STATEMENT FOR THE RECORD

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I want to thank Chairman Lieberman, Senator Collins and members of the committee for inviting me to submit a Statement for the Record and for the opportunity to testify here today.

I am submitting this Statement in my personal capacity, but for the record, I am a principal at The Chertoff Group, a global security and risk management firm that provides strategic advisory services on a wide range of security matters, including the threat areas that will be discussed today. I am also a visiting professor at George Mason University's School of Public Policy.

Let me thank you especially for having me here today among such a talented group of co-panelists.

I think my fellow panelists will give the committee quite a lot to think about with regard to specific homeland security threats and our response.

So, if I might, I would like to take just a few minutes to provide a broader context for today's discussions.

General Brent Scowcroft wrote recently for the Atlantic Council (and I am paraphrasing here) that he had spent his professional career dealing with a universe that was dominated by nation states and was susceptible to what you and I these days would call "hard power."

No longer, he writes. Because of globalization, the international structure that was created by the Treaty of Westphalia more than five centuries ago is no longer dominant. General Scowcroft points out that most of the attributes of the age of industrialization made the state stronger and more relevant. Most of the effects of today's globalization make the state weaker and less relevant.

In addition to eroding the traditional role the of the nation state, globalization has introduced new actors on to the world stage and made immediate and direct threats that a few decades ago were distant and oblique.

But here we sit with institutions optimized and practiced for the earlier age: methodical, thorough, stable.

That really suggests our challenge. How do we adapt to these new dangers, be they terrorism, cyber dangers or transnational crime—all of them merely specific expressions of this new reality of an intensely interconnected world that empowers individuals and small groups beyond all previous experience?

Let me illustrate both the challenge and the difficulty of forming an appropriate response. Prior to 9-11 we all believed (wrongly) that we had little to fear personally from religious fanatics living a world away in camps in Afghanistan. How wrong we were.

Prior to that attack we saw no need for a Department of Homeland Security and more importantly we were comfortable protecting both our liberties and our safety by creating barriers to separate things that were foreign from those that were domestic, dividing things to do with intelligence from those that touched on law enforcement.

Those models had served us reasonably well as a country for more than two centuries (in a largely Westphalian world). But the old models failed us and we are still adapting on the fly.

And with a great deal of controversy. In my own experience there was the Terrorist Surveillance Program that aimed to close an obvious gap—detecting the communications of foreign terrorists operating from within the homeland. And you Senators later debated changes to the Foreign Intelligence Surveillance Act over the same objective and concerns, and even today you are debating its extension.

The controversy remains. We all agreed in the 9-11 Commission Report that we needed a domestic intelligence service and it would be best to house it in the FBI. But look at the reaction even today when the bureau tries to collect information without a criminal predicate, in that area we called "spaces between cases."

And heaven save us from the Associated Press if the New York City Police Department tries to do the same thing.

Over two Administrations we have had measurable success against those who attacked us on September 11th, but dangers clearly remain: AQ main could still reconstitute if we ease up pressure on it; AQ franchises continue to pose danger and one in particular, AQAP, is clearly intent on showing global reach; and finally, quite disturbingly, the home grown radicalized threat persists. Also persisting is what constitutes an appropriate, lawful and effective response from us.

We are seeing this debate replayed in the cyber domain where threats are all too obvious but where our response is clearly late to need. This committee knows more than most how many of our secrets (state and industrial) are being stolen by foreign governments; how much of our wealth is being pilfered by criminal gangs; and how much of our infrastructure is vulnerable to cyber enabled anarchists and malcontents.

But here our response (as I know the Chair and senior member realize) is even slower and more difficult than it has been in the fight against terror. There are those who fear burdensome regulation. Others fear a loss of civil liberties.

And yet all of us should fear the loss of privacy, ideas, jobs and wealth that is now occurring.

As we encountered ten years ago in the fight against terrorism, the old forms don't fit the new cyber dangers and—absent the catastrophic stimulus of a 9-11—we are moving all too slowly to adapt.

There are other expressions of dangers enhanced by a world made more intimate and I know we will touch on trans-national crime here today. I should add that cyber, terrorist and criminal threats today all merge in a witches' brew of danger.

Our response has to be equally synchronized, but the overall challenge remains. We have optimized our institutions across three branches of government for a different world and now we have to undertake the same tasks our political ancestors undertook more than two centuries ago. How do we best ensure our liberties and our security in our time?

This committee has been relentless in its efforts to answer that question in a way consistent with our enduring values and I congratulate you for that.

It is hearings like today's that help push the necessary debate forward.

Thank you again for the opportunity to contribute my personal views and I look forward to your detailed questions and discussion.