

The Advisory Panel to Assess Domestic Response Capabilities for Terrorism Involving Weapons of Mass Destruction was established by Section 1405 of the National Defense Authorization Act for Fiscal Year 1999, Public Law 105–261 (H.R. 3616, 105th Congress, 2nd Session) (October 17, 1998), as amended. That Act directed that a federally funded research and development center (FFRDC) provide research, analytical, and other support to the Advisory Panel during the course of its activities and deliberations. RAND has been providing that support under contract from the Department of Defense through one of its FFRDCs, the National Defense Research Institute, since the Advisory Panel's inception.

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THE ADVISORY PANEL TO ASSESS DOMESTIC RESPONSE CAPABILITIES FOR TERRORISM INVOLVING WEAPONS OF MASS DESTRUCTION

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December 15, 2003

To Our Readers:

We deliver this *Annual Report*, our fifth and final, impelled by the urgency that America succeed in its efforts to secure the homeland and sustain our national values. In households and communities, State capitols and our nation's capitol, in the workrooms and boardrooms of businesses, and on the battlefield, America seeks its destiny in the post 9-11 era.

A little over 27 months ago, our nation was viciously attacked. Our enemies sought to undermine the resolve and indomitable spirit that have been the cornerstone of the United States since its founding. They failed. Today, we remain a nation united in a common purpose. We are committed to a global effort to defeat terrorism. We are committed to a national effort to make America safer and more secure.

For 227 years the United States has followed the path established by our founding fathers. They provided us the roadmap. Generations since have navigated the journey, always mindful of where and why it began. It has not been easy—requiring sweat, intellect, and sacrifice. Americans have consistently met the challenges to fulfill, and not change, the vision of those who gave birth to our nation.

America must not waver from the guiding principles established at its birth while simultaneously crafting and executing a national approach that counters the threats posed by terrorists. Progress is being made. *The Panel wishes to be clear, however, that it believes there is more to be done and soon.* Homeland security strategies—whether developed by individuals, governments, or the private sector—are a beginning. But general strategies must be turned into specific roadmaps to direct local, State, Federal, and private sector actions. Turning vision into reality will require sustained commitment of human and financial capital over the longer term. It will require disciplined and consistent approaches balanced against mid-course adjustments when necessitated by real versus perceived shortcomings.

The nation faces tangible dangers that demand our attention, and our response must rise above anyone's or any group's agenda. In our five years of service, panel members have observed the ebb and flow of national efforts. We have watched since September 11th the overwhelming desire for the nation to achieve some level of normalcy. It is our opinion, buoyed by fact and instinct, that we can forge a new normalcy that sustains the principles set forth by our founding fathers, while mindful that the threat requires some level of adjustment in our lives. We are convinced that, in forging America's new normalcy, our nation will be better and stronger.

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In this final year of service, our members have attempted to look beyond the crisis of the moment with a view toward the future. The Panel has offered 144 recommendations since its inception; 125 have been adopted and are being implemented in whole or part. Many of these recommendations were made prior to the 2001 attacks. We remain resolute in our belief that securing the homeland and preserving our national values requires a two-pronged effort. Action must be taken to achieve the goals already set forth. Equally important is deliberately looking at the entire national enterprise of readiness to determine what work remains. All of this must be done in strict observance of our national values *of individual freedom*.

There will never be an end point in America's readiness. Enemies will change tactics, citizen's attitudes about what adjustments in their lives they are willing to accept will evolve, and leaders will be confronted with legitimate competing priorities that will demand attention. These are simply characteristics of our society that must be factored into our national efforts. In the end, America's response to the threat of terrorism will be measured in how we manage the risk. There will never be a 100% guarantee of security for our people, the economy, and our society. We must resist the urge to seek total security—it is not achievable and drains our attention from those things that can be accomplished.

Managing the risk requires a continuum not subject to the ebb and flow that characterizes many of our national priorities. Assessing threats and applying an acceptable level of resources to minimize vulnerabilities cannot occur *only* in the aftermath of an attack. It must become the steady state. This does not imply that America will have to remain at a heightened threat level. Rather the goal is to create an environment where current fears of terrorism are ameliorated by a future confidence derived from knowing that the nation is better prepared to counter the terrorist threat. This confidence, engendered through informed awareness for our citizens, will give the nation the tools necessary to adjust to the full range of 21st Century risks.

Our new normalcy will involve better management of risks, ahead of time, of terrorism, naturally occurring diseases, and natural or technological disasters. All levels of government, the private sector, and our citizens must each do their part. Better managing our risks will lead to a safer and more secure America. It will allow us to return to a level of normalcy, albeit one somewhat different than prior to the 2001 attacks. Our enemies want us to be controlled by fear. Our panel members are confident the nation can instead control the fear and rob the enemy of their key strategy for undermining our national values.

Together with others, we believe our work has contributed to the national debate and has been instrumental in advancing the homeland security dialogue beyond the Washington Beltway. We have accomplished the goals set forth nearly five years ago through the dedicated efforts of a group of Americans representing all levels of government and the private sector. Over five years we were able to *look ahead*, unconstrained by the crisis of the moment, at what was needed to advance the safety and security of the nation. Our findings have been reflected in our work and in the measurable advances of the United States in the aftermath of the evil and tragic attacks of 2001. We also believe that these attributes—a

national approach, forward-looking, and based on measurable results—must be the cornerstones to our continuing efforts to secure our hometowns and the homeland.

I am particularly appreciative of the exceptional Americans who have served on this panel during the past five years. None was more important than another and each has brought an unsurpassed level of commitment and dedication to our work. Throughout this project the RAND Corporation has provided invaluable support to the panel, especially the co-project directors Michael Wermuth and Jennifer Brower. I am honored to have had the opportunity to work with my fellow panel members, the RAND staff, and the many other fine Americans who have worked tirelessly to help us complete our tasks. Their efforts have made America stronger and more secure.

We complete our work with a great sense of pride. Most important, we thank the many individuals who have informed our work during the past five years. We have produced a series of reports that are not the work of a few, but rather the commitment of many. In this work is the hope and desire of every American for a more secure homeland that preserves our liberty for all time.

Sincerely,

A handwritten signature in black ink, reading "James S. Gilmore, III". The signature is written in a cursive style with a large, sweeping flourish at the end.

James S. Gilmore, III
Chairman

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PREFACE

The Advisory Panel to Assess Domestic Response Capabilities for Terrorism Involving Weapons of Mass Destruction was established by Section 1405 of the National Defense Authorization Act for 1999, Public Law 105-261 (H.R. 3616, 105th Congress, 2nd Section, October 17, 1998). The panel was directed to submit, beginning in December 1999, three annual reports to the President and the Congress assessing how well the Federal government was supporting State and local efforts to combat catastrophic terrorism. The panel was also charged to recommend strategies for ensuring fully effective local response capabilities. As a result of the attacks on September 11, 2001, the Congress extended the panel's charter with the requirement to submit two additional annual reports on December 15 of 2002 and 2003, respectively.

Because of the inextricable relationships between all components of the nation's efforts to counter the risks of terrorism—awareness, prevention, preparedness, response, and recovery—the panel felt it was critically important to look more broadly at all Federal support for combating terrorism. Thus, its work has reflected comprehensive analyses and recommendations across the full spectrum of efforts to combat terrorism.

This document represents the fifth and final report of the panel. The strategic vision, themes, and recommendations of the *Fifth Annual Report to the President and the Congress of the Advisory Panel to Assess Domestic Response Capabilities for Terrorism Involving Weapons of Mass Destruction* were motivated by the unanimous view of the panel that this report should attempt to define a future state of security against terrorism—one that the panel has chosen to call “America's New Normalcy.”

In developing this year's report, panel members all agreed at the outset that it could not postulate, as part of its vision, a return to a pre-September 11 “normal.” The threats from terrorism are now recognized to be a condition that we must face far into the future. It is our firm intention to articulate a vision of the future that subjects terrorism to a logical place in the array of threats from other sources that the American people face every day— from natural diseases and other illnesses, to crime, and traffic and other accidents, to mention a few. The panel firmly believes that terrorism must be put in the context of the other risks that we face, and that resources should be prioritized and allocated to that variety of risks in logical fashion.

To accomplish that purpose, this report integrates and synthesizes both the earlier work of the panel, continuing extensive supporting research and analysis from RAND, and the experience and efforts of the country as a whole in the period before and since September 11—within governments at the local, State, and Federal level, in the private sector, and for the public at large. This report attempts to project a future—five year—equilibrium state of well-established and sustained measures to combat terrorism. It focuses on conceptualizing a *strategic vision* for the Nation that, in the future, has achieved in both appearance and reality an acceptable level of awareness, prevention, preparedness, response and recovery capabilities to cope with the uncertain and ambiguous threat of terrorism as part of dealing with all hazards. The report also makes specific findings and recommendations on process and structure that must be addressed to move from general strategies into specific accomplishments.

This report builds on almost five years of work by the panel. Initially the panel looked closely at the terrorist threat facing the nation, reflecting the view that it is impossible to know if we are prepared without understanding what we are preparing for. In the first report, the panel recommended a comprehensive national strategy for combating terrorism. That recommendation remains a cornerstone of the panel's philosophy and is underscored by the belief that a national strategy is not a simply a Federal strategy but rather one that integrates and synchronizes local, State, and Federal government and privates sector efforts in a true nationwide effort. In the second report, the panel recommended specific actions to improve governmental structures and processes and to develop a national strategy in a number of areas including border control and health and medical issues. In the third year, the panel made additional specific recommendations for strategies and programs for combating terrorism in several functional areas. Last year the panel readdressed the overall terrorist threat, responded with a critique of the *National Strategy for Homeland Security*, and focused additional recommendations on key areas requiring specific improvements.

At this writing, 125 of the 144 substantive recommendations made by the panel in its first four reports have been adopted in whole or in major part, in legislation, executive action, or other processes. In prior years, we have catalogued those recommendations cumulatively in the introductory material of each succeeding report. For this last report, we are providing a matrix (at Appendix K) that provides additional detail on the status of each recommendation and highlights those that have not been implemented that continue to require urgent attention.

As we have clearly stated in prior reports, this panel cannot offer all the answers or necessarily the best answers for many of the difficult challenges ahead. Nevertheless, as we bring to a close this five-year undertaking—spanning more than two years on each side of September 2001—we are confident that we have fulfilled our Congressional mandate by contributing materially and significantly to this vital national effort by helping to shape and accelerate both the national debate and improvements in capabilities.

EXECUTIVE SUMMARY

The Advisory Panel to Assess Domestic Response Capabilities for Terrorism Involving Weapons on Mass Destruction was created by the Congress in 1999 to assess Federal efforts to assist State and local responders in combating terrorism. The inextricable relationships between all components of the nation's efforts—local, State, and Federal governments, the private sector, and the public at large—to counter terrorist threats caused the panel to look broadly at the issues.

In our first four annual reports to the Congress and the President, the Panel has, among its 144 recommendations, offered foundational perspectives on:

- The nature of the threat
- The need for and components of a successful national strategy
- Attributes of effective structures to guide and empower the implementation of preparedness at the local, state and federal levels, in the private sector and across all key disciplines – especially local and State responders
- America's efforts to respond to the tragic attacks of 2001 in a deliberative manner to ensure they establish a solid foundation for future efforts to build a safer and more secure America – one that will allow us to control and manage our risks more effectively
- Finally, and most importantly, the need to sustain the principles set forth by our founding fathers that preserve national values, among them important personal freedoms

The panel completes its work by establishing a benchmark to fuel future debate and action and to regain the nation's momentum to secure the homeland and preserve our liberty.

We underscore in this report that America has made advances, especially since September 11th, on many fronts. The level of awareness and initiatives already undertaken by all levels of government, the private sector, and the general population constitute an important beginning. They offer a sound foundation for the future actions that we believe we must achieve—the New Normalcy—a condition that this report describes.

Paramount to the panel's work is the vitally important need for America to secure the homeland in a manner that is consistent with and further empowers the values set forth at the birth of our nation. We believe that the current debate, characterized by a suggestion of competing values between liberty and security, is misplaced. Rather, the panel is firmly committed to the precept that they are values that—just as the founding fathers intended—must be mutually reinforcing.

The panel also notes that our readiness cannot be subject to the ebb and flow of other events or limited simply to the terrorist threat. To make additional, measurable advances built on sustained commitment of human and financial capital, intellect and sacrifice, further changes are needed. Organizational changes that have occurred represent a first step. But these cannot be viewed as the end goal. There is a compelling need for additional institutional changes that bring balance to the requirement to implement those programs and policies already identified against the need to maintain a forward-looking approach that continuously anticipates future risks and develops national strategies and approaches continuously to mitigate our vulnerabilities. Recent history has reminded the United States that the threats we face are broad—from natural disasters

to terrorism, from inside and outside our borders, and affecting not only our physical safety but our economic well being and societal stability.

The panel has proffered a view of the future—five years hence—that we believe offers a reasonable, measurable, and attainable benchmark. We believe that in the current absence of longer-term measurable goals, this benchmark can provide government at all levels, the private sector, and our citizens a future set of objectives for readiness and preparedness. We do not claim that the objectives presented in this future view are all encompassing nor necessarily reflect the full continuum of advances that America may accomplish or the successes that its enemies may realize in the next five years. It is, however, a snapshot in time for the purpose of guiding the actions of today and a roadmap for the future.

America's new normalcy in January of 2009 should reflect:

- Both the sustainment and further **empowerment of individual freedoms** in the context of measurable advances that secure the homeland.
- Consistent **commitment of resources** that improve the ability of all levels of government, the private sector and our citizens to prevent terrorist attacks and, if warranted, to respond and recover effectively to the full range of threats faced by the nation.
- A standardized and effective process for **sharing information and intelligence** among all stakeholders—one that is built on moving actionable information to the broadest possible audience rapidly, and that allows for heightened security with minimal undesirable economic and societal consequences.
- Strong **preparedness and readiness across State and local government and the private sector** with corresponding processes that provide an enterprise wide national capacity to plan, equip, train, and exercise against measurable standards.
- Clear definition about the roles, responsibilities, and **acceptable uses of the military domestically**—that strengthens the role of the National Guard and Federal Reserve Components for any domestic mission, and ensures that America's leaders will never be confronted with competing choices of using the military to respond to a domestic emergency versus the need to project our strength globally to defeat those who would seek to do us harm.
- Clear processes for engaging academia, business, all levels of government, and others in rapidly developing and implementing **research, development and standards** across technology, public policy, and other areas needed to secure the homeland—a process that focuses efforts on real versus perceived needs.
- Well-understood and shared process, plans, and incentives for **protecting the nation's critical infrastructures** of government and in the private sector—a unified approach to managing our risks.

Forging a New Normalcy will require additional changes in the way the nation develops strategy and policy, and how it focuses on moving from concept to accomplishment. These are not major structural changes. They represent changes in attitude and culture as well as processes. These are formidable changes without any doubt. But they remain critically necessary if we are going to remain one step ahead of our enemies and achieve duality of purpose in this great American investment to secure the homeland.

INTRODUCTION

Although the nation better understands the threats it faces and many of the measures necessary to counter them, the panel is concerned that the momentum, which accelerated full force following the September 11 attacks, may have been interrupted, that scarce resources may not be prioritized and applied most effectively, that fragmentation continues to hamper efforts for better coordination across all levels of government and with the private sector. Terrorist attacks worldwide are increasing in both number and lethality.¹ It is from those concerns and out of an abundance of caution that we suggest a reinvigoration and refinement of certain efforts. To do this, we suggest a strategic vision for the future and the steps necessary to move us toward that steady state.

In seeking to develop a strategic vision of the future of homeland security, the Advisory Panel has been guided by the recognition that the threat of terrorism can never be completely eliminated and that no level of resources can prevent the United States from being attacked in the future. At the same time, the panel believes that the Nation is achieving an important, critical understanding of the risks posed to America by terrorism, an understanding that derives from America's inherent strengths—the strength in our Constitutional form of government and particularly the strength of our people.

As a group of American citizens with broad experience in government at all levels and in the private sector, the panel members see in those national strengths an ability to respond to the threat of terrorism with firm resolve and through concrete actions across the full spectrum of awareness, prevention, preparedness, response, and recovery—areas already familiar to a society that has successfully responded to a wide array of natural and manmade disasters. Our goal is to articulate a strategy to achieve a “steady state” in the next five years—a vision shaped by a broad and well-grounded American perspective on the threat of terrorism and supported by a profound increase and sustainment of our preparedness *especially at the State and local levels*. Our collective actions must be focused and forward thinking to deal effectively with this ambiguous and evolving threat.

Critical to this uniquely American perspective on the threat posed by terrorism is the recognition that important civil liberties issues must be considered when evaluating measures for combating terrorism. As the President said recently when speaking about the war in Iraq, “stability cannot be purchased at the expense of liberty.” That same idea is firmly rooted in the American ethos and is reflected in one of the panel's favorite quotes from Benjamin Franklin:

They that would give up essential liberty to obtain a little temporary safety deserve neither liberty nor safety.

In times of crisis, when the pressure for dramatic change is most intense, it is helpful to return to these fundamental principles that have guided this nation since its inception. As Thomas Jefferson advised in his first inaugural address:

¹ For an overview of terrorism trends, see Appendix J.

The essential principles of our Government form the bright constellation which has gone before us and guided our steps through an age of revolution and reformation....[S]hould we wander from them in moments of error or of alarm, let us hasten to retrace our steps and to regain the road which alone leads to peace, liberty and safety.

Because of our national tendency to react—perhaps overreact—in times of crisis, it is crucial to have a well-defined vision of homeland security and a roadmap to achieve that goal. Nevertheless, because it is human nature to relax and refocus in the absence of an obvious threat we must use the roadmap to prevent us from letting our guard down too far, regardless of the timing or characteristics of the next terrorist attack.

Imperatives for this report

As recommended in the *First and Second Annual Reports of the Advisory Panel*, the President developed and published a *National Strategy for Homeland Security*—an important first step in leading the nation forward. The Department of Homeland Security and other governmental agencies at all levels are working diligently to prevent future terrorist attacks; analyze threats and vulnerabilities; guard borders and transportation; protect critical infrastructure; and coordinate response to and recovery from such attacks when they occur. Much is still required in order to achieve an effective, comprehensive, unified national strategy and to translate vision into action. Notably absent is a clear prioritization for the use of scarce resources against a diffuse, unclear threat as part of the spectrum of threats—some significantly more common than terrorism. The panel has serious concern about the current state of homeland security efforts along the full spectrum from awareness to recovery, worried that efforts by the government may provide the perception of enhanced security that causes the nation to become complacent about the many critical actions still required.

In its previous report, the panel was hopeful that the momentum created by the attacks of 2001 would result in the comprehensive articulation and timely implementation of a national strategy. Despite an encouraging start, the momentum appears to have waned as people, businesses, and governments react to the uncertainties in combating terrorism and to the challenge of creating a unified enterprise architecture for awareness, prevention, preparedness, response, and recovery among all of the differing components. While recognizing the inherent difficulty of such a complex undertaking, we suggest that adapting to these existing obstacles between the various levels of government and the private sector requires our attention and more comprehensive forward thinking.

It is time to move beyond our traditional reactive behavior to a comprehensive process for constant forward thinking and strategic planning, one that continuously engages all stakeholders in defining and implementing the future vision. One part of our national effort must be dedicated to accomplishing what has already been defined; a second must be dedicated to defining and refining what has yet to be done. Otherwise the current efforts to enhance preparedness will be tenuous at best and subject to change after the next threat emerges or key Administration officials or Congressional leaders change.

Moreover, the fragmentation of responsibilities and capabilities within the Federal structure, among governments at all levels, and with the private sector requires our urgent attention.

Continuing fragmentation is especially dangerous when our enemies are becoming more coordinated and sophisticated in their communications and tactics. Our approach must be the development of comprehensive, collaborative approach—an *enterprise architecture*—that can handle both the actions of the moment and planning for the future.

Consistent with Congressional direction and our previous work, the panel's vision of a steady state five years in the future focuses on measures to combat terrorism as a key component of homeland security and also one that is fully consistent with an all-hazards approach. As our experience with SARS, West Nile Virus, monkeypox, the recent fires in California, and the current influenza epidemic have demonstrated vividly, we must be able to handle a wide variety of threats.

Guiding Principles

The strategic vision presented in this report reflects the firm and unanimous view of the Advisory Panel, and emerged only after deliberate, focused, often pointed debate. The panel recognizes that the United States is still in the early stages of a truly comprehensive national approach to the threat of terrorism and that there are difficult choices to be made at all levels of society, choices complicated by substantial uncertainty with respect to threats, vulnerabilities, and the future effectiveness of initiatives already undertaken. Facing these uncertainties, the concept of a strategic vision for a future state and an associated action plan seemed appropriate to these circumstances—and appropriately American. With this in mind, the strategic vision of the panel applies to all parts and all levels of society. It reflects both an assessment of what the panel believes America is capable of achieving *over the next five years* and the clear challenge to the nation to take the necessary and appropriate steps to accomplish that goal. This approach will provide a baseline from which to debate—within our governments and among the American public—difficult decisions on approaches and priorities.

The strategic vision offered here reflects the guiding principles that Panel has enumerated in its past four reports as well as those reflected in this report:

- It must be truly national in scope, not just Federal
- It should build on the existing emergency response system within an all-hazards framework
- It should be fully resourced with priorities based on risk
- It should be based on measurable performance
- It should be truly comprehensive, encompassing the full spectrum of awareness, prevention, preparedness, response, and recovery against domestic and international threats against our physical, economic and societal well being
- It should include psychological preparedness
- It should be institutionalized and sustained
- It should be responsive to requirements from and fully coordinated with State and local officials and the private sector as partners throughout the development, implementation, and sustainment process
- It should include a clear process for strategic communications and community involvement
- It must preserve civil liberties

This proffered vision presents a carefully balanced approach to the difficult question of whether to place more or less emphasis on *reducing the terrorist threat* versus *lessening American vulnerabilities* to terrorist attacks. The challenge in effective strategic planning is stark at all government levels and in the private sector. On the one hand, we face a situation where it is extremely difficult to assess the absolute magnitude and character of the present and potential terrorism threat. It is likewise difficult to develop measures of effectiveness that reflect whether the threat is genuinely being reduced in a strategically meaningful way. Due to the very nature of American society, we live in a potentially target-rich environment—our vulnerabilities are virtually limitless. Establishing strategic defensive priorities in such an environment poses formidable problems. In addition, the natural tendency of decisionmakers to fill specific needs in their own communities as opposed to national security needs makes allocating resources even more difficult, especially in the absence of clearly articulated requirements and measures for evaluating effectiveness.

In spite of these challenges and uncertainties, the need for strategic planning and risk assessment is inescapable. For that reason, the panel will describe a future state that attempts to chart a course for managing the risks of terrorism balanced against other threats and through acceptable measures of public policy.

As this report goes to press, the panel recognizes that the level of awareness and initiatives already taken by government at all levels and increasingly by the private sector and the general population constitute an important beginning. As such, they offer the country a sound basis for building a solid foundation for those future conditions—the New Normalcy that we will describe—in which there is a level of acceptance of the actions to combat terrorism akin to the eternal vigilance that characterizes the national posture on other more traditional threats to American values and national well-being.

Protecting Civil Liberties

The attacks of September 11 and the subsequent anthrax attacks in the fall of 2001, led to new laws, policies, and practices designed to enhance the nation's security against the terrorist threat. These security measures have prompted a debate about their effect on civil liberties, especially privacy. The panel believes that the debate should be reframed. Rather than the traditional portrayal of security and civil liberties as competing values that must be weighed on opposite ends of a balance, these values should be recognized as mutually reinforcing. Under this framework, counterterrorism initiatives would be evaluated in terms of how well they preserve all of the unalienable rights that are essential to the strength and security of our nation: life, liberty, and the pursuit of happiness. While these fundamental rights are guaranteed by our Constitution they should not be confused with privileges, which may be imposed upon to protect national security. However, even privileges should not be imposed upon lightly; they are fundamental to our quality of life. For example, the opportunity to fly may be viewed as a privilege rather than a right, but overly stringent and arbitrary security measures can not only have an economic impact but could also increase public skepticism about security measures generally.

As more terrorist attacks occur, the pressure will rise to lessen civil liberties, albeit perhaps with different labels. Governments must look ahead at the unintended consequences of policies in the quiet of the day instead of the crisis of the moment. One thing we have learned from Al Qaeda is

that they pick the time and day that they will strike. They are ideologically patient. We are not. There is probably nothing more strategic that our nation must do than ensure our civil liberties.

Shortcomings in State and Local Empowerment

Every State and most localities in America have taken steps for combating terrorism, but it is time to ask ourselves: *If local responders are in fact our first line of defense, have we succeeded in effectively empowering and enhancing State and local capabilities?*

The overall picture that emerged from the RAND survey is that State organizations tend to feel that the Federal government is giving them some of the support they need, although there are areas for improvement. By contrast, local organizations tend to feel less positive about Federal empowerment. This may reflect the fact that the State governments have more experience in working with Federal grant programs and understand the wide gap between “an announcement” and the reality of the time frame for funding to actually flow, once it has been appropriated by the Congress. Local organizations sound a consistent theme of the need for direct Federal support, and this may indicate that States need to do a better job of managing expectations and providing better education on grant-making processes. For example, more than 80% of “First Responder” funding has been dedicated to local governments, a much higher percentage than that available to States.

A continuing problem is a lack of clear strategic guidance from the Federal level about the definition and objectives of preparedness and how States and localities will be evaluated in meeting those objectives. While some progress is being made, it is not happening at a pace commensurate with the flow of Federal funding to communities and States. By the time clear definition and objectives are provided, many communities and States may have embarked on paths that are measurably different from those adjacent to them and potentially inconsistent with a national approach. Moreover, deadlines should not be allowed to overtake deliberative approaches. Such actions further weaken our ability to establish the foundation for a unified national enterprise approach.

A second problem is the deficit in intelligence and information sharing. The creation of the Terrorist Threat Integration Center may have increased intelligence and information sharing at the Federal level. Some increases have also occurred in actionable, sensitive (but unclassified) information shared with State and local decision makers, but it remains ad-hoc and diffuse among various Federal agencies.

Further, to the lack of security clearances at the State and local levels continues to inhibit the widespread dissemination of more general strategic intelligence beyond a very limited number of individuals.

The lack of a well defined process for two-way information sharing means that State and local officials are both not receiving the information they need to make strategic decisions and are not consistently providing Federal authorities with critical intelligence and information developed at the local and State level that may have measurable implications for national security.

Finally the lack of a clear process for translating requirements at the State and local level into research and development at the Federal level means that the products being developed may not be tailored to meet the needs at all levels of government. To be fair, the Federal government has succeeded in providing some resources to localities, States and to a lesser degree the private sector, and also in providing a somewhat more unified point of contact for certain purposes within the Federal government. But those processes require further improvement.

Effects of Other Events

The political cycle of the United States results in cyclical responses, while national and world events often motivate us to respond reactively. In addition to the battles in Iraq and Afghanistan, in recent months we have had several major events: we have had a widespread blackout across the northeast; we have had a hurricane on the Atlantic Coast; we have had historic fires in California; and we have had a number of health and medical events such as the large outbreak of Hepatitis A and a current virulent flu strain. These events have affected the American psyche and may dilute the focus on domestic preparedness for terrorism. While other events such as the car and suicide bombings over the last several weeks in Turkey and Iraq remind the world of the potential for terrorism around the globe. There needs to be a sustained effort that is not subject to the ebb and flow of the national and international events or national debates. Based on our political history, this will be difficult to do, especially in an election year.

The Criticality of Forward Planning

The political cycle in the United States tends to focus decisionmakers on the near term. As the President has stated, the war on terrorism is going to be long and hard, and it is the view of the panel that efforts at combating terrorism must be institutionalized. The Department of Homeland Security is still hiring and moving personnel, organizing itself structurally, defining its mission more clearly, and often responding to the crisis of the day. This problem is not unique to DHS. In many ways, governments at all levels are still “fighting the last war,” reacting to September 11.

Although we must learn from history, terrorists and terrorism are dynamic, and we must consider the future as well as the past with regards to threats and countering those threats. We must be careful not to focus too heavily on the tactics and techniques September 11. We should consider collectively the changing nature of terrorism and other risks faced by the United States as a means to prioritize resource allocation.

The panel attempts, in this its final report, to provide a future vision for homeland security to serve as a catalyst for debate about the direction for our long-term thinking and planning. Recognizing that a DHS-like entity would only be equal in position to each of the other cabinet agencies and would be focused on day-to-day operations, the panel recommended previously that an office in the White House coordinate the country’s efforts. DHS does not have overarching authority for directing all aspects of the homeland security mission. As examples, the Department of Justice, the Department of Health and Human Services, and the Department of Defense are still major players. Our firm opinion is that an entity in the White House, currently the Homeland Security Council and its supporting staff, needs to provide the strategic vision and interagency policy coordination within the Federal Executive Branch. This process will also require direct and continuing integration of local, State and private sector players—not just with DHS as the go-between—in the HSC on-going efforts. Moreover, we repeat our strong view that

an entity in the White House, to be truly effective, must have some clear authority over the homeland security budgets and programs throughout the Federal government.

Focus Remains Federal-Centric

The panel recognized initially that while there is a need for a national strategy, in almost every case the response to any attack is first and foremost by local and State authorities. The focus on a solution at the Federal level is too narrow and in some ways the easy part. There are 55 States and territories; with the lack of clear articulated vision from the Federal level, each has been moving to combat terrorism in its own way. In many ways, the fight now is at the State and local levels, and so the panel has refocused its vision to some extent on the State and local portion of how well the Federal government is supporting State and local efforts.

The Federal government (the Executive and Legislative Branches) has initiated many types of programs, processes, systems, training, proficiency tests, grants, and other activities, without sufficient mechanisms in place at the State, and especially at the local level, to accomplish these tasks and to obtain meaningful input on their efficacy. The Federal government is moving forward in many areas and simply expects States and localities to catch up. This process cannot be effective without a coordinated system for the development, delivery, and administration of various program tasks that engages a broad range of stakeholders. Until a mechanism is in place—one that is more than a few meetings of advisory groups—to articulate requirements and develop priorities from the local level up to the national level, there will be continuing fragmentation and potential misapplication of resources.

An Enterprise Architecture for the Future

To achieve a truly national strategy, the Federal government must empower States and locals by providing a clear definition of preparedness and a strategic plan and process to implement the objectives of a longer-term vision across the entire spectrum from awareness through recovery. While the vision will specify the strategic objectives, the Federal policies must allow the States' flexibility in implementation to reflect the individual resources and communities within States. The Federal government should provide resources to States through a single source, based on risk and with measurable goals that encourage regional actions and integration. Let us be clear: Risk-based allocation of finite resources makes good practical sense. But the challenges of an uncertain threat environment first requires the development of a comprehensive national risk assessment that provides "apple to apple" comparisons among communities and States, and certain aspects of the private sector. Such a process does not currently exist. Officials at the Federal level should lead the development of *an enterprise architecture* to institutionalize intelligence and information sharing, risk assessments, better integrated planning and training, and effective requirements generation in close coordination with State and local governments and the private sector. Only through true cooperation will we achieve some sustainable measure of preparedness for the uncertain threat of terrorism.

Attempting to Define Preparedness

The panel has noted time and again that preparedness cannot progress until it is defined. While many aspects of preparedness have been defined, there is not one accepted strategic definition. The panel offers its definition below.

Preparedness for combating terrorism requires measurable demonstrated capacity by communities, States, and private sector entities throughout the United States to respond to acute threats with well-planned, well-coordinated, and effective efforts by all of the essential participants, including elected officials, police, fire, medical, public health, emergency managers, intelligence, community organizations, the media, and the public at large. At times, this may require support from the military, active and reserve. Such preparedness requires effective and well-coordinated preventative efforts by the components of the Intelligence Community, law enforcement entities, and a well-educated and informed public. These efforts must be sustainable over the foreseeable future while maintaining a free civil society.

DEVELOPING A FUTURE VISION

In deciding on its strategic vision, the panel assessed four alternatives—detailed later in this chapter—each of which has validity in its own right. They represent a future toward which the country could deliberately navigate or to which it could drift without a committed effort toward a particular end state. The goals that the panel sets forth are challenging, but we have specifically chosen objectives that can be addressed with varying levels of effort over time.

In the material that follows, we will first describe the process of conceptualizing and fashioning a strategic vision of the character described above and then summarize and discuss the four alternative visions we evaluated. We then address in much greater detail a preferred strategic vision for the future.

Conceptualizing a Specific Strategic Vision for Combating Terrorism

In seeking to cast a useful strategic vision of the conditions that would characterize a sustainable level of national preparedness *vis-à-vis* the threat of terrorism, it was incumbent on the panel that such a vision be given a structure that is both comprehensive—not too simple considering the problem—and comprehensible—logical but not too complex considering the likely variety of audiences.

It is also imperative that such a conceptualization of the future confront the difficult issue of priorities in the national plan of action to reduce the risk of terrorism *vis-à-vis* other risks. There is a particularly difficult challenge in assessing the potential return on investment of resources in the context of combating terrorism, a context characterized by such wide-ranging uncertainties. This is especially true in the balancing of efforts – and associated expectations – between the two components of risk mitigation, namely threat reduction and vulnerability reduction.

The Time Frame for a Strategic Vision for Combating Terrorism

Recognizing that the threat of terrorism is relatively new to the United States and that many dimensions of the initial response to this threat are only now being implemented – with accompanying uncertainties as to their acceptance and effectiveness – just how far in the future is it reasonable to anticipate achieving the favorable conditions worthy of a strategic vision with some measure of temporal stability? Five years? Ten years? Twenty years? For the purposes of this report, and in consideration of the nature of the terrorism problem and the still early state of development of the U.S. and the larger global response, the Advisory Panel concluded that casting a strategic vision roughly five years into the future was a reasonable objective.

The Threat Assessment Dilemma

It is now well recognized that it is in the nature of global and national affairs that a wide variety of terrorism threats already exist, that others will assuredly emerge and develop, and that the United States homeland will be among the targets of such threats for the foreseeable future. While ameliorating the political, social, and economic conditions that give rise to terrorism is a challenging undertaking that is clearly worthy of the expenditure of national and international time and treasure, it is an effort that is not likely to pay major dividends in the short term—the

typical expectation of our citizens that we will immediately solve any problem. However, it is extremely difficult to assess the magnitude and character of the current threat, much less do a genuinely useful, specific, or actionable threat projection. This clearly will hamper any efforts to develop even crude metrics or measures of performance that reflect whether the threat is being reduced to a strategically meaningful degree. Fortunately, we have to this point, had few attacks against which to measure certain performance. It is likely that future attacks will provide the only meaningful measure of certain aspects of our preparedness. It can be argued, however, that the *absence* of attacks is one appropriate measure of how well we are doing in deterring and preventing attacks.

With this perspective in mind, this report addresses the challenge in postulating a strategic vision with a healthy respect for the uncertainties in both the current and potential future terrorism threat spectrum. These uncertainties include the prospect that the source of such threats might be not only independent or quasi-independent terrorist organizations—either international or of a “home-grown” variety—but also possibly state-sponsored terrorism. In this latter case, terrorist actions might be carried out anonymously without attribution, and possibly even without strong suspicion as to their source. In such state-sponsored terrorism circumstances, the magnitude of the potential terrorist threat would move well beyond (in both character and magnitude) the levels usually associated with independent terrorist organizations.

In casting a strategic vision for U.S. efforts to combat terrorism, there are inevitable issues of priorities in setting goals and in the allocation of scarce resources to achieve those goals. In an environment where you can’t do it all, where will the nation get the greatest return on investment in its efforts to reduce the risk of terrorism? In threat reduction efforts? In improved hardening or other methods of reducing traditional vulnerabilities? In improved warning and associated planning to permit adequate time to take (presumed temporary) measures to reduce vulnerabilities?

This dilemma is portrayed graphically in Figure 1, which emphasizes the three main areas of competition for resources in the effort to reduce the risk from terrorism:

- (1) Threat reduction through direct action to destroy or dismantle terrorist groups (“draining the swamp”) and deny such groups chemical, biological, radiological, and nuclear weapons and other instruments of terror;
- (2) Vulnerability reduction through a wide variety of pre-attack terrorism-specific actions that would be effective independent of near-term strategic or tactical warning (a “fortress against terrorism”); and
- (3) Vulnerability reduction through terrorism-specific actions that would be implemented upon tactical warning of an imminent attack or that an attack is on the way but has not yet arrived.

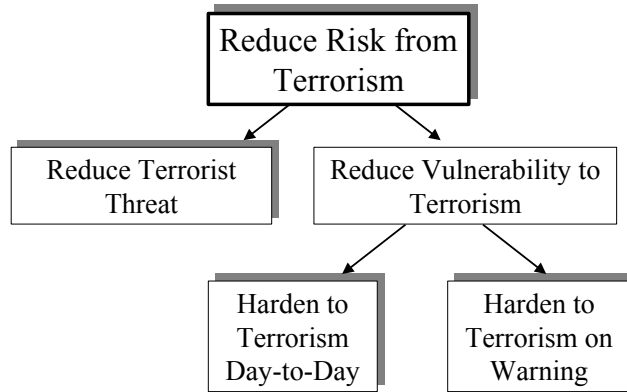


Figure 1. Terrorism Risk Reduction Components

It can be inferred from Figure 1 that more than one legitimate strategic vision – i.e., a vision fully defensible in the light of terrorism-related uncertainties – is possible in this context through a mixing of priorities between the three main areas of competition for resources. In the simplest terms, any of the three main areas of risk reduction cited above could dominate a strategic vision. (A fourth simple and extreme alternative would be not to take any counter-terrorism actions and rely wholly on existing plans and programs for natural disasters and other hazards.) At the same time any evaluation of alternative constellations of priorities requires a careful look at the individual domains of associated counter-terrorism activity – as discussed below. The challenge presented by this kind of prioritization process will be seen more clearly in the detailed consideration of alternative strategic visions.

Careful consideration of the domains also makes clear that, at least in principle, there are potential responsibilities in each of the domains at virtually all levels of government and society. At the same time for some domains and activities it is clearly unrealistic to expect State and local governments to accept the same level of responsibility as the Federal government or for individual citizens and the private sector to take on the same level of responsibility as government.

With this perspective in mind, and looking to fashion a strategic vision some five years in the future that is realistic in terms of the likely commitment of scarce resources to the terrorist threat versus other threats and problems faced by governments, the private sector, and individuals, the sections that follow—after consideration of the difficult terrorism threat assessment and projection problem—sequentially address each of the above domains with a particular eye to providing the building blocks for fashioning such a strategic vision.

Constructing Alternative Strategic Visions

As noted, there are inevitable issues of priority and emphasis in:

- Identifying a finite set of key characteristics or dimensions by which to describe a meaningful strategic vision of the character contemplated here;

- For these key characteristics, setting meaningful goals or objectives against which progress and achievement can be measured in some qualitative or even quantitative fashion; and
- The allocation of scarce resources to achieve such goals.

With this perspective in mind, the panel believes that consideration of the following key dimensions can provide the basis for characterizing and drawing distinctions between alternative strategic futures for combating terrorism.

Four Specific Alternative Visions

Terrorism is and will remain vague, ambiguous, unpredictable, and largely episodic. It will continue to require an approach unlike any other enemy with which we have had to deal. In considering alternative visions, we have postulated three somewhat different threat scenarios over the next five years, recognizing that reality may prove to be some combination or permutation of them.

Very Infrequent Attacks. This scenario is characterized by the absence of significant terrorist attacks in the United States. It assumes an eventual success in the Iraqi war and a reduction in Israeli- Palestinian tensions over the next five years. In retrospect, 9/11 is seen as a unique event, highly unlikely ever to be repeated particularly as time goes by. It is also characterized by the absence of successful terrorist attacks on U.S. assets and bases overseas (akin to the African Embassy bombing or the attack on U.S.S. *Cole*).

A Continuation of Post-9/11 Threats Levels. The country continues on basically the course it is on today, anticipating a long-term, slow motion, highly episodic strategic threat. The episodic incidents of terrorism might include some major incidents, albeit most likely not with the impact of 9/11.

A Rise in Terrorist Attacks and Lethality. In spite of a U.S.-led international effort to combat terrorism, the overall terrorist threat stays ahead of national and international preparedness. Independent terrorist groups are increasingly in league with nations hostile to the United States. In this scenario, attacks continue to be successful worldwide, and Americans are killed or injured in attacks at home and abroad.

With that background and having considered the dimensions of the challenge, the four illustrative strategic visions considered by the panel were:

- **Complacency.** The push for committing resources to combat terrorism is significantly diminished with increased political pressure from those who want resources in other areas, and the country returns to a state of pre-9/11 focus on preparedness. But the terrorists' interests in attacking the United States have not diminished and the country, in effect because of decreased vigilance, is potentially vulnerable to an attack with strategic impact akin to 9/11.

- **Reactive.** There would be steady funding but be no major increases in the level of assets (time, money, coordination, training, exercises, etc.) committed to homeland security and other dimensions of the terrorism problem. Organizational and other efforts that have been launched since 9/11 would be continued with some consolidation. The country will react strongly in the short term, but not fundamentally change its resource allocation priorities over the longer term.
- **Fortress America.** Most observers express skepticism about the prospects of significantly curtailing the terrorist threat without draconian measures. The prospect of unforeseen severe terrorism-related financial and personal losses is acknowledged and addressed via insurance and government programs that compensate victims under procedures akin to the aid provided to victims of natural disasters. An ever-increasing level of resources is committed to combating terrorism with a focus on improved prevention and response, as well as hardening and reducing vulnerabilities in critical infrastructures. Significant resources are devoted to the “fortress” at the expense of other programs and initiatives and civil liberties are actually or perceived to be eroded.
- **The New Normalcy.** The country navigates toward a new normalcy in its posture and approach to terrorism. The threat of terrorism is not eliminated but the threat is viewed in light of an aggressive and coordinated international effort to combat the threat. The destructive risks associated with terrorism are normalized at the personal, State, and local level vis-à-vis other destructive acts against U.S. society and interests both natural and manmade (“Take the terror out of terrorism”). Efforts to combat terrorism are substantial as compared to the period before 9-11 but prioritized, institutionalized, and sustained. Terrorism is essentially treated as criminal action of a hybrid intranational/international character, with attendant clear roles and responsibilities at the Federal, State, and local level and in the private sector, as well as among citizens. This approach provides duality of purpose so that we are better prepared for all emergencies and disasters, including terrorism. It is broad and considers not only the physical impact but economic and societal as well.

Based on the panel’s conception of what is both possible and desirable, the first three of the above strategic visions are treated in summary fashion. The fourth, “Forging the New Normalcy,” is the panel’s conception of the strategic vision that it believes should guide U.S. decision-making and strategic planning for the foreseeable future. In taking the steps to ensure the New Normalcy, the country will likely avoid many of the pitfalls inherent in the first three potential futures. The New Normalcy is, therefore, treated subsequently in greater detail. (For a side-by-side comparison of components of each of the visions, see Appendix L.)

AMERICA'S NEW NORMALCY

January 20, 2009—Washington, DC

It is the morning of January 20, 2009. In a few hours the President will give his Inaugural Address, which will cover, among other things, the significant progress that has been made in combating terrorism both worldwide and in the homeland. The President will describe major improvements across the entire spectrum of capabilities to combat terrorism from awareness activities (intelligence and information sharing), to prevention, to preparedness, through response and recovery.

The news has not all been good in the five years prior to New Year's Day 2009. American interests have continued to be attacked around the world by those who hate freedom and the country that most epitomizes liberty and equality. Overseas, scores of Americans have died and many more have been injured. At home, while nothing on the scale of September 11 has recurred, the remnants of al Qaeda and others trying to imitate it have attacked a few soft targets with "conventional" type devices, and killed 21 more Americans on our own soil.

Nevertheless, with vastly improved intelligence and cooperation from our allies—some very nontraditional—several attempts by terrorist groups to acquire a variety of chemical and biological weapons, and low yield radiological devices, have all seemingly been thwarted.

On the home front, coordination at all levels of government and with the private sector has improved significantly and has been institutionalized and regularized. The public at large understands the nature of the terrorist threats, and has increasing confidence in government to be able to deal with those threats appropriately. There is a stronger sense among our citizens of physical and economic security as well as societal stability, as a result of visible successes among governments and the private sector in developing and implementing strategies and plans that address the threats.

Future Vision 2009—State, Local, and Private Sector Empowerment

States, localities, and appropriate entities in the private sector are fully and consistently integrated into planning and decisionmaking processes. The DHS regional structure and an integrated communications and information network provides for real time, day-to-day coordination across a broad spectrum of prevention, preparedness, response and recovery issues at all levels. The Homeland Security Council is engaged in continuous, sustained, and well-organized dialogue with all levels of government, the private sector, and academia to develop a forward looking vision of readiness efforts.

The Federal government has developed and implemented a consistent program of financial support for State and local government efforts to combat terrorism, a program that has played a major role in sustaining State and local investment to combat terrorism and coordination in Federal, State, and local preparedness planning. Of particular significance has been the sustained funding to strengthen preparedness and coordination within the public health system. Information on Federal support is available through a central clearinghouse managed by DHS.

The Federal government, in coordination with the States, has developed grants and other forms of Federal assistance to fund programs that are based on continuing risk assessments where population is only one measure of vulnerability. Federal assistance is based on a fully developed system of priorities and requirements generation that flows up from the local level, is consolidated and coordinated at the State and territorial level, and then is rationalized against available Federal funding.

DHS, in cooperation with other Federal agencies and State and local governments, has coordinated the development and implementation of a comprehensive process for State and localities, and appropriate entities in the private sector, to assess and articulate potential requirements for all-hazards Federal support. That process has vastly improved the allocation of Federal resources based on a prioritization of capabilities for potential support.

Most important, the Federal government has incentivized through funding a nationwide system and has provided significant support to States for the implementation of a comprehensive, integrated, overlapping network of mutual aid for all-hazards response—a “matrix” of intrastate multijurisdictional and interstate supporting capabilities that has helped to ensure responsiveness anywhere in the country. Federal assistance in this system is based on various considerations, including localities and areas of higher threat, the efficiency of consolidating resources in highly trained and well equipped government response entities, and close coordination among all levels of government and the private sector.

State and local responders have been adequately funded, equipped and trained to meet nationally defined and accepted terrorism preparedness standards. Risk assessments have been developed and updated in line with national guidelines. There is a National Incident Management System (NIMS) adopted and used by all levels of government and the private sector. Significant progress has been made in communications interoperability for all response disciplines. Regular exercises are held to refine and practice in the effective response to potential terrorist attacks and other hazards.

Future Vision 2009—Intelligence

The relationship between DHS, the intelligence community, the Department of Justice and the FBI, and the other Federal agencies involved in collection, analysis, and dissemination of terrorist threat information is increasingly mature with strong and effective coordination responding to DHS leadership and DHS-levied intelligence requirements.

The Terrorist Threat Integration Center (TTIC) is seen as increasingly successful in integrating overseas and domestic intelligence, including information from State, local and private sector sources, to provide a well-reasoned comprehensive strategic terrorism threat assessment covering potential perpetrators, capabilities, and objectives. The overseas and domestic intelligence assessments that are emerging acknowledge continued uncertainties in the current and projected terrorism threat, while at the same time placing bounds in a manner useful for planning purposes on the magnitude and character of that threat. All appropriate elements of other Federal agencies have been fully integrated into the TTIC, and it has significant staff elements representing State and local government entities and the private sector. Executive Branch and Congressional oversight mechanisms have proven to be highly effective in preventing any abuses.

The emphasis on combating terrorism within the intelligence community over the years has led to an unprecedented level of expertise and cooperation, including matters related to health and medical factors.

The broad national commitment to combating terrorism has led to vastly improved vulnerability assessments across the different elements of society (including in particular in the area of critical infrastructures) and a commensurate ongoing effort to reduce existing vulnerabilities and limit the emergence of new vulnerability problems.

The improvements in both threat and vulnerability assessments have enabled DHS to produce overall national risk assessments for critical target sets (such as infrastructures and national icons) and to aid State and local governments in high-risk target areas in performing site- and community-specific risk assessments, including real-time risk assessments that respond to new actionable intelligence. These data are being used to guide the allocation of preparedness funding but not to the exclusion of those low threat areas. The national warning system has been refined to provide more geographic specific information based on the actual or potential threats.

While the availability of actionable warning cannot be guaranteed, there have been instances in which such warning has been available and has contributed substantially to reducing the impact of terrorist attacks. For planning purposes, however, it is still assumed that in many cases of terrorist attack, such warning will not be available.

Future Vision 2009—Information Sharing

In addition to the information sharing within the Federal government that has enabled improved threat assessments, terrorism-related cooperation on sharing information on every aspect of combating terrorism—from risk assessments to best practices for responding to specific threats—within the Federal government, between the Federal government and State and local entities, and between governments and the private sector, has vastly improved.

The Intelligence Community, in cooperation with other Federal agencies, with State and local governments, and with the private sector, has developed a new classification system and a series of products that are unclassified but limited in distribution to allow dissemination to those responsible for public and private sector preparedness. Specific products with actionable guidance are designed to meet the needs of and available daily to public health officials, State and local law enforcement, and other responders.

Most noteworthy is the improvement in information sharing between the government and among the owners and operators of critical infrastructures, made possible by major changes in previously existing laws and regulations regarding freedom of information and restraint of trade.

The Federal government has led the development of a comprehensive risk communications strategy for educating the public on the threats from and consequences of terrorist attacks. The strategy covers both pre-event communications and protocols for communications when an event occurs and during recovery.

The Health Alert Network and other health-related secure communications systems that generate all-hazard surveillance, epidemiological, and laboratory information have been substantially improved and strengthened and are now being utilized with high reliability by all entities of the medical and health communities—public and private.

In the border control arena, there is now a well-established, comprehensive database and information technology systems internal to the border agencies under DHS and those of other Federal agencies, State and local entities, private sector operators, and cooperating foreign governments, who conduct activities related to people or things moving across U.S. borders or are involved in border-related intelligence collection, analysis, and dissemination.

Future Vision 2009—Training, Exercising, Equipping, and Standards

Grant programs in DHS have been consolidated into a single entity that reports directly to the Secretary. In addition, the President has established a Federal interagency coordinating entity for homeland security grants, headed by the Secretary of Homeland Security. Allocation criteria have been developed for all Federal grants that considers risk/threat, capabilities, progress towards achieving national standards in various disciplines, population and regional cooperative efforts. That entity has also streamlined the grant application and decision process throughout the government, and has been instrumental in eliminating unnecessary redundancies in programs.

The insurance industry is basing rates on the level of preparedness of communities, States and businesses based on established nationwide standards, providing incentives for enhanced risk management.

DHS has implemented a program that has established training standards for first responders that outlines the tasks, conditions, and standards of performance for individuals and units.

In addition, a broad program of all-hazards exercises, with specific standards for conducting and evaluating them, and funded in part by DHS, continues to expand at the State and local level and with substantial private sector participation. Training specifically for responding to terrorist attacks is given a high priority.

A joint combating terrorism exercise program for potential major terrorists involving CBRN has been institutionalized and implemented nationwide for Federal, State, and local officials and the private sector participants. It has steadily improved the ability of government and private entities to work together effectively.

The sustained level of government funding for terrorism preparedness has facilitated the establishment of standards and proficiency tests associated.

A successful national effort to improve communications interoperability (particularly at the local level) through the promulgating of national equipment standards, facilitated by substantial Federal and private sector investment in RDT&E, has been a hallmark of progress in combating terrorism as a component of all hazards preparedness.

Best practices in all aspects of combating terrorism, informed by lessons learned from exercises and actual events, is available through a significantly improved national database. This best practices database is seen as particularly useful in assisting States in meeting surge capacity requirements and dealing with associated resource allocation issues.

Future Vision 2009—Enhanced Critical Infrastructure Protection

There are major improvements in protective and defensive measures, especially for critical infrastructures. As appropriate, many programs have been implemented as old infrastructures and supporting systems are replaced.

Improvements in the aviation industry include measures mandating the screening of all baggage and cargo for passenger and commercial aircraft and the implementation of a new set of comprehensive security guidelines for general aviation. In the shipping industry, U.S. seaports and many international air and seaports are now equipped with extensive suites of detection and monitoring equipment. In the energy, chemical, and telecommunications sectors, there are now well-established models and metrics for evaluating the vulnerability existing systems and facilities and additional protective measures. In the process of reducing vulnerability to natural disasters and providing redundancy in response to lessons learned from the power outages of 2003, the vulnerability of the energy supply sector has been reduced.

For U.S. border crossings, there are stiff pre-entry identification requirements for people, and pre-shipping reporting requirements and other regulations for commercial shipments that have dramatically improved the prospects of detecting people or materials that terrorists might attempt to move into the United States. Technology has helped the private sector to adjust to new requirements at minimal economic impact.

The country has a vigorous, comprehensive public health system infrastructure, with the capacity to respond around the clock to acute threats, while maintaining the capability to simultaneously respond to chronic public health issues. Public health officials institutionalized relationships with the public and private medical community and other response entities to deal with the full range of potential challenges. Other major improvements include an emphasis on an all hazards/dual use capabilities, and well defined health care requirements for bioterrorism. The national system of special response teams for medical/health contingencies has been unified and modernized with a special emphasis on preparedness for a broad range of bioterrorism attacks, as well as chemical, radiological, and nuclear health effects. The Congress authorized several programs to encourage nursing, epidemiological, large animal veterinarian, environmental health, and pharmaceutical education and training; and workforce issues are fading. After the development of a strategic communications plan, a cooperative effort of Federal, State and local public health officials, the nation is in the middle a five-year campaign to improve the psychological readiness and resilience of the U.S. population.

Cyber and physical threats to critical infrastructures have been addressed through a strategy that recognizes interdependencies and potential cascading effects. Programs to ensure that the latest in protective tools and practices are implemented have been increasingly successful in building confidence throughout the networked systems that are vulnerable to attack.

The potential threat to the agriculture and food industries is continually being assessed in a cooperative effort between the intelligence community, DHS, DHHS, and the Department of Agriculture (USDA) that includes joint education and training programs. As a consequence of this continuing assessment, specific actions to protect the agriculture and food industries have been undertaken, to include specially designated laboratories to perform tests on foreign agricultural diseases. In addition, Federal support has substantially increased the level of research and funding for veterinary medicine education. USDA has an integrated network of Federal and State BSL-3 and BSL-4 laboratories for the detection and diagnosis for foreign animal and plant diseases. Through an integrated, voluntary effort, all food production, processing and transport and distribution facilities have achieved basic security guidelines described in Federal guidance. The inspection force is fully trained. Response to an outbreak is clearly defined within a national strategy and a fair system of indemnity to compensate those affected by agricultural losses is available along the spectrum of food production and dissemination (which has helped to encourage rather than discourage the rapid disclosure of outbreaks). Aggressive R&D has produced vaccines for high-risk pathogens such as Foot and Mouth and the USDA research portfolio has been prioritized according to a comprehensive risk assessment matrix for both deliberate and natural outbreaks. In addition, the Federal Government has continued to expand its cooperation and surveillance presence overseas to prevent introduction of pathogens into the United States.

Future Vision 2009—Research and Development, and Related Standards

The Federal government is providing sustained funding for a wide-ranging R&D program that is seeking major improvements in the ability to detect and analyze terrorism-related materials or devices both at the borders and in transit within the country. The Federal R&D agenda is coordinated and prioritized through a comprehensive interagency and intergovernmental process led by the Secretary of Homeland Security.

The National Institute for Mental health has undertaken a long-term research program examining the most effective ways to both prepare people mentally for possible terrorist attacks and to treat people with mental and emotional problems following such attacks.

The Congress has expanded incentives under Bioshield to encourage industrial production and development of biological and chemical defense pharmaceuticals. NIAID, in collaboration with industry, has launched a major research effort in the area of vaccine development in anticipation of possibly facing threats from natural and genetically modified biological agents, and is building on its successes of rapid and reliable diagnostic tests for the full spectrum of biological agents.

New approaches in epidemiologic surveillance are yielding dramatic results, and State and local public health departments are implementing the findings to reduce time in detection of disease outbreaks.

The challenge of improving cybersecurity is being addressed through a comprehensive government-industry R&D partnership that has developed not only improved defensive tools and procedures but also industry standards for ensuring that improved protective techniques and tools are implemented on a continual basis.

Future Vision 2009—Role of the Military

Statutory authority and implementing regulations for use of the military inside the homeland—for both homeland defense and civil support missions—have been clarified. Extensive public education—for State and local governments, for the private sector (especially critical infrastructure operators) and for the populace at large, has greatly improved the understanding about legal authority for using the military as well as its capabilities and limitations. Specific attention has been focused on defining the parameters of homeland defense and its distinctions from civil support.

Clearly articulated Rules for the Use of Force exist to govern the military's actions inside the United States in situations where it is unclear if the foe is a combatant or a criminal

In recent years, the role of USNORTHCOM and USPACOM in enhanced civil-military integration for homeland security has been clarified and institutionalized within the Department of Defense. A critically important part of this process has been, as noted, the development of a comprehensive requirements identification process by DHS, and tested through extensive exercises involving USNORTHCOM and State and local emergency response officials.

The potential role and responsibilities of the military in supporting civilian authorities in the event of a terrorist attack has been refined largely through a continued program of training and exercises involving USNORTHCOM, other military entities, and State and local partners with preparedness responsibilities.

USNORTHCOM now maintains dedicated rapid-reaction units with a wide range of response capabilities relating to attack assessment, emergency medical support, isolation and quarantine, and communications support. Capabilities are intended for military homeland defense missions but have been implemented in a way to be applicable to civil support missions as well.

The National Guard has been given new homeland security mission with a comparable increase in funds for civil support planning, training, exercises, and operations. Some Guard units are trained for and assigned homeland security missions as their primary or exclusive missions. With authorizing legislation, the Department of Defense has established a collaborative process for deploying National Guard units including authority to employ the Guard on a multi-state basis for homeland security missions. The National Guard remains a strong component of the military for the war-fighting mission, but enhanced resources are maintained for military assistance to States and communities for all types of emergencies. Use of Reserve Component forces for extended homeland security missions has been structured in a manner that does not detract from recruiting and retention efforts.

Military missions in the homeland are consistent with traditional military missions. Specialized State and local responder capabilities have been enhanced through a sharing of military technology and realignment of funding. State and local responders have more effectively funded, trained, and equipped to address the impacts of a terrorist attack and the military (including the National Guard) have funded and trained for missions distinctively different than those of State and local responders. With this substantial empowerment of State and local civilian response organizations, the potential reliance on any part of the military—active forces and the reserve components (including the National Guard in its non-Federal status)—for military support to civil authorities has diminished.

A ROADMAP TO THE FUTURE

We have outlined an ambitious vision for the near future not only to counter the threat of terrorism but to advance America's ability to prepare more effectively for the full range of threats to our nation. We stress that the vision is not likely to become reality without a firm commitment and sustained effort among all levels of government and in the private sector. Nor are we suggesting that we should accept taking five years to reach all or most of the components of the vision. Even with current programs and resource, the nation must achieve real and measurable improvements soon. Clearly, however, additional steps are needed to bring the United States from its current state of preparedness to the panel's view of America's New Normalcy. Below, we describe where we are and what, in the opinion of the panel, are some of the key steps to achieving the vision. Some recommendations have been made before; they are worth repeating until they have been implemented. The panel does not suggest that these are the only actions required to achieve an acceptable future state of security, nor that implementing all of these steps exactly as we recommend will ensure attainment of the future state. They are, nevertheless, the best judgment of individual panel members within their own discipline and the collective view of the full panel as an opportunity for translating resolve and policy into action and accomplishment.

Civil Liberties at the Foundation

There is an on-going debate in the United States about the tradeoffs between security and civil liberties. History teaches that the debate about finding the right "balance" between security and civil liberties is misleading. This traditional debate implies that security and liberty are competing values and are mutually exclusive. It assumes that our liberties make us vulnerable and if we will give up some of these liberties, at least temporarily, we will be more secure. Yet, consider the context in which civil liberties were first firmly established. The framers of the Constitution had just survived a truly existential threat and were acutely aware of the fragility of their nascent nation. In this uncertain and insecure environment, the framers chose not to consolidate power and restrict freedoms but to devolve power to the people and protect civil liberties from encroachment. They recognized that civil liberties and security are mutually reinforcing.

The Declaration of Independence has at its core the premise that there are certain "unalienable rights, that among these are Life, Liberty and the pursuit of Happiness." What terrorists seek to destroy requires a comprehensive strategy to defeat their objectives, while seeking to preserve not just life, but also liberty and our uniquely American way of life.

We must, therefore, evaluate each initiative as well as the combined effect of all initiatives to combat terrorism in terms of how well they preserve all of the "unalienable rights" that the founders believed were essential to the strength and security of our nation—rights that have no become so imbedded in our society and ingrained in our psyche that we must make special precautions, take extra steps, to ensure that we do not cross the line. It is more than the clearly defined protections in the Constitution—protections against unreasonable search and seizure; and against self-incrimination. It is that less well-defined but nevertheless exceptionally important "right to privacy" that we have come to expect, and that our judicial system has come increasingly to recognize.

As an example, we should not move away from the traditional requirement for a criminal predicate to justify law enforcement activity. As a Nation, our most significant concerns with broadening law enforcement powers should be

- the potential chilling effect of allowing the monitoring of First Amendment activities, such as freedom to peaceably assemble, the free exercise of religion, and freedom of speech, to the point where it discourages the exercise of or directly impinges upon such fundamental rights; and
- the increasing reliance on more sophisticated technology that has vast potential for invading our privacy.

Military intelligence gathering as an aid to law enforcement or as part of military “homeland defense” missions was not fully anticipated by our existing system of laws and safeguards. It now becomes essential for the Congress to legislate and for the Department of Defense to implement through clear procedures the limitations on the use of satellite imagery and other advanced technology monitoring inside the United States. Such limitations, we suggest, should be similar to those governing electronic surveillance for intelligence purposes inside the United States under the Foreign Intelligence Surveillance Act in 1978.²

To enhance both our security and our liberty, **we recommend that the President establish an independent, bipartisan civil liberties oversight board to provide advice on any change to statutory or regulatory authority or implementing procedures for combating terrorism that has or may have civil liberties implications (even from unintended consequences).**

Strategy and Structure

The process of creating the Department of Homeland Security (DHS) has been one of the most significant and challenging United States government restructuring efforts since World War II. The aim of establishing DHS and integrating a wide range of agencies and offices has been to increase the security of the U.S. homeland and to improve the governments’ ability to prevent and prepare for terrorist attacks and other major disasters. Indeed, the challenge of integrating 22 separate agencies into a single, effective department has been substantial. Anecdotal evidence suggests that many of the agencies and employees subsumed by the integration continue to have no identity with or “buy-in” to their parent organization. Overcoming these factors is critical to the success not only of DHS but to the national effort.

Clearly, there has been a strong focus on ensuring that the structure of DHS is right to achieve programmatic and operational level coordination and execution. The fact remains that the homeland security dilemma facing the United States is broader and more complex than a single agency. The Department of Homeland Security, as a Secretariat within the Federal government, now competes with other Federal entities for funding and policy attention. Its primary focus is that of “physical” protection, which leaves the broader issue of economic and societal security potentially lacking for attention.

² 50 USC 1801 et seq.

There remains, especially at the policy level, the continuing need for Federal cross department and agency coordination, and regular continuing dialogue with local and State elected leaders. In addition, the need for forward thinking, strategy development, and planning can best be accomplished in a forum free from the day-to-day crisis and reactive environment that has characterized DHS—an understandable situation, given its mission. Internal DHS strategy and planning can and will occur, but there remains a compelling need for higher-level policy coordination at the White House that rises above the inevitable turf wars among Federal agencies. Ostensibly, the Homeland Security Council will accomplish this task, but that entity has little structure for engagement of local and State elected leaders now that the Homeland Security Advisory Council and its advisory groups have been transferred to DHS.

State and local officials across all responder organization expect a lot from DHS. For example, 70-80 percent of State and local organizations expected DHS to improve coordination, information-sharing, and communication among governments at all levels, according to the RAND survey. Where there were differences in views, the pattern reflected a particular organization’s mission or primary Federal agency partner. For example, fewer State public health departments (33 percent) expected DHS to streamline the grant application process as compared to 60-70 percent of other organizations. This difference makes sense, given that DHHS (not DHS) is the primary Federal agency providing support to public health departments. State OEMs were in agreement with other organizations, but in several cases expressed the opinion more strongly. Overall, 50-60% of organizations expect DHS to standardize the grant application process across Federal agencies and consolidate multiple grant application requirements; however, 80 percent of State OEMs expressed this view.

The stronger desire by State OEMs for DHS support in these areas is consistent with the mission of the State OEMs and their role in helping to distribute Federal preparedness funding and support to local entities. Table 1 lists other areas where responders expect empowerment from DHS.

Table 1. In What Ways Do Local/State Responders Expect the DHS to Impact Them?

	Activities
70-80% expect DHS to...	<ul style="list-style-type: none"> ▪ Improve coordination, information-sharing, and communication between Federal/State/local levels
60-70% expect DHS to...	<ul style="list-style-type: none"> ▪ Streamline grant application process across Federal grant programs
50-60% expect DHS to...	<ul style="list-style-type: none"> ▪ Standardize the grant application process across Federal agencies and consolidate multiple grant application requirements
40-60% expect DHS to...	<ul style="list-style-type: none"> ▪ Establish single point of contact at Federal level for information on available programs ▪ Provide primary contact at Federal level instead of many on training, equipment, planning and other critical needs <p><i>[Health organizations not asked this question]</i></p>
45-60% expect DHS to...	<ul style="list-style-type: none"> ▪ Provide intelligence information and more detailed guidance on terrorist threat
40-60% expect DHS to...	<ul style="list-style-type: none"> ▪ Consolidate numerous training courses/ programs and numerous equipment programs <p><i>[Health organizations not asked about equipment programs]</i></p>
40-60% expect DHS to...	<ul style="list-style-type: none"> ▪ Provide better/standardized templates and/or guidance to help with planning
30-40% expect DHS to...	<ul style="list-style-type: none"> ▪ Improve integration between public/private sectors' efforts to improve terrorism and protect critical infrastructure

DHS is still relatively new; time will be required for it to be come fully effective and operational. Yet, there are apparent areas for concern, including intelligence analysis and dissemination; duplication of efforts; lack of standards; and the continuing ability of DHS component agencies to fulfill traditional—and important—day-to-day missions. DHS has largely been sidelined in

the evolving process of terrorist-related intelligence. Despite legislative mandates, it has developed little analytical capacity and has insufficiently developed capabilities to disseminate information to State, local, and private actors. Numerous reports have pointed out that cooperation between departments of the Federal government, State and local government agencies, and private sector entities has clearly been inadequate.³ Interviews with State and local officials (conducted by RAND for the panel) have indicated that DHS has not yet effectively shared threat information with appropriate State and local entities. Indeed, DHS has had significant competition from other Federal agencies in disseminating information to State and local authorities, and the private sector despite President Bush's July 2003 Executive Order giving the Secretary of Homeland Security primary authority for sharing homeland security information.⁴

DHS is an operational entity. As such it *executes* policy. It does not own all of the Federal capability for combating terrorism and cannot, therefore, be expected to develop even a Federal government-wide policy, much less a national one, for addressing all aspects of awareness, prevention, preparedness, response, and recovery. On the other hand, entities in the Executive Office of the President do have that broad mandate to develop policy applicable to those affected entities of the Executive Branch. In this case, the entity is the Homeland Security Council (HSC) and its supporting staff (the HSC staff—the successor to the Office of Homeland Security). That entity should have the responsibility for developing the longer-range vision and the strategic policies for implementation. It should not be involved in planning or conducting operations, except as observers to help inform future policy development.

Current DHS structure suffers from a duplication of emergency preparedness and response efforts. In particular, the location of the Directorate of Emergency Preparedness and Response (EP&R) and the Office for Domestic Preparedness (ODP) in separate directorates has created internal and external problems. In the April 2003 *Semiannual Report to the Congress on the Department of Homeland Security*, the Office of Inspector General argued that placing planning, training, and equipment purchases for emergency management personnel in different DHS directorates creates problems with interdepartmental coordination, performance accountability, and fiscal accountability.⁵ It also leads to confusion among State and local officials for identifying available Federal preparedness resources.

Since September 11, 2001, State organizations have participated more than local organizations in federally-sponsored training, equipment, and funding programs.⁶ In addition, while State organizations tended to participate across a variety of programs, local organizations participated

³ *Joint Inquiry Into Intelligence Community Activities Before and After the Terrorist Attacks of September 11, 2001* (Washington, DC: U.S. Senate Select Committee on Intelligence and U.S. House Permanent Select Committee on Intelligence, December 2002); Ivo H. Daalder et al, *Assessing the Department of Homeland Security* (Washington, DC: The Brookings Institution, July 2002), pp. 17-21; Gary Hart and Warren B. Rudman, *America – Still Unprepared, Still in Danger* (New York: Council on Foreign Relations, 2002), pp. 1-5; *Protecting America's Freedom in the Information Age: A Report of the Markle Foundation Task Force* (New York: The Markle Foundation, October 2002), pp. 69-78.

⁴ George W. Bush, *Executive Order: Homeland Security Information Sharing* (Washington: White House Office of the Press Secretary, July 29, 2003).

⁵ Department of Homeland Security: *Semiannual Report to the Congress* (Washington, DC: Office of Inspector General, April 2003), pp. 3-4.

⁶ For a detailed summary of the survey results regarding organizations participation in federally-sponsored programs, see Tab 3 to Appendix D.

in a more limited number of programs specific to their professional community. Further, State organizations tended to have much higher participation rates than local organizations. In general, State organizations that had participated in federally-sponsored programs since the 9/11 attacks also shared those resources with other organizations within their State (commensurate with their mission and role as a pass-through for Federal support to local communities and response organizations). In addition, those local organizations that had received Federal support also tended to share it with other organizations within their jurisdiction.

State and local organizations differed in their views about whether Federal funding was reaching the right communities and organizations. State OEMs and State public health departments (those organizations responsible for distributing Federal funding and/or resources within their State for emergency and bioterrorism preparedness) tended to believe that Federal support was reaching those communities and organizations with the greatest need. Local organizations, on the other hand, were more likely to believe that Federal funding was *not* reaching the communities and organizations with the greatest need, regardless of whether the funding was distributed through the State governments or directly to local communities and response organizations. (For more detailed survey information, see Appendix D.) This highlights the need for Governors to drive comprehensive state-wide strategies (that reflect composites of local, interjurisdictional, and State agency needs within each State) that address the full range of readiness and cross the continuum of State and Federal funding programs as a precursor to managing national expectations. In the absence of a measurable end-goal, everyone—States and localities—will likely believe and insist that their agency should get everything.

State and local governments should have a one-stop clearinghouse for grants, training programs, and other types of terrorist and disaster preparedness assistance. Perhaps more seriously, the absence of coordinated preparedness efforts makes it difficult to develop training and exercised standards that are agreed upon and utilized by all relevant training centers. Some current funding processes have DHS and other agencies awarding preparedness grants directly to public and private recipient organizations with no pre-award coordination with the States. Recognizing that there inevitably will be some of the current programs that do not “flow through” the States, there should, at a minimum, be vertical coordination requirements among Federal agencies and local governments with States on all funding allocations, to ensure consistency with statewide strategies. DHS and other Federal agencies may be required to make some awards directly, but that does not negate the need and appropriateness of engaging States in the process.

In addition, there are at least six Federal departments and a number of interagency and independent organizations that are involved in developing standards for communication systems and equipment. This situation makes it difficult for States and local entities to know what to buy, and increases the possibility of incompatible equipment.

Finally, current DHS efforts have diminished and compromised important “traditional” day-to-day missions of some component agencies. For example, the Coast Guard has put substantial resources into patrolling ports and assisting in U.S. military operations in Afghanistan and Iraq, but it has seen decreased resources for important missions such as drug interdiction. Recent disasters across the nation have identified issues between the DHS parent organization and FEMA in terms of roles and responsibilities. While these types of challenges are not unexpected with a reorganization of this magnitude they, nonetheless raise the concern that momentum across a broad spectrum of activities is being interrupted.

Based on the foregoing, **we recommend that DHS combine all departmental grant making programs into a single entity in DHS.** Currently, grant programs are scattered through several departmental units. One alternative is an expansion of ODP (renamed) with that office reporting directly to the Secretary. **We also recommend that the President establish an interagency mechanism for homeland security grants, led by the Secretary of DHS, to streamline and consolidate the grant application and decision process throughout the Federal government.** The creation of such a process will reduce confusion among grant applicants, and relieve them of some of the burden of multiple—and different—application processes.

We further recommend (again) that DHS develop a comprehensive process for establishing training and exercise standards for responders. That process must be involved in the development of training and exercise curricula and materials. It must include State and local response organization representation on a continuous, full-time basis.

The Homeland Security Advisory System has become largely marginalized. This may be attributed to a lack of understanding of its intended use as well as the absence of a well-orchestrated plan to guide its implementation at all levels of government. The Governor of Hawaii chose to maintain a blue level in February 2003 when the Federal government raised the level to orange, and the Governor of Arizona announced that his State might do the same based on the particular threat or lack thereof to Arizona.⁷ Organizations surveyed by RAND for the panel had a number of suggestions for improving the Homeland Advisory System. Between 60-70 percent of State and local organizations suggested providing additional information about the threat (type of incident likely to occur, where the threat is likely to occur, and during what time period) to help guide them in responding to changes in the threat level.

We recommend that DHS revise the Homeland Advisory System to include (1) using a regional alert system to notify emergency responders about threats specific to their jurisdiction/State; (2) providing training to emergency responders about what preventive actions are necessary at different threat levels; and (3) a process for providing specific guidance to potentially affected regions when threat levels are changed.

Prehospital care—emergency medical services (EMS)—plays a crucial role in the response to and recovery natural and manmade disasters, including terrorism. The Emergency Medical Technicians and Paramedics who comprise EMS in the United States, unlike their fellow responders in fire services and law enforcement, have no designated "EMS" Federal funds and no one single Federal agency for coordination on State and local EMS operational matters. As was cited in earlier panel reports, the lack of any fiscal assistance to enhance EMS response capacity, especially for combating terrorism, must be addressed. In order to reduce mortality and morbidity, especially in the aftermath of a CBRNE terrorist attack, investment in the response component that is tasked with turning victims into patients is critical. Concurrent with the lack of specific funding is the continuing absence a Federal entity that provides guidance and assistance on a daily basis to EMS responders nationwide.

⁷ <http://www.bizjournals.com/pacific/stories/2003/02/24/story4.html>, February 7, 2003;
<http://www.azcentral.com/arizonarepublic/news/articles/0601homeland01.html>

We recommend:

- **That the Congress establish sustained funding to enhance EMS response capacity for acts of terrorism.** Such funding must address personal protective equipment, training, antidotes, technology transfer, EMS interoperability issues, threat assessments, and other operational and training doctrine issues.
- **That Congress reestablish a Federal office specifically to support EMS operational and systems issues.**

State and Local Empowerment

There continues to be a lack of understanding about the roles of State and local government in a national strategy. As discussed in more detail, the Terrorist Threat Integration Center (TTIC) is a pointed example. It is essentially an entity created by and for the Federal government, not (yet) for State and local government. National strategy and concomitant resources need to be designed and executed in a way most likely to empower State and local governments to maintain awareness, and to deter, prevent, respond to, and recover from terrorist events.

Conversely, State and particularly local organizations and officials may not be fully aware of the “big picture,” and simply do not have the resources to equip and train every locality to perform every mission across the spectrum of preparedness. Moreover, as salutary as many efforts by States and localities have been, absent a standard system and processes for activities nationwide, the potential for significant incompatibility and lack of interoperability looms large.

Therefore, **we recommend the development of a system of a:**

“Matrix” of Mutual Aid. In coordination with local, State, and other Federal agencies, DHS must develop a plan for a nationwide system of mutually supporting capabilities to respond to and recover from the full spectrum of hazards. Unlike the suggestion of other entities that have addressed the issue, the system does not have to be built on the premise that every community in America must have the same type and same level, based almost exclusively on population considerations, of response capabilities. The panel firmly believes that one size does *not* fit all. The panel envisions a much more comprehensive system of mutual aid than that which generally exists. This expanded system would catalog and display, at any point in time, the capabilities resident anywhere in the country to respond to various types of emergency. It would be built, at its foundations, on capabilities that already exist. Capabilities would constantly be mapped geographically in order to identify gaps in coverage. The goal is not to know the location of every piece of equipment or trained personnel but rather the types and scope of actions that can be undertaken. Every level of government would be required, as a condition of Federal assistance, to participate in the system. Mutual aid would run in multiple directions—from large cities to small towns in the same State and vice versa; from small towns to other small towns in the same State, and from large cities to other large cities in the same State and in other States; from State to State; from the Federal level to States and localities. Such a system would significantly enhance capabilities while making the most of limited resources.

Private Sector Engagement

The important role of the private sector in homeland security has not been fully recognized and articulated. As noted by the panel in its 2002 report to Congress:⁸

The private sector controls approximately 85 percent of the infrastructure in this country and employs approximately 85 percent of the national workforce. It is also critical to innovations to protect and defend against terrorism.

Enhancing coordination with the private sector is obviously critical for ensuring the preparedness of States and localities and for protecting vital physical and economic infrastructure. In the third wave of the survey, we asked State and local organizations about their coordination activities with the private sector.

Following the 9/11 attacks, nearly all the State organizations and between a third to three-quarters of the local organizations created new organizational structures to address preparedness for terrorism-related incidents. Of those that created new structures, about half (except for public health) indicated that the duties of these new positions or units included liaison with the private sector. For virtually all local and State public health departments, this probably refers to coordination activities with hospitals, managed care organizations, or other individual healthcare providers, many of which belong to the private sector.⁹ However, when we compare these results to whether organizations say they have any formal agreements in place with the private sector about emergency planning or response, many fewer organizations indicated this to be the case. Only about one out of three local and State OEMs and one out of five of the other organizations said they had formal agreements with private companies, businesses, or labor unions to share information or resources in the event of an emergency or disaster. Further, few local organizations and only about twenty percent of State organizations and local OEMs indicated that they would contact the private sector if they had any threat information to pass on about suspected terrorist activities within their jurisdiction or region.

State organizations, in particular, recognize there is room for improvement in strengthening coordination with the private sector. Between half to two-thirds of State organizations expect DHS to help improve integration between the public/private sectors' efforts to improve terrorism preparedness and to protect critical infrastructure. The primary linkage for private sector engagement must occur at the local and State levels; that is where the interaction is going to be most effective in preventing or responding to an event.

The business community believes that it has an obligation and wants to be better integrated into planning and preparedness activities than it has been. (See testimony of C. Michael Armstrong,

⁸ Fourth Annual Report to the President and the Congress of the Advisory Panel to Assess Domestic Response Capabilities for Terrorism Involving Weapons of Mass Destruction, December 16, 2001, pp. 30-31.

www.rand.org/nsrd/terrpanel/

⁹ The CDC cooperative agreements for public health preparedness encourage establishing public/private partnerships, with one of the enhanced capacities calling for the strengthening of relationships between the health department and emergency responders, the business community, and other key individuals or organizations involved in healthcare, public health, or law enforcement. Source: CDC Continuation Guidance for Cooperative Agreement on Public Health Preparedness and Response for Bioterrorism--Budget Year Four Program Announcement 99051, May 2, 2003.

The Business Roundtable, at Appendix N.) **We recommend the adoption and full implementation of the security component of the Business Roundtable's Principles of Corporate Governance.** An executive summary of those principles is included at Appendix N.¹⁰

Intelligence and Information Sharing

In the two years following the September 2001 terrorist strikes, governmental bodies, journalists, and policy analysts have advocated a variety of measures intended to improve domestic counterterrorism intelligence. Most of these critics focused on shortfalls within the FBI. This panel and others have recommended the establishment of a new domestic security service that some have likened to the United Kingdom's MI-5. Such an organization, according to its supporters, would focus on prevention, rather than simply investigating terrorist acts once they occur.¹¹ Critics of the concept charge that it would add needless complexity to the system, slow down rather than promote information flows among agencies, and threaten civil liberties.¹² Ultimately, the Bush administration rejected calls for the creation of an "American MI-5," choosing instead to press for reforms within the FBI and new bureaucratic arrangements within other parts of the Federal government. The FBI's leadership has outlined a comprehensive program of internal changes that are intended to make the prevention of terrorism the bureau's paramount mission.

In some ways, these steps will provide the country with a more robust, comprehensive, and rationalized structure for the analysis and dissemination of terrorism information. Steps have been taken to overhaul the intelligence function of the FBI, including a common analysis of business practices regarding how information is gathered, shared, analyzed, and distributed. This is a potentially useful business-process approach that DHS could adopt in bringing together all of the Federal agencies and State and local government entities to develop of an overarching national plan for the sharing of information and intelligence among all levels of government and with the private sector. Principal elements of this realignment effort should include: (1) investments in communications and information management technology and integration; (2) emphasis on developing rigorous, discretely focused analytical capabilities; (3) establishing a cadre of specifically assigned, professional counterterrorism specialists; (4) increased coordination of dispersed field office operations within the context of a singularly developed (and enforced) national strategy; and (5) a clear set rules that establishes product dissemination to specific entities and the communication links for moving intelligence and other information.

This being said, several facets of the reform process either remain questionable or raise additional issues of concern. These variously relate to: (1) the efficacy of changes enacted within the FBI; (2) the development of viable structures of accountability and oversight to balance more intrusive domestic information gathering; (3) the incorporation of local law enforcement in

¹⁰ The entire document is available at <http://www.businessroundtable.org/pdf/984.pdf>.

¹¹ See for example the panel's *Fourth Annual Report to the President and the Congress*, pp. 41-44; and "Senator Edwards Proposes Homeland Intelligence Agency," accessed at http://www.cdt.org/security/usapatriot/030213edwards_pr.html.

¹² See for example David Johnston, "F.B.I. Director Rejects Agency for Intelligence in the United States," *Washington Post*, 20 December 2002, p. A22; Larry M. Wortzel, "Americans Do Not Need a New Domestic Spy Agency to Improve Intelligence and Homeland Security," *Heritage Foundation Executive Memorandum* no. 848, 10 January 2003; and Ronald Kessler, "No to an American MI5," *Washington Post*, 5 January 2003, p. B07.

Federal efforts to combat terrorism; (4) the coordination of national intelligence structures; and (5) the unintended consequence that much of the enforcement for certain types of criminal activity—for example, bank robberies and organized crime enterprises—has been shifted from the FBI back to State and local law enforcement.

As a partial solution to several of these problems, the panel repeats its support for an independent agency with certain domestic collection responsibilities. A separate domestic intelligence collection agency might allow the FBI to return to a context in which a criminal predicate is once again a pre-requisite for law enforcement activity. It could also provide a clearer context in which to evaluate and address concerns that relate specifically to the collection of intelligence inside the United States, separate and apart from the issues related to what enforcement actions the government can take based on that information. Clarifying the distinction between intelligence collection authority and law enforcement power could also clarify oversight responsibility. Despite arguments to the contrary,¹³ the panel continues to believe—as it articulated in 4th Report—that it is important to separate the intelligence collection function from the law enforcement function to avoid the impression that the U.S. is establishing a kind of “secret police.” The “sanction” authority of law enforcement agencies—the threat of prosecution and incarceration—could prevent people who have important intelligence information from coming forward and speaking freely. The panel has suggested that this collection entity would not have arrest powers—that authority will continue to rest with the FBI, other Federal law enforcement agencies, and State and local law enforcement. Nor should it have authority to engage in deportations or other actions with respect to immigration issues, to seize the assets of foreign terrorists or their supporters, or to conduct any other punitive activities against persons suspected of being terrorists or supporters of terrorism. This independent entity could provide information that can be “actionable” to those agencies that do have the authority to take action. A challenge will arise on those occasions when the independent body needs to pass intelligence “cueing” to law enforcement agencies for the purpose of constituting an arrest. But the challenge will be fundamentally no greater than it is today when existing U.S. intelligence agencies “cue” Federal law enforcement agencies for such purposes.

This new collection component of an independent agency would have to operate under significant judicial, policy, and administrative restraints. It will be subject to the requirements of the Foreign Intelligence Surveillance Act (FISA)¹⁴ and the Attorney General’s Guidelines for terrorism investigations. This component would be required to seek legal authority from the Foreign Intelligence Surveillance Court (FISC) for intrusive (surveillance or search) activities. The FBI would continue to have responsibility for purely domestic terrorist organizations and for non-terrorism related organized crime. Title III wiretap responsibilities would remain with the FBI for criminal activities.

Further, to address several of the challenges discussed above, **we recommend that the Congress establish the Terrorist Threat Integration Center as an independent agency and**

¹³ At a recent meeting of the Advisory Panel, the Attorney General of the United States made a strong and well-reasoned argument why, from his perspective, the FBI should be allowed to continue domestic intelligence collection. Among other points he raised were the extensive experience that the FBI has, and the network of contacts that it has established with State and local law enforcement, which he (correctly) suggests also collect law enforcement intelligence.

¹⁴ 50 U.S. Code, Chapter 36 (50 USC Sections 1801-1863) (PL 105-511, October 25, 1978)

that the TTIC be required to have permanent staff from representative State and local entities.

Finally to address these challenges, the Attorney General should modify the AG guidelines. The potential chilling effect of broadened surveillance authority could be reduced if, in addition to barring the collection or storage of information *solely* for monitoring protected activity, a more rigorous standard was imposed for any targeting that involved protected activity. The key would be to ensure that the higher threshold was not interpreted in the field as effectively a prohibition against such collection or storage, as has happened in the past.

Organizations want more intelligence information about the terrorist threat, but security clearances are lagging

The RAND survey confirmed that State and local organizations are looking to DHS for dissemination of intelligence information and information about the terrorist threat within their jurisdiction or State, in part to help them in conducting their own risk assessments. Since September 11, 2001, about half of law enforcement and half of local and State OEMs have received guidance from the FBI about what type of information about suspected terrorist activity should be collected and passed to FBI field offices. In comparison, only a quarter of paid/combination fire departments and hospitals and only a few volunteer fire departments indicated they have received such guidance.

Despite a desire for more detailed intelligence information since the 9/11 terrorist attacks, State OEMs and State public health departments are primarily the only organizations that have sought security clearances for their personnel. (For more information, see Appendix D). This finding is likely related to recent requests by DHS and the Department of Health and Human Services (DHHS) for States to apply for such clearances for their senior officials. To date, only about half of State OEMs and a third of State public health departments that applied for security clearances have received them for at least some of their personnel.¹⁵

Recently, DHS announced that, in addition to State governors, five senior State officials would be issued security clearances to receive about specific threats or targets. (These clearances are in addition to the security clearances to be issued to public health officials.¹⁶) However, there is concern among State officials that the number of security clearances allocated may still be too few to account for all their needs.

Based on the foregoing, **we recommend**

- **That the Federal government develop and disseminate continuing comprehensive strategic threat assessments on the character, magnitude, and objectives of terrorists and their organizations.** As we have said consistently in previous reports,

¹⁵ Because the survey did not ask when organizations had applied for government security clearances, RAND cannot distinguish between those who may have applied only recently versus those that have been waiting for a longer period of time to receive their security clearances.

¹⁶DHS Office of the Press Secretary, Press Release August 18, 2003. "Secretary Ridge Addresses National Governors Association."

these assessments must be more than current, actionable information in order to be helpful in longer-term planning and prioritization of resources.

- **That the President designate one or more security clearance-granting authorities, which can grant clearances Federal government wide that are recognized by all Federal agencies.** It is incomprehensible that the security clearances of one Federal agency are not recognized by other Federal agencies. Agency-specific requirements may indicate who can have access to certain information (the “need to know”), and certain information will logically fall into the special categories (e.g., Special Access Programs and Special Compartmented Information). Nevertheless, basic clearances—once granted by a competent authority—should be “portable” to the maximum extent possible.
- **That the President direct the development of a new regime of clearances and classification of intelligence and other information for dissemination to States, localities, and the private sector.** This new regime would remove some of the specific elements that raise the data to a traditional “national security” classification (e.g., sources and methods information) to provide the widest possible distribution to local and State responders and in a form that it conveys meaningful and useful information. Such a process could also prove to be less expensive and less time consuming for background investigations and the grant of clearances, as well as more effective in disseminating valuable intelligence. Furthermore, States could be empowered as managing partners by being “certified” to conduct background investigations. During his recent appearance before the panel, we asked the Attorney General if any thought had been given to such a new regime. He answered candidly that he did not know. With the urgent requirement to get information into the right hands in the most timely and effective way, we strongly believe that it is time for such a new system.
- **That DHS develop a training program for State and local officials and elements of the private sector for interpreting intelligence products.** Many State, local, and private sector officials have had limited if any practical experience in how to best use intelligence information. Most of these same officials, while not meteorologists, understand how to make operational decisions based on weather forecasts because they understand the inherent variables in the data. The same needs to be true with shared intelligence. How best to utilize important intelligence product is just as important as the product itself for sound decisionmaking.

In the information sharing arena, **we recommend that DHS establish comprehensive procedures, with definitive standards for the equipment and software vehicles, for sharing information with relevant State and local officials.** There is no central repository and clearinghouse for information related to combating terrorism. There are legacy systems that should be integrated and new ones that should be established.

Research and Development and Related Standards

The Department of Homeland Security has a substantial research and development role. In its second year of funding, it has a research and development budget request of 1.0 billion dollars, giving it the eighth largest research and development budget among Federal departments and

independent Federal research agencies. Research and development should not be limited to technology. There is a host of policy, organizational, and legal issues that need urgent attention.

The sudden and large commitment of resources to a new mission carries with it some important challenges. Chief among these challenges is for the Department of Homeland Security to organize and coordinate an effective research and development program amidst great uncertainty and across numerous operational needs. Moreover, DHS will have to contend with the challenges of implementing and coordinating research in an arena in which the organizations conducting research are almost entirely unrelated to the organizations that must implement the results of that research. Finally, Department of Homeland Security's research and development efforts will have to be developed mindful of the fact that substantial fractions of both the research and user communities largely are outside of the department.

Although DHS is given some R&D coordinating authority under the Homeland Security Act of 2002, that coordinating mechanism needs to be specified. **We recommend the formal establishment, by Executive Order of Presidential Decision Directive, of a Federal Interagency Homeland Security Research and Development Council, chaired by the Secretary of Homeland Security (or his designee) and with representatives of Federal R&D entities as well as end users.** Within that process, R&D should be categorized and prioritized across the entire Federal government, for internal (Federal laboratory) and external (contract and grant) programs. That process must also include input from end users at the State and local levels, and from the private sector, both on requirements and on the utility of developed and emerging technologies. Moreover, that process must include procedures for establishing national standards for equipment and technology, with government and private sector involvement.

Funding and Resources

Billions of Federal dollars are now flowing to State and localities. While these dollars will undoubtedly improve preparedness in many areas, the lack of a national implementation plan, standards, prioritization and clear guidance on objectives may be leading to ineffective application of these monies. We are poised to make measurable improvement in the nations readiness but only if we pursue a disciplined and deliberate approach that ensures at the end of the day that we have spent limited resources wisely and to the best ends.

The RAND survey found a positive relationship between receipt of funding and other resources since 9/11 and the assignment of a higher priority to spending departmental resources on terrorism preparedness. In particular, differences in priority between State and local organizations may reflect differences in the distribution and receipt of funding from the Federal government (as well as from other sources) following the 9/11 attacks. The initial influx of Federal funds focused on State governments (since in many cases they provide or fund public health services at the local level) and on bioterrorism preparedness. Differences in priority assigned to terrorism preparedness may partly reflect differences in organizational mission. For example, State organizations that have an overall emergency preparedness mission versus first-responder organizations, such as law enforcement or fire services, which have a broader public safety mission.

A recurring theme from State and local organizations was that they needed funding support for such activities as training and equipping, as well as for conducting risk assessments.

Organizations cited limited training and equipment procurement budgets, as well as competing or higher departmental budget priorities, as factors limiting their ability to purchase specialized equipment for terrorism preparedness and to participate in Federally sponsored training or equipment programs. Primarily, State and local organizations were looking toward DHS for financial support in these areas. (For more detailed survey information, see Appendix D.)

Prognostication about the amount of funding that the Federal government should provide in the near future is premature at best. Recent calls for the funding upward of \$100 billion is, in our view, not the wisest approach. Federal funds have started to flow. Absent a more clear articulation of an end state, and the levels of preparedness sought to be achieved—with some reasonable way to measure our efforts—any attempt to establish an overall price tag is mere speculation and could be politically unwise. Moreover, we have consistently said that “one size doesn’t fit all;” we should develop and implement a more logical process for improving capacity that just pushing increasingly more money into the system. We should evaluate efforts underway, continue to develop a better system of requirements generation, and refine priorities for funding along the way.

To ensure improving and continued preparedness the Federal Government should continue to provide sustained, assured levels of Federal funding, so that States and localities can plan and implement programs with both Federal and their own funding with more certainty about the funding available. One process could be multi-year funding that will allow States and communities to plan more effectively over time.¹⁷ A finite time frame may be subject to adjustment because of another series of attacks. That being said, States and communities should also recognize that they should not expect a multi-year funding program to be extended as it nears its end and should resist the temptation to lobby accordingly unless there is a significantly compelling reason.

This funding should be provided through formula or other types of grants based on risk—threat *and* vulnerability considerations (where population is only one measure of vulnerability). Funding should not be based on consideration of vulnerability (or fear) alone. Performance measures must be established and evaluations conducted to ensure that funds are actually used wisely and are effectively improving or maintaining preparedness. As previously noted, risk based funding makes good practical sense but current threat and vulnerability data is not sufficient to implement such a process in the near term.

Psychological Preparedness

Preparing the nation for the psychological and behavioral consequences associated with terrorism involves more than just a strategic communication plan. Individuals not only need information and resources to help them understand and interpret the risks associated with terrorism, they need tools to help them prepare for and cope with the potential physical, psychological, and behavioral consequences associated with threatened and real acts of terrorism. This requires a broad, public health and education based model not only to inform and educate, but also to create community based resources for support or treatment. Such a community-based approach should involve not only public health officials and agencies, but

¹⁷ The COPS program provides a useful example of States and communities ability to plan on sustained assistance over a five-year period.

must involve the private health care providers and other non-traditional health care and psychological support providers, including schools, local civic organizations, and the faith based community as active partners.

This community-based model will facilitate trust, enable better communication, and promote greater adherence to public health recommendations, while at the same time help in alleviating the psychological distress and potential negative behavioral consequences. Preparedness and response mechanisms must recognize that psychological distress and behavioral reactions are normal and will likely be common following a threatened or real event; yet not everyone will require a formalized mental health intervention. While not minimizing the importance of an evidence-based mental health response for those most in need, we must also recognize the need to address acute and long term psychological distress and behavioral reactions. For example, the nation's ability to respond effectively to a terrorist event will depend upon public cooperation. Yet, we know that following terrorist events, psychological distress and heightened anxiety can result in behavioral actions that will impede the response effort, including when individuals take unwarranted response actions (such as spontaneous evacuation or taking unnecessary medications). It also has significant economic implications, manifested in absenteeism and decreased productivity. The Panel heard compelling testimony on potential approaches to "shielding" the population during biological incidents. This concept recognizes that educating and informing citizens ahead of incidents could achieve higher compliance of protective measures while minimizing overall disruption to community life.

To address these issues and create comprehensive preparedness and response plans at all levels, Federal leadership is needed to indicate the importance of the psychological and behavioral readiness component by creating the funding opportunities for resiliency building and requiring accountability for State and local public health agencies to design and implement programs based on evidence. In a recent report, an Institute of Medicine committee established specifically to consider these issues made several cogent recommendations for limiting the psychological consequences of terrorism during all phases of a terrorism event, including before an event occurs.¹⁸ First, they recommended that DHHS (including NIH, SAMHSA, and CDC) develop evidence based techniques, training and education in psychological first aid to address all hazards and all members of society and that the same develop public health surveillance and methods for applying the findings of this surveillance through appropriate interventions for groups of special interest. Further they recommended that academic healthcare centers, professional associations and societies for mental health professionals, and state board of education, in collaboration with DHHS (including SAMHSA, NIH, and CDC), ensure the education and training of mental health care providers, including community- and school-based mental health care providers, relevant professionals in health fields, including primary care providers, school-based health care providers, public health officials, and the public safety sector, and a range of relevant community leaders and ancillary providers. In addition, the Committee recommended that NIOSH, the Department of Labor, and the Department of Education ensure the existence of appropriate guidelines to protect workers in a variety of work environments; that Federal agencies should coordinate research agendas, cooperate in establishing funding mechanisms, and award timely and sufficient funding on best practices for

¹⁸ National Academy of Sciences, Institute of Medicine (2003) Preparing for the Psychological Consequences of Terrorism: A Public Health Strategy. Butler, Panzer, and Goldfrank, Editors. National Academies Press, Washington, DC

interventions; and that DHHS and DHS analyze terrorism preparedness to ensure that the public health infrastructure is prepared to respond. Finally, the Committee suggested that Federal, state, and local disaster planners should address psychological consequences in their planning and preparedness and resources.

We recommend:

- 1. Implementation of the IOM Committee's recommendations**
- 2. That Congress provide increased funding to DHS and DHHS for States and local agencies, and that DHS and DHHS require and monitor State and local compliance of incorporating in plans an appropriate focus on psychological and behavioral consequence preparedness and management**
- 3. That DHS and DHHS create a Federal joint task force on these issues**

Agroterrorism

To date, terrorists have not yet successfully carried out or even attempted (as far as we know) a large-scale agricultural attack. Yet, attacks against agriculture could emerge as a favored form of secondary aggression. A major terrorist attack on the U.S. agricultural sector would have serious economic impact and could undermine the public's confidence in government. Further, if the disease were transmissible to humans, there could be significant adverse public health consequences. The agricultural sector is vulnerable to deliberate and natural introductions of disease for several reasons,¹⁹ all the more threatening because the capabilities required for exploiting them are not significant.

If an attack were perpetrated, emergency assistance funds for crop and livestock disease outbreaks are nearly non-existent. The Terrorism Risk Insurance Act of 2002 specifically excludes crop and livestock from Federal compensation programs from insured losses. The USDA simply advises producers to purchase private insurance as their primary risk management strategy. Emergency compensation for livestock established under the 21 U.S. Code Chapter 4 (on seizure, quarantine, and disposal of livestock or poultry to guard against introduction or dissemination of communicable disease) requires the USDA to compensate owners of any animal, carcass, product, or article destroyed within a quarantine zone at the fair market value of the destroyed asset but does not account for the significant losses caused by decontamination, lost income, and reduced production capacity. On the crop side, the Agriculture Risk Protection Act of 2000 gives the Secretary of Agriculture the "ability to prohibit or restrict the importation, exportation, and the interstate movement of plants, plant products, certain biological control organisms, noxious weeds, and plant pests." If implemented, the Act only provides the Secretary with the *option* to provide compensation for economic losses.

USDA is, nevertheless making changes to meet these challenges,²⁰ including:

- The formation of a Homeland Security Council,

¹⁹The vulnerabilities are taken directly from *Hitting America's Soft Underbelly: The Potential Threat of Deliberate Biological Attacks Against the U.S. Agricultural and Food Industry*, Peter Chalk, MG-135-OSD (Santa Monica, CA: RAND, 2004).

²⁰This information is taken from Secretary of Agriculture Ann Veneman's Statement to Panel September 9, 2003 at Appendix M.

- The institution of a dedicated Homeland Security Staff,
- The implementation of the “Select Agents Rule,”²¹ and
- A pilot program for the National Animal Health Laboratory Network (NAHLN).²²

USDA has also developed guidance on communications for State and local partners; upgraded security systems in the field offices; and enhanced training. For food supply protection, USDA has participated in drills to enhance government response coordination; conducted threat and vulnerability assessments; moved to develop an integrated food security plan; increased bio-security testing and surveillance measures; enhanced physical security and diagnostic capacities at laboratories; and implemented Consumer Complaint Monitoring. USDA has also addressed USDA Laboratory security including pathogen control and cyber security. It is implementing a USDA National Incident Management System in conjunction with DHS.

USDA plans to expand laboratory networks, increase lab security, improve diagnostic, prevention, and treatment capabilities; expand the plant lab network through standard operating procedures and inter-regional communication and by creating a national monitoring database. In addition, USDA plans to hire 80 additional field inspectors; increase on-site farm checks; improve communication with the private sector; and coordinate efforts with DHHS and DHS.

Although these efforts represent a first step, several areas require increased attention. Measures need to be undertaken to create a partnership of Federal, State, local and private sector entities to secure the industry from deliberate disruption and sabotage. These initiatives would also have the dual-use benefit of strengthening overall prevention and response efforts in relation to naturally-occurring disease outbreaks. While USDA is increasing personnel, a 1% increase in inspectors is unlikely to make a significant difference given the thousands of agricultural facilities in the United States. Other issues include insufficient personnel and laboratory capacity, such as appropriately secured disease research laboratories (the USDA still lacks any BSL-4 facilities),²³ and too few veterinarians trained to diagnose and treat foreign/exotic animal pathogens. Coordination and standardization with State, local, and private participants in the agricultural sector is still lacking and forensic and information collaboration with relevant members of the intelligence and criminal justice communities remains inadequate. Added to these problems is inconsistent food surveillance and inspections at processing and packing plants and an emergency response program that is limited by an unreliable passive disease-reporting system and a lack of trust between regulators and producers.

To address these shortcomings, **we recommend that the President designate DHS as the lead and USDA as the technical advisor on all homeland security issues regarding food safety and agriculture and emergency preparedness across the full spectrum of activities from awareness through response and recovery.**

Both DHS and USDA must foster better cooperation among states and producers. USDA should work to prioritize R&D and security resources; further increase the number and capabilities of

²¹ 7 CFR part 331 and 9 CFR part 121, Possession, Use, and Transfer of Biological Agents and Toxins, mandated by the Agricultural Bioterrorism Protection Act of 2002.

²²The NAHLN designates the National Veterinary Services Laboratory as the lead animal health laboratory and allows selected State and academic laboratories to work in foreign animal disease surveillance and related services.

²³ In the panel’s *Fourth Report*, Plum Island was mistakenly identified as a BSL-4 facility; it is BSL-3.

Federal, State, and local personnel with the skills to identify/treat exotic foreign animal diseases; foster more coordinated and standardized links with the intelligence and law enforcement communities; review the effectiveness of the passive disease reporting system through Federal and State outreach, information, and indemnity programs; and evaluate the short-term cost versus long-term benefit of upgrading biosecurity at food processing and packing plants. Over the longer-term, a national strategy must include processes to standardize and integrate food supply and agricultural safety measures within Federal, State, and local agencies and the private sector.²⁴

Role of the Military

The potential for serious infringement of liberties stemming from the domestic deployment of troops could be significantly reduced by the development of Rules for the Use of Force for activities inside the United States and its territories; rigorous training; and publicly articulated standards and procedures for determining when the military is conducting a military operation in its homeland defense role and when it is conducting law enforcement activities. These issues need to be fully discussed in the public arena so that the American people understand and are prepared for the military's intervention, should that become necessary.

Furthermore, there should be a well coordinated, clearly defined set of roles and missions for the military, including the National Guard, where the military is expected to support State and local government in response to terrorism, as well as other hazards. Ideally, civilian response capabilities will be improved to such an extent that there will be minimal requirements for the military to provide support to civil authorities. As a result, both the active and reserve components can concentrate on traditional military missions. In the meantime, in the broader scheme of Federal funding for support to States and localities, near-term military roles and missions should not detract from enhanced funding, training, and equipping for State and local responders.

Congress should consider working with the Administration to develop, in statute as supplemented by Executive Order, new guidelines and procedures for domestic intelligence collection by the military. Definitions may need to be revisited, or additional safeguards added, in order to address the challenges of this unconventional war.

²⁴ In part from *Hitting America's Soft Underbelly: The Potential Threat of Deliberate Biological Attacks Against the U.S. Agricultural and Food Industry*, Peter Chalk, MG-135-OSD, 2004.

CONCLUSION

This panel firmly believes that it has contributed materially to the national debate and has been instrumental in advancing homeland security dialogue and action across the nation. Over the five years of its tenure, we were able to consider the fundamental challenges of combating terrorism, making comprehensive findings and recommendations both prior and subsequent to September 11. Our work is reflected in many of the advances the nation has made in recent years.

We complete our work with a great sense of pride. We thank all of those who have contributed to our efforts. We believe our work reflects the hope and desire of every American for a more secure homeland—one that also preserves our essential liberty in the process.

The panel recognizes that its responsibility transcends the completion of this effort and should empower other similar entities to take significant steps to make the shared goal of a safer and more secure America a reality. Accordingly, we are providing a copy of this report and our four previous reports to the National Commission on Terrorist Attacks Upon the United States (also known as the “9-11 Commission”) with the hope that it will measurably assist and inform their efforts.

Our duties now completed, the panel members, individually and collectively, recognize that we must remain resolute in our efforts to achieve a more secure homeland. The tragedy of September 11th remains a vivid image, especially the loss of our friend and fellow panel member Chief Ray Downey and the thousands of others who died that day—a compelling reminder of the importance of our work. We are reminded of the ancient Athenian saying: “The true statesman is one who plants a tree knowing he will never personally enjoy its shade.”

We now entrust our work to the thousands of dedicated Americans in and out of government who are working tirelessly every day to attain these laudable and noble goals.

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List of Key Recommendations

State and Local Empowerment

- Combine all departmental grant making programs into a single entity in DHS (DHS)
- Establish an interagency mechanism for homeland security grants (President)
- Develop a comprehensive process for establishing training and exercise standards for responders (DHS)
- Revise the Homeland Advisory System to include (1) a regional alert system (2) training to emergency responders about preventive actions; and (3) specific guidance to potentially affected regions (DHS)
- Establish sustained funding to enhance EMS response capacity for acts of terrorism (Congress)
- Reestablish a Federal office specifically to support EMS operational and systems issues (Congress)
- Establish a “Matrix” of Mutual Aid in coordination with local, State, and other Federal agencies, for a nationwide system of mutually supporting capabilities (DHS)

Private Sector Engagement

- Adopt the Business Roundtable’s Principles of Corporate Governance security component (DHS and private sector)

Intelligence and Information Sharing

- Establish the Terrorist Threat Integration Center as an independent agency and require TTIC to have permanent staff from representative State and local entities (Congress)
- Develop and disseminate continuing comprehensive strategic threat assessments (Intelligence Community and DHS)
- Designate one or more security clearance-granting authorities, which can grant clearances Federal government wide that are recognized by all Federal agencies (President)
- Develop a new regime of clearances and classification of intelligence and other information for dissemination to States, localities, and the private sector (President)
- Develop a training program for State, local, and private sector for interpreting intelligence products (DHS)
- Establish comprehensive procedures for sharing information with relevant State and local officials (DHS)

Research and Development and Related Standards

- Establish a Federal Interagency Homeland Security Research and Development Council (President)

Psychological Preparedness

- Implement IOM Committee’s recommendations on psychological preparedness (DHS and DHHS)
- Provide increased funding and DHS and DHHS monitor State and local compliance of incorporating in plans an appropriate focus on psychological and behavioral consequence preparedness and management (Congress, DHS and DHHS)
- Create a Federal task force on psychological issues, jointly led by DHHS and DHS (President)

Agroterrorism

- Designate DHS as the lead and USDA as the technical advisor on food safety and agriculture and emergency preparedness (President)