of our homeland now and in the decades ahead:

(1) Both President Bush and President Putin should commit each nation to the highest international standards of weapons of mass destruction security—to ensure that nuclear, chemical and biological weapons and materials are safe, secure, and accounted for—with reciprocal monitoring sufficient to assure each other and the rest of the world that this is the case.

(2) The United States and Russia must lead the rest of the world, encouraging and assisting all countries to adopt these high standards.

(3) Both Presidents should find a way to build on their commitments from their Crawford, Texas meeting—to speed the pace of reducing the numbers of nuclear weapons by both the United States and Russia without losing the transparency, verifiability and stability that are the benefits of traditional arms control.

(4) Numbers are important, but what's even more important is that we find ways to reduce the risk of a catastrophic accident or miscalculation. Both Presidents should order their military leaders, in joint consultation and collaboration, to devise operational changes in the nuclear forces of both nations that would reduce toward zero the risk of accidental launch or miscalculation and provide increased launch decision time for each President.

(5) The two Presidents should get an accurate accounting and guarantee adequate safeguards for tactical nuclear weapons. These are the nuclear weapons most attractive to terrorists—far more valuable to them than simple fissile material, and much more portable than strategic warheads.

(6) The two Presidents should combine our biodefense knowledge and scientific expertise and apply these joint resources to defensive and peaceful biological purposes. When the same investment can improve international security, advance public health, and promote global partnership, it's an investment that ought to be made.

(7) Finally, the two Presidents should link Russian and U.S. capabilities to practice in advance for a joint response if weapons or materials ever get loose from the custody of either state or from any third nation.

Mr. Chairman, Senator Stevens, Members of the Committee—we must think anew. The threat of weapons of mass destruction is global; the United States and Russia cannot meet it alone. But the actions of many nations often follow from the actions of a few—particularly when the actions of the few are in the interest of the many. Our two nations have done more than any others to build up these nuclear arsenals. We have to take the lead in building them down. Until we do so, we will not have the credibility to gain the world's full cooperation in reducing the global threat. The initial steps in building a coalition against catastrophic terrorism must begin with action from the United States and Russia. We must set the example and ask others to join.

Chairman BYRD. Thank you, Senator Nunn. You long ago saw the need to take action to prevent the use of nuclear material that had been missing from the inventories, and you have led the way, with Senator Lugar, in the effort to make use of the Russian nuclear scientists who are unemployed, hoping to use them for peace rather than to leave them unemployed.

Senator Inouye, do you have any questions?

Senator INOUYE. I just want to comment. I agree with you that the waiver makes good sense. However, as former chairman of the Armed Services Committee, legislation of this nature would be objected to if this committee decided to initiate it, but I think the temporary waiver would suffice. Don't you think so?

Senator NUNN. As long as it is renewed each year. The temptation, though, is to begin to think of this as a point of leverage in the Congress. Any time Russia does something we do not like, and their having some activities that we do not like are almost inevitable, so I would hope it would not be viewed as leverage, therefore I would prefer, as the administration has requested, some way of getting a permanent waiver.

I take your point about the Appropriations Committee, and I remember the history of all of that very well, so I take that point,

but I would hope the authorizing committee would join in, and you could perhaps even do a permanent waiver on the floor, and I know with Senator Levin and Senator Warner and their support of these programs in the past, I think that would be important.

It is awfully important that this not be viewed as leverage versus Russia. Either it is in our security interest to help get these weapons and materials and know-how under control, or it is not. If it is, we ought to do it. If it is not, we should not be doing it at all, but if it is in our national security interest in preventing catastrophic terrorism, then I think it is imperative that it not be used as leverage, because in effect it cannot be leverage if it is that much in our interest.

I would add just one other thing on the money part of it. When you look at the cost of the catastrophe in New York, the terrible attack in New York, the figures I have read are something like $1 trillion, and you look at what would happen if we had one nuclear explosion in our country. You are talking about an astronomical economic effect, far beyond the damage, and far beyond the human tragedy, which would be the worst part, but the economic effect would just be truly devastating, and could last for years, so the stakes are extremely high in this regard.

Chairman BYRD. Senator Nunn, the administration came into office openly hostile to the Government's nonproliferation programs with Russia. The fiscal year 2002 request for nonproliferation was 10 percent below the fiscal year 2001 enacted level.

Since the attacks of September 11, 2001, the White House has tempered its criticism of the programs, but the President did not request anything for nonproliferation in the first fiscal year 2002 supplemental. Congress had to appropriate $226 million in the supplemental appropriations bill last fall for additional nonproliferation work this year. Do you believe the administration is doing enough to promote nuclear nonproliferation?

Senator NUNN. Every time the President makes a statement on this subject, I applaud, because he has all the right words, and I think he has got it. I think he understands it, but somehow or another it has not been conveyed to his staff, and they are not putting the meat on the bones, so I do not think enough is being done.

I think there is a tremendous opportunity, with the summit coming up with Russia, and I really believe that if the Cabinet officials and staff read carefully what the President has said over and over again about this being a top priority, then we will see a lot more activity in the budgets, but right now I do not think the budgets reflect the President's expressed priorities, the budgets that he submits, his recommendations.

Chairman BYRD. Yes.

The Department of Energy's nonproliferation office operates a program called second line of defense in Russia, which works to keep nuclear material from being smuggled out of that country. You indicate that if we fail to protect these materials at the source, the international law enforcement and intelligence communities are responsible for identifying the threat and interrupting transport, and if we fail there, that Customs and Coast Guard officials are responsible for keeping the weapon or material from entering our borders.

How does the United States best protect its borders from terrorists trying to smuggle weapons of mass destruction into the country, and would you say our border security—would you say it can be made secure enough to protect against weapons of mass destruction and, if so, how?

Senator NUNN. Mr. Chairman, I think it has to start at the source. I think we have to do everything we can to work with countries, not just Russia but all over the globe, to protect every single ounce of highly enriched uranium, including in our own country. I do not think all of ours is under the kind of safety and protection that I would like to see, and we have missing inventories from time to time that are unexplained, so we are not perfect in that regard, so that is the step number 1.

Step number 2 is to prevent it from getting out of those countries, so every country needs to have ways of protecting their borders, and then step number 3 is in international commerce. I think we are going to have to begin some program—you have mentioned port security a while ago. I think we are going to have to have some program to basically have cooperative efforts at the port of departure, as well as the port of arrival, like here in the United States.

I do not think we can afford economically to back up traffic in our own ports with the kind of exhaustive searches that would have to take place, and again someone mentioned the Coast Guard having searches at sea. I think all of that would have to happen.

There is no assurance that a weapon with a terrorist might go into a port. It might go to a remote spot, a remote island off the shore of the United States. It could easily happen, transported by a small boat, and being able to protect that completely, I do not think we can do it, but I think we can dramatically improve where we are right now.

Chairman BYRD. The Department of Defense's cooperative threat reduction program has succeeded in dismantling over 5,000 nuclear warheads, 4,000 missiles, 831 silos, 200 bombers, and 20 submarines from the former Soviet Union. These remarkable results remind us of the foresight and vision that you and Senator Lugar exhibited when you created the cooperative threat reduction program.

In some ways, this program has been a model in attacking the threat of proliferation. To prevent the proliferation of nuclear weapons, we must dismantle the infrastructure for the production of weapons and secure the technology and materials related to building weapons, but that said, the Department of Defense has experienced some difficulty in securing the full cooperation of the Russian Government in areas such as joint inspections of facilities, and more than $900 million of funding available to the program remains unobligated.

In your testimony, you stated that our top priority must be to prevent terrorists from gaining possession of nuclear material. In your opinion, is the cooperative threat reduction program being operated at the maximum level of intensity commensurate with its ability to protect our country from a terrorist nuclear attack? What more could be done?

Senator NUNN. Mr. Chairman, that is an excellent question. The answer is, no, I do not think we are doing all we can do. I do not think the Russians are doing all that they can do, and I think our two leaders have to elevate this. I think we have to elevate it, and I think we also have to elevate the Russians to be a real partner not only in securing their own, but in being a partner with us around the globe, because of these research reactors I mentioned a while ago, a number of them are Russian research reactors. A lot of that material is going to have to go back to Russia to be blended down, so I am suggesting a psychological breakthrough in terms of elevating the Russians to true partnership. I think a lot of the bureaucratic obstacles on both sides will begin to fall away if our two leaders do that.

I would suggest in the interim, if that does not happen at this summit, if it is delayed, I think at some point it has to happen if they are going to protect themselves, because they have the threat of terrorism probably even more than we do, but if it is delayed, I would suggest to the Appropriations Committee that you have some advance contingency funding, even if all the pipeline has not been obligated, advance contingency funding because the stakes here are so high that we do not want to have to start another whole year, in the event there are breakthroughs in some of the log-jams, and I think that would be particularly true in two or three areas.

We have secured about 40 percent—we have helped them secure, because it is their prime responsibility, about 40 percent of their weapon materials to standards that we would call acceptable, meaning about 60 percent of their nuclear materials are not up to those standards. I think we need a 2-year, almost crash program to secure at least in some fashion that is acceptable the rest of that material, because it is just in many cases an invitation to be stolen or to be sold, so I think that would be top of the list.

Another part of it would be, within 4 years I think we need to come back and make sure all of that is secured, so I would advance-fund those kind of things, even if the pipeline is not totally consumed or obligated.

Another example is the chemical stockpile. I imagine a good bit of that $900 million relates to the contingency funding that we have had on the chemical destruction, which the Russians want to do, but they do not have the infrastructure money to do it.

They are finally beginning, under strong leadership of a Dr. Park in Russia—or General Park. He is a retired General, I believe. They are beginning to put some of their own money in that infrastructure, and I think that is very important, and when they get that, that money will be released, and they will begin the long, hard process of getting their chemical weapons, begin a destruction process of those chemical weapons.

So I think that there are a lot of bureaucratic obstacles, but I believe the nature of this, if something really went wrong, and some of that material got out, the consequences are so severe that I would make the exception in this area in terms of making sure the funding continues even when there are log-jams. It sends all sorts of psychological signals.

A final point I would make about the need to elevate the Russians to a partnership is, I think that part of our responsibility here would be to open more access to us, and another part of that responsibility would be to realize, as their economy improves, which fortunately it is, they have more and more responsibility to put more and more of their own funding into this overall effort.

I would add to that, if we are a true partnership at some point in time, and we are not there yet, but up until now we have basically said we are putting up the money, so we demand access to this facility and that facility. I think we have the right to do that, but at some point, if we are a true partnership and they are putting their own money in this, and the two of us, the two countries are leading the world, then we are going to have to develop more of the golden rule. We want to inspect your facilities, but we are also willing to make ours transparent on a similar basis.

Those are the kind of steps we are going to have to take if we are going to get the world to say, yes, we will get behind Russia and the United States, because they are truly taking care of their own obligations, we will help them do that. But if we take the position that the two countries do not have those obligations, and can kind of go our way but demand everybody else in the world take these steps, I do not think the world is going to follow.

Chairman BYRD. Well, Senator Nunn, you certainly have not disappointed this committee in your proposals. They are thought-provoking, and I am sure that Senator Inouye, as chairman of the Appropriations Subcommittee on Defense, and Senator Stevens, are going to ponder what you have proposed, and so will I.

You have performed a great service. I hope it will not be measured by the late hour of the day, or by the fact that so many of the people who were in the room earlier had to go their separate ways. This has been a long day and a long hearing. I want you to know your appearance here has been very much appreciated, and what you have said will certainly weigh heavily upon those of us who are on this committee.

I think you have made some suggestions that I will certainly want to think about further, and I thank you from the depths of my heart for the time that you have taken and the effort that you have put forth to come here, for the facts that you have assembled, for the statement that you have made and, as always, what you have said will be treated with tremendous respect, because that is the way we have learned you when you were in our midst, and we hope that you will have the occasion to come back and visit with us. We need your sound thinking at this end of the avenue. We profited by it when you were amongst us, and we will profit by it today.

I personally hope that you will extend to your fine wife, Colleen, the good regards of Erma and certainly myself. Long will I remember the trip we took together in 1975 to China, and I believe that with us was Jim—what was his last name, from—there was another Senator who went with us. In any event, there was one other Senator, and the late Congressman John Slack from West Virginia was with us on that occasion.

Senator NUNN. I believe John Anderson was with us on that occasion.

Chairman BYRD. John Anderson of the House, yes. There was another Senator. For the moment the name escapes me, but I remember that, and I have some pictures that were taken upon that occasion.

So please give our best to your good wife. Thank you for your time, for your efforts and for the service you have rendered. We look forward to seeing you again.

Senator NUNN. Thank you, Mr. Chairman and Senator Inouye. I am grateful for your leadership. Both of you have been great friends and mentors to me. I am also grateful for the leadership of Senator Stevens. You are all pillars of strength not only on defense issues, but indeed in protecting the important, I think, responsibilities of the Congress under the Constitution, so I am indeed grateful to you.

I remember our trip to China, Mr. Chairman. I will tell Colleen hello. I hope you will tell Erma hello, and I also remember your trip to Dublin, Georgia, where we had a great big barbecue, and you were the hit of the evening, and you had a lot to do with me getting reelected, so I appreciate that, and I will always remain grateful for that, so I will be available to you any time I can be of help.

I am spending about 50 percent of my time on these subjects now.

Chairman BYRD. Yes.

Senator NUNN. I have got a lot of other things going on that I am doing within the context of practicing law, but I am spending a lot of time, and we have a little bit of money to use, thanks to the generosity of Ted Turner, who has taken a keen interest in this overall area, so I will be visiting with you from time to time at your request.

Chairman BYRD. Well, the chair hopes that you will do just that, and I wish you continued health, and from your appearance here today you have not suffered much, if any, from leaving the Senate in that respect, but the Senate has suffered greatly from your having left us.

Senator NUNN. Mr. Chairman, I miss the Senate, and I miss my friends, so it is great to be back.

[The following questions were not asked at the hearing, but were submitted to the witness for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY CHAIRMAN ROBERT C. BYRD

Question. Senator Nunn, our nonproliferation programs are based on cooperation with countries, such as Russia, that want to safeguard their nuclear material. However, there are countries with which we do not have a cooperative nonproliferation relationship, such as India and Pakistan. How do we best deal with that situation?

Answer. I believe that the United States and Russia must take the lead in creating a global coalition of countries committed to safeguarding nuclear material wherever it exits. Such a coalition should establish stringent standards for inventory control, safety, and security for weapons and weapons-usable material. The coalition should also seek to develop transparency measures in order to ensure that member states retain confidence in the system. Because many countries that would be willing to participate in this coalition would need assistance to reach the needed standards of safety and security, I applaud the vision put forth by my friend and colleague, Senator Lugar, to expand the statutory authority for the Nunn-Lugar Cooperative Threat Reduction Program so that it might enable the U.S. government to provide assistance to countries beyond Russia and the former Soviet Union, including India and Pakistan.

Question. How can we better monitor and get control of surplus fissile material and make sure such material does not fall into the hands of terrorists?

Answer. First we need to know how much material exists and at what locations. Then we should work to secure that material, wherever it exists. It is important to keep in mind that, even after a decade of cooperative work with the Russians, we have only provided security upgrades to roughly 40 percent of the sites in Russia that contain weapons-grade nuclear material, according to estimates from the Energy Department. We should accelerate this vitally important work so that our effort is proportionate to the threats we face.

We also need to think about the long-term disposition of this material beyond simply storing it. United States and Russian leaders should think creatively about how we could go about accelerating and expanding the 1993 HEU Purchase Agreement without disrupting world uranium markets. I think we should view this deal as an investment in national security. As such, we owe it to future generations to ensure that this material is used in such a way that it minimizes the opportunity for terrorists to acquire it. Developing and funding a program to provide safeguards and eventual disposition of Russia's excess plutonium stockpile is also extremely important.

Question. Would such materials necessarily be acquired overseas, or are the materials for a dirty bomb readily available here in the United States?

Answer. Materials for a radiological explosive device—the so-called "dirty bomb"—can be found anywhere radioactive sources exist. Candidate materials include irradiated fuel from nuclear power plants as well as radioactive materials found in instruments used in medical or industrial applications. These materials certainly exist in the United States and we have an enormous responsibility to ensure that they are safeguarded.

QUESTIONS SUBMITTED BY SENATOR PETE V. DOMENICI

Question. Do you concur with my view that the risk of dirty bombs is real and that we should harness expertise from the DOE weapons labs to help in this challenge?

Answer. I do. The threat is real and all relevant government agencies should be tasked with clear guidance to help meet this challenge. Because of the vast store of technical knowledge related to radioactive material and nuclear weapons that resides at our nation's weapons labs, the Energy Department certainly has a major role to play in this regard.

Question. Do you concur that we should be seeking ways to accelerate the blend-down of supplies of HEU no matter where they may be found in the world?

Answer. Yes. In fact, I serve as Co-Chairman of the Nuclear Threat Initiative (NTI), a private foundation working to reduce the threats of weapons of mass destruction globally. NTI is undertaking an effort in cooperation with Russia's Ministry of Atomic Energy to assess the feasibility of accelerating and expanding efforts to blend down highly enriched uranium extracted from dismantled Russian nuclear weapons. I am also pleased to learn that you have recently introduced legislation that, according to my understanding, will increase the Secretary of Energy's authority to work with Russia to consolidate, store, and blend down highly enriched uranium from around the world.

Question. Do you agree that we should be extending the MPC&A program on a global basis, with the aim of developing better controls on all weapons material, no matter where they may be located?

Answer. Yes. The global coalition that I and others advocate should make this one of its primary goals. I might add that the coalition that we must build and maintain has its work cut out for it. As I noted in my opening statement, there are 58 countries with research reactors that use highly enriched uranium, which means that there are at least 58 countries that terrorists might target in their attempts to gain access to nuclear-weapons material. I agree with you that we—the United States and all of our partners and Allies—must develop better controls over all weapons materials, wherever they might exist.

ADDITIONAL SUBMITTED STATEMENT

[CLERK'S NOTE.—Subsequent to the hearings, the National Association of Regional Councils submitted a statement and asked that it be included in the hearing record.]

PREPARED STATEMENT OF THE NATIONAL ASSOCIATION OF REGIONAL COUNCILS

Chairman Byrd, distinguished members of the panel, thank you for this opportunity to submit testimony for the record on homeland security on behalf of the members of the National Association of Regional Councils.

Following the September 11 tragedy, regional councils[1] throughout the country began pulling together local officials, firefighters, emergency response personnel, law enforcement, and many others with a role to play in any response to a disaster. The purpose was to begin work immediately on a regional, coordinated emergency response plan in which all players had a role in developing and in which all would function effectively should there be another strike.

Many regional councils are already charged with developing strategies to respond to natural disasters—tornadoes, hurricanes, and floods. Development of a strategy to respond to a man-made disaster was a natural extension of existing efforts. However, regional councils have been struggling to continue with emergency response plan development, despite the lack of sufficient financial support for planning from existing federal and state programs.

Members of the National Association of Regional Councils urge Congress and federal agencies to support bottoms-up regional/local emergency response plans that are incorporated into a state plan that is further incorporated into an overall national strategy.

Governor Tom Ridge, director of the Office of Homeland Security, during a speech at our annual Washington Policy Conference, urged regional councils to claim their space as central players in advancing the nation's level of homeland security readiness. "To get it done," Governor Ridge said, "we must shed the old model of competition for the new model of cooperation. I can't think of a better organization to do this than yours . . .. Homeland security means working together in a collaborative way like we've never worked together before.

He added that security "begins at the local level. If the hometown is secure, then the homeland is secure."

The National Association of Regional Councils and its member councils of government, planning commissions and development districts throughout the county believe that regional planning and regional response coordination are the foundation, the first step in building a strong homeland security strategy.

Fractured federal programs become fractured state, and, ultimately, local programs

Many federal agencies have been charged with developing emergency response plans within their particular areas of interest. The federal government currently is looking at bio-terrorism and food supply security, airport security, port security, highway and rail security, water infrastructure security, energy facilities security, border security, national monument security and on and on.

Each agency is funding its own security plan, each with different requirements, and different funding timetables. Each agency has a corresponding agency it is working through in the states—bio-terrorism funding goes to state health administration, transportation to state departments of transportation, water to environmental agencies. Each agency has constituency groups with which it is accustom to working. We strongly urge that there be a requirement that agencies coordinate their planning efforts so that planning can be coordinated at the state and regional/local levels.

The bottom line is that in virtually all of these cases, it will be the local emergency responders who are the first on the scene. If there is an explosion inside an airport, at a port facility, at a water facility, a power plant or a bio-terrorism inci-

[1] The National Association of Regional Councils uses the generic term "regional councils" to denote sub-state councils of government, planning commissions and development districts that have established boundaries within their respective states and are organized either through local agreement, state statute or state enabling legislation.

The National Association of Regional Councils (NARC) represents the interests of regional councils in both metropolitan and rural areas. It advocates for the use of existing regional organizations to coordinate the planning and delivery of federal and state government programs that require regional strategies for optimal success; provides training and technical assistance on the latest regional developments and conducts research on timely regional topics. For more than three decades, NARC has represented multi-purpose regional councils, often called councils of government, regional planning and development districts or regional planning organizations, and metropolitan planning organizations that assist community leaders and citizens in developing common strategies for addressing cross-cutting transportation, economic development, air and water quality, social and other challenges and coordinate the delivery of information and other regional services. In 1996, NARC established the Institute for the Regional Community to bring together regional experts from all sectors to identify and pursue new regional initiatives.

dent, it will be the local first responders who go to the scene. It will not be the Department of Transportation, the Environmental Protection Agency or the Department of Health and Human Services. Nor will it be their state counterparts. It will be local firemen, local police, local emergency medical technicians and local hazmat teams.

While no one argues that federal agencies have a major role to play, there is ample argument that federal agencies must stop playing that role in a vacuum. If there is any program that cries out for an end to "stove-piping" it is emergency response. We will not be successful in our efforts to protect our citizens to the greatest extent possible, to minimize loss of life and property if we are determined to operate in a "business as usual" fashion.

Effective emergency response must be regional

For maximum efficiency, emergency response plans must be regional, multi-county strategies that are incorporated into a state-wide plan. The regional/local plans must include a response to any disaster, whether it is bio-terrorism, destruction of major infrastructure or explosions. Local responders must know will be confronting them and what they can expect from their fellow emergency responders from other jurisdictions. Training must be done on a collaborative basis. As a local official from Ventura County, Calif., noted "we know what potential targets we have, but we don't know what's in Los Angeles County. If Los Angeles County is hit, the destruction will have a major impact on Ventura County and its residents."

The extent of damage at the World Trade Center and at the Pentagon required the assistance of surrounding jurisdictions and even emergency response personnel from other parts of the country. Such damage is far too massive to be handled by a single jurisdiction or a single county. Richard Sheirer, director of the Office of Emergency Management, City of New York, said during questioning at a Senate Governmental Affairs Committee hearing in December 2001, that "we would have benefited from a regional plan." Emergency personnel from Connecticut and New Jersey responded to the disaster. None of these responders were privy to New York City's training and preparation. Despite a previous regional emergency plan that addressed mutual aid, responders in the metropolitan Washington region were unable to communicate with each other, and there was no strategy for operating from a coordinated command center.

That has changed in the Washington region. The Metropolitan Washington Council of Governments recently became the first region in the country to complete a post-9/11 regional emergency response plan. That plan establishes a regional communications center, one that will allow emergency responders to talk with each other and will allow emergency responders coming in from other parts of the country to become immediately informed of the situation and where they can be most helpful.

In October 2001, the National Association of Regional Councils formed an Emergency Response Task Force. That task force is comprised of local elected officials and regional council executive directors. A white paper, The Regional Council Role in Emergency Response, came out of that task force, along with a briefing for House members and staffers on the role of regional councils can play in emergency response planning.

A recent Congressional Research Service report for Congress, *The Role of Regional Councils in the Federal System: Policy Issues and Options,* noted that the Interagency Working Group on Federalism, established by President Bush, has met with proponents of regionalism to discuss the role of regions in homeland security efforts. Proponents, the report said, assert that through the use of mutual aid compacts, regional councils can serve to coordinate the emergency resources of several adjacent localities, should one locality's response capacity become overwhelmed.

Regional councils have been in existence and continuous operation for as long as 60 years in some parts of the country. Most are more than 30 years old. All have been established by the state or through mutual agreements among local governments within the region. All have established boundaries in which local officials are accustomed to working with each other on a variety of issues that cross jurisdictional lines, and in some instances, state lines. Regional councils maintain a professional staff with experience in planning in a variety of arenas—disaster response, transportation, workforce, aging services, environmental services, housing and economic development. Emergency response planning would be a natural extension of their expertise.

Economy of scale

There is not enough funds at the federal, state and local levels to outfit every fire department, police department, emergency medical service, hazmat teams and other

responders with the equipment and training they would individually like to have. Funds must be utilized effectively and provided where they are most needed.

The National Association of Regional Councils believes that no funding be sent back to local areas until a plan is in place that contains an assessment of the potential for a terrorist attack and an assessment of existing equipment owned by different responders throughout the region. Once that assessment has been made, local governments should then assess their needs and apply for funding that would allow them to fill the gap. The National Association of Regional Councils and its member regional councils believe that a block grant approach would be ineffective and would not necessarily put funding in the appropriate places. It would again provide funding to a single jurisdiction with no encouragement to work with neighboring jurisdictions.

Conclusion

The National Association of Regional Councils and its member regional councils throughout the country believe the federal government must take the lead in requiring coordinated efforts among federal agencies, states and local governments if emergency response preparation is to achieve the goal of protecting citizens and our economic and social resources.

The association and its members believe we must move past the competition for resources and work cooperatively at all level of government to achieve that goal. The argument should not be who gets the money. The discussion should revolve around how to allocate the funding most effectively. Without a plan in place, how can the federal government allocate money to any state or local jurisdiction? Response to a terrorist attack is a complicated issue that requires cooperation among federal, state and local authorities. Any federal agency plans should be incorporated into a statewide, or even multi-state plan, that first incorporates regional/local strategies.

The most important element in any response strategy is the local responders. Our efforts to insulate ourselves from attack, to mitigate damage to life and property rest first at the regional/local level.

CONCLUSION OF HEARINGS

Chairman BYRD. Thank you. Thank you very much. The committee is recessed.

[Whereupon, at 5:37 p.m., Tuesday, May 7, the hearings were concluded, and the committee was recessed, to reconvene subject to the call of the Chair.]

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