

**Statement of Secretary Tom Ridge, U.S. Department of Homeland Security
Before the Senate Committee on Governmental Affairs
September 13, 2004**

Introduction

Good morning, Chairman Collins, Senator Lieberman, and esteemed Members of this Committee. I am pleased to have this opportunity to speak with you about intelligence reform, in light of both the recommendations of the National Commission on Terrorist Attacks Upon the United States (the 9/11 Commission) and the President's desire to implement reforms that will strengthen the intelligence services. I also want to update the Committee on the Department of Homeland Security's (the Department or DHS) activities and how we use intelligence to protect America.

As the 9/11 Commission recognized, in the aftermath of September 11th, it was clear that the Nation had no centralized effort to defend the country against terrorism, no single agency dedicated to our homeland security. While many of our Nation's prevention and response capabilities existed, the Nation was not in a position to put the pieces together in a comprehensive manner to combat the scale of attacks we suffered on September 11th.

Our enemies are relentless, and their desire to attack the American people and our way of life remains, though weakened by our successes in the global war on terrorism. To prepare our country for the future and these new realities, the President and the Congress worked together to create a centralized point of command for homeland security. Unified by a common mission, the 180,000 people of the Department are focused daily on one vision for a safe and secure America.

The President is seeking the same unity of command for intelligence and has recently asked Congress to create the position of a National Intelligence Director with full budgetary authority. The National Intelligence Director will assume the broader responsibility of leading the Intelligence Community across our government.

The President has also announced that we will establish the National Counter-Terrorism Center, which that will become our government's shared knowledge bank for intelligence information on known or suspected terrorist and international terror groups. The new center builds on the capabilities of the Terrorist Threat Integration Center, and will ensure that all elements of our government receive the source information needed to execute effective joint action, and that our efforts are unified in priority and purpose.

Intelligence and Information Sharing

With the introduction of intelligence reform in the interim and longer term through proposed legislation, the President took an important step to strengthen our Nation's homeland security and further demonstrate his resolve in fighting the war on terror. On August 2, 2004, the President directed his Administration to take quick action on reform initiatives that would strengthen the intelligence community and improve our ability to find, track and stop dangerous terrorists. Two weeks ago, the President delivered on that

tasking by signing a series of executive orders and Homeland Security Presidential Directives that will ensure that the people in government who are responsible for defending America and countering terrorism have the best possible information and support to identify threats and to protect the homeland. These executive orders and Homeland Security Presidential Directives are supported by the valuable recommendations made by the 9/11 Commission, and build upon existing efforts within the Administration.

The first of these executive orders substantially strengthens the management of the intelligence community by establishing interim powers for the Director of Central Intelligence (DCI). Under this order, the DCI would perform the functions of the National Intelligence Director (NID), within the constraints of existing law, until the NID position is codified in law. Under the President's order, the DCI will be able to develop and present, with advice from departments and agency heads, the national foreign intelligence program budget. The President also provided the Director of Central Intelligence expanded authority to coordinate policy within the Intelligence Community (IC). The DCI will now develop common objectives and goals that will ensure timely collection, processing and analysis of intelligence.

The President's proposal will provide better unity of effort in the IC and improved linkage with law enforcement, which will greatly enhance our ability to do our job of protecting Americans and securing the homeland. The new responsibilities of the DCI will ensure that DHS has what it needs from other intelligence agencies and that our efforts are properly integrated in the national intelligence picture. DHS and other members of the IC will now go to one person who will formulate an integrated approach to common goals and objectives.

In addition, the President established the National Counterterrorism Center (NCTC) by executive order. This new center builds on the capabilities of the Terrorist Threat Integration Center (TTIC), which was created by the President more than a year ago. The NCTC will allow DHS to have a better focused intelligence interface, building off the successful integration efforts of TTIC. It will also allow my Department to have access to a central repository of intelligence information. The DHS Office of Information Analysis (IA) and the U.S. Coast Guard (USCG) Intelligence Program, as the two national IC members within my Department, will participate in the NCTC and will continue to engage in support to State, local, and private sector officials from a broader knowledge base. Effective July 9, 2004, the Departments of Homeland Security, State and Justice together with intelligence agencies established the interagency Human Smuggling and Trafficking Center as an all-source information fusion center to support efforts against the linked national security threats of alien smuggling, trafficking in persons and smuggler support of clandestine terrorist travel. As the 9/11 Commission put it: "For terrorists, travel documents are as important as weapons." An Immigration and Customs Enforcement Special Agent is expected to become the first Director.

This centralization is critical to ensuring that all DHS intelligence analysts have access to the work of the other IC analysts and vice versa. The DHS personnel assigned to the new

NCTC will be an integral part of the success of the Center and will be the direct link to the 13 other IC members' products, personnel and other resources. This open flow of analysis will enable DHS to be better informed regarding terrorist threats and intentions, which will make America more secure. Only by working cooperatively will our borders be better secured, our skies be made safer, and our Nation be better protected. The exact impact of the NCTC will not be fully known for some time, but all involved members of the IC will work together to make it fully functional in the fastest manner possible.

In addition to the NID and NCTC, the President ordered the DCI to ensure we have common standards and clear accountability measures for intelligence sharing across the agencies of our government. The President established the Information Systems Council to identify and break down any remaining barriers to the rapid sharing of threat information by America's intelligence and law enforcement agencies, and State and local governments. DHS will participate on this Council.

Within DHS, the Information Analysis and Infrastructure Protection Directorate (IAIP) has the lead on intelligence and information sharing. At the direction of Under Secretary Frank Libutti, IAIP has invigorated the communications with our State, territorial, tribal, local, major city, and private sector partners. A guiding principle for this effort is that there is more to information sharing than one Federal agency talking to another. We must ensure that those on the front-lines of homeland security have the best information to safeguard our communities and critical infrastructure. To that end, DHS is working together with its partners to identify and provide effective and workable solutions to our most challenging information sharing needs.

One information sharing initiative I would like to mention is the HSIN, which is the umbrella under which various information sharing programs fall. One such program, launched in February of this year, is the Joint Regional Information Exchange System (JRIES). The initial goal was to have all States and major urban areas in America connected to DHS by the end of summer. I am happy to say we met that goal. This low-cost system provides secure, real-time connectivity in a collaborative environment so vital homeland security information can be shared among appropriate Federal, State, and local officials. This growing system has been very successful and numerous investigations have resulted from its implementation. As a key factor in its success, it should be noted that this effort is not a federally run system, but rather a partnership with State and local officials. This is representative of how DHS approaches its mission – only by working as partners will we be most effective in securing our hometowns .

To further integrate Federal efforts with State and local officials, the Department of Justice (DOJ) and DHS information sharing staffs are working hard to bring the HSIN, Law Enforcement Online (LEO), and the Regional Information Sharing System (RISSNET) together with the goal of quickly making the systems more compatible, without duplicating efforts.

Other HSIN efforts include establishing a Secret-level classified system to the States. It also will provide greater connectivity to critical infrastructure owners and operators to

enhance opportunities for two-way information exchange. Surveillance activities by owners and operators at their own facilities often garner valuable information to identify potential terrorist activity. With the staffing of dedicated critical infrastructure sector specialists within IAIP, members of the private sector also now receive threat-related information enhanced by recommended protective actions, making threat information more meaningful and actionable. Through the HSIN system at the local community and regional level, private businesses receive alerts, warnings, and advisories directly from DHS.

DHS is also working with its Federal partners to share information more effectively. Members of 35 different Federal agencies are now all co-located together in DHS's new 24-hour Homeland Security Operations Center (HSOC), which allows incoming information coming from various sources to be synthesized and shared with other Federal partners such as the FBI and the Department of Defense. In addition, since March of last year, nearly 100 bulletins and other threat related communiqués have been disseminated by DHS to homeland security professionals across the country.

In March, we established the IAIP National Infrastructure Coordinating Center (NICC). The NICC maintains operational awareness of the Nation's critical infrastructures and key resources, and provides a comprehensive mechanism and process for information sharing and coordination between and among government, critical infrastructure owners and operators, and other industry partners for all 14 critical infrastructure sectors. The NICC will be collocated with the Transportation Security Operations Center and is fully coordinated with the National Communications System National Coordinating Center for Telecommunications (NCC-Telecom ISAC), the National Cyber Security Division US Computer Emergency Readiness Team (US-CERT), ISAC partners, and other industry and government representatives. Our efforts to develop improved information sharing procedures have involved cooperation with local DAs as well as our State and local partners.

Building International Partnerships

Information sharing efforts within the U.S. Government related to anti-terrorism are not confined to our Nation's physical borders. We have made significant progress, in cooperation with our international partners, in the global war on terror. Through bilateral mechanisms and multilateral forums, we have sought to share terrorist-related information to better secure international travel and trade and impede and deter terrorist exploitation of that system.

Border and Transportation Security

Intelligence and information sharing is important to all of our operations. It is important to recognize our programs are part of a layered approach to security. There is no silver bullet, no single security measure is foolproof, and the strategy lies in creating a systems approach, starting far from our borders.

On the commercial side, U.S. Customs and Border Protection (CBP) Officers are operating in 24 international ports of trade working alongside our allies to target and

screen cargo, helping to identify and even inspect high-risk cargo before it reaches our shores. Further, with advance manifest information requirements, 100 percent of cargo is screened through targeting using a set of specific indicators. Intelligence is a key component of the risk assessment and targeting factors. These measures enable risk-based decisions regarding prioritizing inspections and use of technologies to inspect cargo. This is not only good for security, it is good for trade facilitation, allowing expedited treatment for low-risk cargoes, such as those shipped by members of our Customs-Trade Partnership Against Terrorism program (CT-PAT).

When it comes to foreign visitors, the comprehensive screening process begins at our U.S. consulates and embassies overseas, where visa applicants at most locations provide two fingerscans and a photograph along with their biographic data (By October 26, 2004, the Department of State will have this process in place at all locations). That personal information, closely protected, is screened against extensive terrorist-related information, to which consular officers now have direct access. Upon arrival at our air and sea ports of entry, these same visitors are matched with their biometric information through US-VISIT. US-VISIT will soon expand to cover individuals from visa waiver countries as well.

Our transportation sector is more secure than ever – across all modes. We are working diligently with the Department of Transportation and State, local and private sector stakeholders to protect critical infrastructures and deploy base security measures, as demonstrated in the security directives issued to passenger rail and transit operators in April. Certainly, the Federal responsibilities in aviation, historically and as a result of the 9/11 attacks, focused intense efforts on air travel. And, to that end, DHS has put in place a strong, layered security regime, upon which we are consistently building. This includes hardened cockpit doors on 100 percent of large passenger aircraft, vulnerability assessments at over 75 of the Nation’s largest airports, screening of 100 percent of all baggage, deployment of thousands of Federal air marshals, training of thousands of air crew under the Federal Flight Deck Officer Program, and development of a professionally trained screener workforce which has intercepted more than 12.4 million prohibited items since their inception. In addition, a robust screening system is in place for all international flights into the United States, and all passenger names for domestic flights are checked against expanded terrorist watch lists.

We have also recently announced our intention to move forward on our plans for a more robust passenger pre-screening system for domestic commercial aviation. The Secure Flight program, which will be tested this fall and implemented early next year, will enable the Transportation Security Administration (TSA) to better compare travelers to a list of known or suspected terrorists maintained by the Terrorist Screening Center. This list will expand dramatically upon the current *No Fly* and *Selectee* lists now operated by the airlines and will be managed entirely by the government. TSA will also retain a modified set of CAPPS I criteria that will provide a better focused layer of security, and reduce the number of passengers selected for enhanced screening.

In addition to these strides forward, we continue to seek opportunities for continued improvements in our terrorist-related screening processes. For this reason, the President issued Homeland Security Presidential Directive-11 (HSPD-11) on August 27, which directed DHS to lead a Federal Government-wide effort to develop a strategy to ensure that an efficient and comprehensive framework exists for terrorist-related screening across the Government.

Civil Liberties/Privacy

In all of these initiatives, the President's commitment to the protection of civil liberties and privacy is a guiding principle. The rights that are afforded not only to Americans but also to those who visit and live with us in this great Nation form the foundation of American society. Let me say simply that if we fail in this area, the terrorists will have won.

The Department's commitment to these ideals is further demonstrated by the appointment of our Officer for Civil Rights and Civil Liberties, Dan Sutherland, and our Chief Privacy Officer, Nuala O'Connor Kelly.

The Privacy Office has made privacy an integral part of DHS operations by working side-by-side on DHS initiatives with the senior policy leadership of the various directorates and components of DHS and with program staff across the Department. As a result, privacy values have been embedded into the culture and structure of DHS, ensuring that development of DHS programs is informed by thorough analysis of privacy impacts. And, once implemented, these programs are effective in protecting the homeland while protecting personal privacy.

The Department also has made the preservation of civil liberties a priority, and relies on the Office for Civil Rights and Civil Liberties (CRCL) to provide proactive legal and policy advice to senior leadership in the Department and its components. For example, CRCL worked closely with the Border and Transportation Security Directorate to craft positive policy changes in response to the issues raised by the DOJ Inspector General's report on the 9/11 immigration detainees. CRCL has also developed policies to establish DHS as a model employer for people with disabilities and is helping me to implement President Bush's recent Executive Order directing that people with disabilities be fully integrated into the emergency preparedness effort.

The President stands firm on the protection of our fundamental freedoms and recognizes the importance of safeguarding our civil liberties and privacy in the war on terrorism. This was noted by the recent establishment, through Executive Order, of the President's Board on Safeguarding Americans' Civil Liberties (the Board).

The Board will ensure that while the government takes all possible actions to prevent terrorist attacks on America's families and communities, we continue to enhance this commitment to safeguard the legal rights of all Americans, including freedoms, civil liberties, and information privacy guaranteed by Federal law. It will advise the President on government-wide efforts, request reports and otherwise monitor progress, refer

credible information about possible violations for investigation, and is empowered to seek outside information, perspective, and advice. Chaired by the Deputy Attorney General, with the Under Secretary for Border and Transportation Security of the Department of Homeland Security serving as Vice Chair, and other senior officials drawn from across the Federal Government with central roles in both the War on Terror and in civil liberties and privacy issues, the Board holds its first meeting today.

Preparedness

Despite the gains intelligence gives us, we have to be ready for potential terrorist attacks. I am proud to speak of our significant gains in the area of national preparedness, particularly since it is National Preparedness Month. Throughout the month of September, hundreds of activities are planned to highlight the importance of individual emergency preparedness. Eighty-five partner organizations and all 56 States and territories are sponsoring events to encourage Americans to take simple steps now to prepare themselves and their families for any possible emergencies. The Department has a number of public education campaigns aimed at improving our Nation's readiness, most notably *Ready*, and its Spanish language version *Listo* and the pending launch of *Business Ready*.

Since September 11th, the Department and its legacy agencies have directly provided nearly \$8.5 billion in grants for equipment, training, exercises, planning, and other assistance to our first responders and State and local partners

To address the critical communications needs of our first responder community, we are developing a new office to coordinate Federal, State, and local communications interoperability, leveraging both ongoing and new efforts to improve the compatibility of equipment, training, and procedures.

We have also achieved some tremendous milestones in implementing a National Incident Management System (NIMS) and completing the essential core of the National Response Plan (NRP), which will ultimately consist of this base-plan and a number of supporting annexes to be finished this year. The NIMS ensures that Federal, State, and local governments and private-sector organizations all use the same criteria to prepare for, prevent, respond to, and recover from a terrorist attack, major disaster, or other domestic incidents, regardless of cause, size, or complexity.

Before moving away from the Department's significant preparedness activities, I want to mention the devastating hurricanes that have hit this country recently. In addition to continuing to send our thoughts and prayers to all of the families who have been affected, the Department has been on the ground and fully engaged in providing emergency assistance. The Federal Emergency Management Agency (FEMA) pre-positioned emergency response teams and disaster relief supplies throughout the southeast region in preparation for anticipated response operations and continues to coordinate Federal response and recovery activities with State and local agencies. Further, President Bush ordered the release of Federal disaster funds and emergency resources for Florida to aid people battered in these disasters, requested additional funds from Congress as needed,

and we continue to provide assistance to those who need Federal support in the wake of these disasters.

Oversight of DHS

As we continue to evolve into a more agile agency, we work closely with our partners in Congress. I appreciate the importance of our relationship and value the mechanism laid out in the Constitution, very appropriately, for Congressional oversight. However, this relationship would be significantly improved if there were an effort within Congress to reorganize itself, to enable more focusbody on homeland security, facilitate better oversight and ensure an even closer day-to-day relationship. Last year we testified before 145 committees and subcommittees, briefed members of Congress or committee staffs over 800 different times and met thousands of requests for information just from committee staffs. This year we're already well beyond that. We still have pending over 300 General Accounting Office reports and we've already submitted at least that number. Again, the Department benefits from its relationship with Congress and an intense scrutiny of homeland security efforts, but these numbers demonstrate the need for a more effective structure.

Conclusion

We are committed to leading the unified National effort to secure America. We have done so – and will continue to do so – by developing innovative methodologies to prevent and deter terrorist attacks, and protect against and respond to threats and hazards of all types. All the while we ensure we maintain safe and secure borders, welcome lawful immigrants and visitors, and promote the free flow of commerce. Every day, the memories of September 11th inspire us in our efforts to preserve our freedoms and secure this great homeland.

Thank you again for this opportunity to speak with you. I am happy to answer any questions you may have.