

TESTIMONY OF
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BEFORE
COMMITTEE ON GOVERNMENTAL AFFAIRS
U.S. SENATE

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Mr. Chairman, Mr. Thompson, Members of the Committee, I am pleased to be here this morning to discuss homeland security. The bills under review this morning are meant to improve the way the Federal government is structured regarding homeland security needs. Pursuant to the management responsibilities inherent in my role as the Director of the Office of Management and Budget, I am here to comment on the organizational issues involving a coordinated homeland security effort within the Administration and to ensure they are openly discussed between the Executive Branch and the Congress.

Introduction

Our nation learned a terrible lesson on September 11th. The characteristics of American society that we cherish -- our freedom, our openness, our great cities, our modern transportation systems -- make us vulnerable to terrorism of catastrophic proportions. This vulnerability will exist even after we bring justice to those responsible for the events of September 11th. Indeed, the threat of mass-destruction terrorism has become a reality of life in the 21st Century. It is a permanent condition to which not just America, but the entire world must adjust.

The federal government must have as its top priority securing the homeland from future terrorist attacks. This will involve major new programs and significant reforms by the federal government, several of which are described in the FY 2003 Budget. But it will also involve new or expanded efforts by state and local governments, private industry, non-governmental organizations, and indeed all Americans. The higher priority we all now attach to homeland security has already begun to ripple through the land.

Homeland security is a challenge of monumental scale and complexity. It will not be cheap, easy, or quick. Achieving our homeland security objectives will require vast sums of money, strenuous labor, and many years. Our work has already begun, and it will continue. The American people should have no doubt that ultimately we will succeed in weaving a proper and permanent level of security into the fabric of America.

This President's FY 2003 budget reflects not just our absolute commitment to achieving a much more secure homeland, but also our determination to do so in a manner that preserves liberty and strengthens our economy.

September 11th and Our Immediate Response

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The September 11th terrorist attacks on the World Trade Center and the Pentagon have presented an unprecedented challenge to our nation. The response has been, and must continue to be, equal to that challenge. In the immediate aftermath of the attacks, Congress swiftly appropriated \$40 billion to compensate victims, aid reconstruction, wage war against terrorism, and strengthen our defenses at home. In the seven months since September 11th, funding provided for homeland security purposes has helped to:

- increase the number of air marshals on our airlines;
- support the largest criminal investigation in U.S. history;
- acquire enough medicine to treat up to 10 million more people for anthrax or other bacterial infections;
- investigate the sources of terrorist funding, and then freeze the financial assets of more than 150 individuals

- and organizations connected to international terrorism;
- deploy hundreds of Coast Guard cutters, aircraft, and small boats to patrol the approaches to our ports and protect them from internal or external threats;
- acquire equipment for certain major mail sorting facilities to find and destroy anthrax bacteria and other biological agents of terror;
- station 8,000 National Guard troops at baggage-screening checkpoints at 420 major airports; and,
- strengthen our intelligence capabilities, with the objective of detecting terrorist threats before they materialize, so that we can prevent terrorist activities.

Homeland Security Strategy

The Administration is now taking the next step. When the President established a new Office of Homeland Security, under the leadership of Governor Tom Ridge, he directed the Office “to develop and coordinate the implementation of a comprehensive national strategy to secure the United States from terrorist threats or attacks.” We have been building that strategy on many fronts, and it is our intention to prepare a document this summer that will summarize that strategy in one place. This strategy will meet four key tests:

- The strategy for homeland security will be comprehensive and will integrate the full range of homeland security activities into a single, mutually supporting plan.
- The strategy will be a national strategy, not just a federal government strategy as the threat posed by terrorism does not fall solely within the jurisdiction of the federal government. To defeat terrorism, the federal government must work with states and localities and the private sector.
- The strategy will outline a long-term plan to strengthen homeland security.
- Finally, the strategy will include measures by which we can evaluate progress and allocate resources. These objectives will set the goals for federal departments and agencies. They will also give guidance to state and local governments and the private sector.

At the same time we craft a national strategy, the Administration will begin work immediately on four urgent and essential missions for the defense of our homeland: ensuring state and local first responders (firefighters, police, and rescue workers) are prepared for terrorism; enhancing our defenses against biological attacks; securing our borders; and, sharing information and using information technology to secure the homeland.

These four missions lead our homeland security agenda -- but they are not the whole of it. We must also finish the job of securing our airways. In 2003, the new Transportation Security Administration (TSA) will strive to meet the tight deadlines and rigorous aviation security requirements set by Congress. In addition, we also propose a robust expansion in domestic law enforcement work. The 2003 Budget requests enhancements to the capabilities of the FBI and other law enforcement/intelligence agencies. The President’s Budget for 2003 includes total spending for homeland security that would rise to \$38 billion in 2003 -- an \$18 billion increase over the total for 2002, and a virtual doubling of the pre-September 11th levels.

On March 21st the President submitted a \$27.1 billion supplemental budget request to Congress to address the War on Terrorism, Homeland Security and Economic Recovery. Funding for items included in this package meet the following criteria: they are true emergencies; they address an immediate and known requirement, and they cannot be met with existing funds. In most cases, the funds would be required to be obligated this fiscal year. Of this amount, \$5.2 billion was provided for additional homeland security needs.

Office of Homeland Security

In developing the FY 2003 Budget, there was an extraordinary level of cooperation between OMB and OHS. OMB has dedicated staff and managers working with OHS, and many more are engaged on homeland security on an issue-by-issue basis. This arrangement has been very productive. OHS is focusing its review and advice on building the capacities we need to fight terrorism in the most effective and efficient way. OMB adds its programmatic and budgetary knowledge to ensure that we are utilizing the right resources and tools to build that capacity. We expect that this

arrangement will continue as we develop the national strategy summary, and as the Administration works to develop the FY 2004 Budget, and beyond.

While the Office of Homeland Security coordinates, consults with and provides advice to OMB and agencies throughout the government, Governor Ridge does not have operational authority over any federal agency. The roll-out of the Homeland Security Advisory System is illustrative of how the Governor coordinated with various agencies, but ultimately handed over the operational aspects of the final product to a Department – which, in this case, is the Justice Department.

The Administration recognizes and endorses the legitimate desire of Congress to have full access to the information it needs to make legislative decisions with regard to the nation's homeland security. Through an extensive variety of means, the Administration will act to provide Congress with responsive answers to its information needs. Governor Ridge has regularly met with Members of Congress to provide extensive information on homeland security. In fact, since October 8, Governor Ridge and his staff have held over 100 meetings with Members of Congress and their staff, and they plan to continue these meetings in the weeks ahead. He has also offered to meet with the committees of jurisdiction in a non-testimonial format at their convenience, and he has personally participated in over thirty-five meetings on Capitol Hill. The Governor will continue to work closely with Congress, including the relevant Committees, in a manner consistent with this practice. During the next two weeks, he will be participating in a number of Congressional meetings, including one with the House Government Reform Committee and another with the Chairmen and Ranking Members of the House Appropriations Committee and its subcommittees.

As this record demonstrates, the Administration is committed to keeping Congress appropriately informed about homeland security issues. As to formal testimony, this Administration will adhere to the same policy that Presidents of both parties have long followed -- and that Congress has long respected. As a matter of precedent, the President's immediate White House advisors, such as Governor Ridge, do not testify before Congress.

The President has said from the outset that the structure for organizing and overseeing homeland security may evolve over time as we all learn more and as circumstances change. It is possible that the National Strategy now underway may recommend continuation of the current arrangement; it is also possible that the National Strategy may recommend an arrangement different from the current one. One possibility might include a structure similar to the Office of National Drug Control Policy (ONDCP). It is already clear, however, that such a homeland office would be substantially larger in size and scope. Moreover, many believe the "drug czar" model is not well suited for operational authority.

If it is determined that the Director of Homeland Security should have operational authority, the review could lead to a proposal for extensive restructuring of homeland security functions. Should the review ultimately recommend to the President a different homeland security structure, there is a chance it may resemble Senator Lieberman's bill. A potential obstacle in this case is the uncertainty whether either Executive Branch agencies or the Congress would set aside jurisdictional territoriality enough to embrace such a far-reaching proposal. Our experience to date with minor transfers of responsibility illustrates the difficulty of this approach. Should the President opt for such a course, surely we would need leadership from you and your committee to ensure its success.

Conclusion

In conclusion, Mr. Chairman, the Administration is committed to securing the homeland and keeping Congress appropriately informed on homeland security matters. We are pleased to discuss with Congress alternative ways of organizing Homeland Security that effectively meet the needs of the American people and their legislative representatives.

The Nation faces new kinds of threats from new kinds of enemies. Defeating those threats will be the great challenge and the great achievement of this generation of Americans.