

Center for American Progress



PRESENTS:

**“OPEN TARGET: WHERE AMERICA IS
VULNERABLE TO ATTACK.”**

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MR. P.J. CROWLEY: Good morning. Thank you very much for coming to the Center for American Progress. I'm P.J. Crowley. I'm a senior fellow here at the Center and I run the Homeland Security Program here. And I am joined this morning by two compatriots within the homeland security analytical community, Clark Kent Ervin of the Aspen Institute and of course the former inspector general of the Department of Homeland Security, and David Heyman of CSIS.

I think probably here we have 60 percent of the entire homeland security analytical community – those of us who studies the issues and do not have a vested interest. We'll have to vote on Clark. Since he now has a book, he may now have an interest in homeland security and may be kicked out. But their impressive biographies and backgrounds are in the packets that you have at your seats.

A year ago, given the ongoing challenge in Iraq, it was difficult to get much attention on homeland security. However, since that time we had the London bombings, the dismal performance of the Department of Homeland Security after Hurricane Katrina, and the never-ending string of reports and reforms that have followed, including the – let me get this right – the re-re-reorganization and renaming of FEMA; domestic surveillance and the activities of the National Security Agency, prospective regulation of chemical facilities, the Dubai Ports World controversy, and the security of ports and supply chains more broadly, and now the current debate on border security and immigration.

We are going to try and touch on as many of these issues as we can over the next 90 minutes and I think with the exception of the National Security Agency all of these vital issues of homeland security are analyzed by Clark in his important new book, *Open Target*. As you saw on the way in, there are copies available for sale and we certainly would encourage you to support Clark and his children and grandchildren and so forth. (Laughter.)

It is, of course, a unique work because Clark – his perspective comes from inside of the organization at the very foundation of the Department of Homeland Security. I think there are two things that are readily apparent in Clark's book: first, in fairness to the roughly 180,000 people who work for DHS, this is an incredible management challenge; certainly for those of us with military background, the most formidable management challenge in the federal government since the formation of the Department of Defense. And of course it remains a formidable challenge even three years into the Department's existence.

But that management challenge was made much more difficult by the failure of the Bush administration to devote sufficient resources to the homeland security challenge at hand. As Clark says in his book, DHS was underfunded from its first day of existence

and this lack of resources remains one of the primary reasons why DHS is unable or unwilling to aggressively obtain and exercise greater authority over homeland security, and more specifically critical infrastructure of security.

Clark this morning is our lead-off hitter. We're going to kind of keep this flowing rapidly and rather informal, but we'll give him the chance to highlight his analysis in his new book before David and I either agree or disagree. We'll follow up with a few comments of our own, maybe some follow-up questions for Clark, and then we'll open it up to the media in attendance and the audience as we go along.

So, Clark, welcome back to the Center for American Progress. We are pleased to have you here and help us understand what's in your new book.

MR. CLARK KENT ERVIN: Well thank you very much, P.J. Thank you for this forum. Thanks to the Center for American Progress for having me back again, as you say. And thanks to all of you for coming today as I talk very briefly – I promise – about my new book, *Open Target: Where America is Vulnerable to Attack*. I presume that many of you know a little bit about my background at the Department of Homeland Security and what I've done since and how critical I've been both during my tenure in office and afterwards as to how little I think has been accomplished all these many years after 9/11 by the Department of Homeland Security, so it may surprise you by my starting to say that I do think that we are somewhat safer today than we were on 9/11.

I'm often asked that old Ronald Reagan question from 1980: are we better off today than we were 4 years ago, 4 and a half years ago? Certainly in the area of aviation, where we spent somewhere between \$18 to \$20 billion, as you know, as a result of those expenditures the creation of TSA, the Department of Homeland Security, cockpit doors are hardened, some pilots are armed, the number of air marshals is significantly higher than it was on September 10, 2001. And for all the problems that remain with screeners there are generally better trained today and they're more sensitized to the critical role that they play as the last line of defense before another group of would-be terrorists board airplanes.

But it seems to me that the question of whether we're safer today than we were then isn't the only question, and in the scheme of things it's not the most important question. The most important questions it seems to me are, are we as safe as we can be? Are we as safe as we need to be? Are we as safe as we think we are? And regrettably for the country I think, as I describe in my book, the answer to all those questions is no.

Let me briefly describe in some detail what I mean by that, and I'll start here with aviation again. Even in the area of aviation, where again we've done more than any other area, we remain dangerously vulnerable to attack, far more vulnerable than we ought to be all these many years after 9/11. For example, as you may know, in the immediate aftermath of the attacks the president to his credit asked the inspector general of the Transportation Department, who's responsibility at the time was aviation security, to undertake a series of undercover investigations at airports around the country to test the

ability of the then privatized airport screener workforce to detect concealed guns and knives and bombs.

And the very first substantive meeting that I had as inspector general of the Department of Homeland Security two years later was to meet with the Transportation inspector general to learn the results of that investigation. The results are still classified all these many years later but suffice it to say that it was far easier than it should have been in the aftermath of the attacks for government investigators to sneak those weapons through.

My very first substantive piece of work that I undertook was to send my team of investigators to those same airports two years later, '03, to see whether the creation of the Department of Homeland Security, the transfer of TSA to the Department of Homeland Security, and the federalization of airport screeners had made any difference in screeners' ability to detect these deadly weapons. Our results came in at the end of '03 and they too were still classified these many years later, but suffice to say that our results two years later were exactly the same, to the decimal point, as were those of DOT two years earlier.

The last piece of work that I undertook – major piece of work that I undertook as inspector general as I began to prepare to leave office to the end of '04, beginning of '05, was to send the same teams back out to the same airports to see whether the recommendations that we had made in '03 to improve screener performance had in fact been implemented. Those results came in in April of last year and the results were again exactly the same, to the decimal point, as they were in '01. So no change whatsoever in four years. Are we safer today in May of 2006 than we were in April, 2005? The answer to that regrettably is no.

You'll recall that last fall TSA relaxed the rules on carrying small knives and small scissors onto airplanes. The rationale for doing so was that the big fear now is bombs on airplanes and so giving screeners fewer things to worry about would make them likelier to spot the biggest threat and yet just two or three weeks ago GAO reported that congressional investigators were able to sneak bomb parts past the screeners at 21 airports in our country even though the investigators went out of their way to attract the attention of screeners.

One other example in the aviation sector: most Americans at one time or another, largely unbeknownst to them, have travelled on a passenger airplane in the cargo hold of which is cargo. And virtually none of air cargo, unlike luggage, is inspected before it's loaded into the cargo hold. And to those who say that can't be done, I say it is being done: 100 percent cargo inspection right now in Britain, Israel, and the Netherlands. If it can be done there, it can be done here. It's just a failure of will that it isn't done. And by the way, any inspections that are done – there are supposed to be random inspections and there are supposed to be inspections if intelligence indicates that a particular cargo container should be opened – any inspections that are done are done by the airlines, not by our government, not by TSA, even though the whole point of creating TSA was the

recognition that left to their own devices airlines will sacrifice security for profit and speed.

Port security. In the hotly fought 2004 presidential race, President Bush and Senator Kerry of course disagreed about everything except one thing, and that is the number one threat facing this country is nuclear terrorism. And then all of the experts agreed that the likeliest way for terrorist to sneak a weapon of mass destruction into our country would be through one of the 26,000 cargo containers that come to our 361 seaports every day. You may know that only 6 percent of those cargo containers are inspected. We have no idea what the other 94 percent contains. To those who say we can't do 100 percent inspection of cargo containers for radiation – the number one threat – I say it is being done right now, as we speak, in the port of Hong Kong, the world's busiest port. Again, it's a failure of will on the part of this government that we're not doing that.

A quick word about mass transit security. We've had two wakeup calls at least in this country since 9/11 as to the vulnerability of our own mass transit systems to attack. Madrid, of course, in the spring of 2004, and London last summer. The good news is that after those attacks, as those of us who live here in the northeast corridor know, our government has taken all the right steps; which is to say, increased armed police presence, more bomb sniffing dogs, surveillance cameras, bomb sensors, radiation sensors in New York and New Jersey and for whatever reason Salt Lake City. There were even random bag searches for a time.

But those were the key words: for a time. As soon as the news of those event faded from the headlines, those measures were either ratcheted back or done away with altogether, failing to recognize that terrorists are adaptive and resourceful and learning and so certainly the terrorist will simply wait until those measures are no longer in place before striking.

And unlike Secretary Chertoff, who thinks, as he said at the time, that we have to focus our limited resources on the likeliest threat – he made the point that a terror attack on mass transit would kill at most 30 people or so, failing to recognize that the London attacks killed almost exactly twice that number, but the main point is that if an attack against our mass transit systems were done in exactly the right way the death toll could easily surpass that of 9/11 by several factors. In fact, some 33 million people take mass transit every day: 16 times the number of people who take aviation and yet, as I say, we spent somewhere between \$18 and \$20 billion to secure ineffectively the aviation sector and only a tiny fraction of that, \$250 million, to secure the mass transit sector, which is far more vulnerable and far more used.

A quick word about intelligence. If one bothers to read the Homeland Security Act, he or she would clearly draw the conclusion that the Homeland Security Department was intended to perform two critical intelligence related tasks. One was to serve as the central clearinghouse with regard to all the 15 or so intelligence agencies in our country regarding threats against the homeland. And second, to consolidate the dozen different

terrorist watch lists that nine or so different federal agencies maintained before 9/11. And yet, inexplicably, months after the Department of Homeland Security was created, the administration gave the former task – serving as the central clearinghouse for homeland security related information – to the CIA-led then named Terrorist Threat Immigration Center, now called the National Counterterrorism Center, and subsequently gave the FBI-led Terrorist Screening Center the responsibility for consolidating the terrorist watch lists.

So the upshot is the two agencies that by default were responsible for preventing 9/11 to the extent that any agency was responsible for that with regard of these two tasks, are still in charge of those tasks and the Department of Homeland Security is on the outside looking in with its nose pressed against the glass. The conclusion is that the next time government agencies have indications of a pending terror attack, chances are the Department of Homeland Security will be the last government agency to know about it.

A word about preparedness for a natural disaster or a terror attack. The only question after 9/11 with regard to a catastrophic event would be when it would happen next and whether we would be perpetrated by angry gods or angry men. And we had our answer to that, of course, last September in Katrina. That was a natural disaster. The thing about natural disaster in this scientifically orientated age of ours is that we can predict their occurrence with near mathematical precision. In Katrina's case of course, not only was it foreseeable but it was foreseen – a storm of that magnitude – by experts both inside the Department of Homeland Security and outside the department, but obviously, manifestly we were unprepared for that. And if we were unprepared for a natural disaster that was not just foreseeable but foreseen, how prepared could be possibly be for a terror attack for which there is almost never explicit warning?

We still lack prepositioned supplies of food, water, shelter, medical supplies. We still lack a clear chain of command among federal, state, and local government. We still lack interoperable communications. We still lack regional FEMA presence in communities so that aid can be dispatched quickly.

And then finally a word about what I call in the conclusion of the book the vulnerability gap. I'm often asked to explain what it is that separates us from the terrorists; why it is that we are so vulnerable in my judgment at this time in our history. And I've explained it or attempted to explain it by coining the term vulnerability gap, and by that I mean on the one hand you have to look at terrorists' intentions, their capabilities, and their resolve and then on the other hand our intentions, our capabilities and our resolve.

No less an authority on terrorist intentions than bin Laden himself has made it clear as recently as you know a few weeks ago in the latest audio tape that he and his followers remain intent on striking the homeland, so there's no question about their intentions. In terms of their capabilities, certainly we've made it marginally harder to attack the homeland than it was on September 10, as I say and as I acknowledge further in the book, but we clearly have not made it hard enough, as I've further describe in the

book. And therefore, particularly since terrorists have to be right only once and our inspectors, our law enforcement personnel, our intelligence agents have to be right every single moment of the day, terrorist capabilities are vast.

But with regard to resolve it seems to me that that's where the greatest imbalance lies. Certainly we don't want to be attacked. There's no question about our intention. We have the capability to do certain things in our country to make ourselves safer, as I describe in the book, but there's a big mismatch between our resolve and the terrorists' resolve. Let me give you just a couple of quick examples and I'll close with those.

First of all, as you may know, just two or three weeks ago in the aftermath of the Dubai Ports World deal the day before a major congressional hearing on port vulnerabilities, which of course were highlighted by that deal, Secretary Chertoff announced that the department will begin checking the names of port workers against terrorist watch lists. Well that's a capital idea, but why are we doing that – why are we only beginning to do that – by the way, we haven't yet done it; we're going to start doing it. Why are we starting to do that now, five years almost after 9/11, three and a half years after the creation of the Department of Homeland Security, and a year and a half into the secretary's tenure? That is an easy thing to do that would make ourselves significantly safer. And of course since we haven't yet begun to do it, it means that for all we know there are already terrorists among port workers.

Another example: if you saw the *Washington Post* story on Saturday I think it was, in the context of this raging debate that we're having about illegal immigration, which of course is largely being fought out in economic terms as opposed to security terms, the *Washington Post* pointed out that some 36 percent of the 774,000 illegal aliens who were detained in this country – we do detain some illegal aliens – were released prematurely, before it could be determined whether they had a criminal background or more importantly terrorist connections, for lack of money to continue to house them.

According to the experts who looked at this issue, we need about 35,000 more beds in order to detain illegal aliens sufficiently long to determine their criminal histories and any terrorist connections, and yet the administration has set aside only \$386 million, which will provide for only 6,700 beds. We have it within our power to set aside enough money to detain all the illegal aliens we manage to catch for long enough to determine whether they are terrorists and yet we lack the will to do it.

Finally the *New York Times*, on Saturday also I believe, mentioned that there are supposed to be surprise inspections of incoming ships conducted by the Coast Guard and yet on occasion the Coast Guard gives a heads up to incoming ships that they're about to be boarded and inspected so as not to unduly slow down commerce, giving terrorists plenty of time to slip away and/or to hide any weapons of mass destructions that they might have aboard those ships. We have it in our power to do surprise inspections of ships, but we lack the resolve to do so. It's as if we think all it takes to secure the homeland is a department called Homeland Security. And the fact that there is now such a department and the fact that we haven't been attacked in five years has led to this false

and dangerous subconscious syllogism on the part of our leaders that leads them to believe we can not be attacked again.

For all these reasons, as I say in the book, America remains an open target. And I wrote this book – I'll close with this thought. A number of people have said to me as I travel around the country promoting it, "Why would you write a book called *Open Target: Where America is Vulnerable to Attack?* Aren't you just giving terrorists a roadmap as to how to attack us next?" And my answer to that is the terrorists know everything that's contained in the book. It's the American people who don't. And my hope is that by reading that book the American – we will level the playing field. The American people will know what the terrorists know. And once the average American learns just how vulnerable we are, just how unprepared we remain, just how little the Department of Homeland Security has accomplished, that they will put pressure on the administration, the Congress, the Department of Homeland Security to take the steps that I've outlined there and that others have outlined elsewhere that would make America as safe as possible in this post 9/11 age of terrorism.

Thank you very much, P.J.

MR. CROWLEY: Clark, thank you very much.

David, comments of your own? Reaction to Clark's book?

MR. DAVID HEYMAN: Sure. Thank you. Congratulations, Clark, for I would say a hard-hitting book. For those of you who have not had the opportunity to read it at this point or have not been engaged fully in sort of trying to disentangle what we call homeland security and pull back the curtain and see what's actually going on behind the scenes, it's quite a difficult job.

Clark is really the first one who comes out of the administration who's there and knows what's going on behind the scenes and so he's extraordinarily knowledgeable – incredible – but as you read this, and as somebody who's spent the last five years trying to understand or even trying to get a phone number at the department, it's a little bit – I felt like Dorothy in *The Wizard of Oz*. You've gone all the way to the door, they finally let you in, you've gone through the hoops and ladders that you need to go through, and they pull back the curtain and it's pay no attention to the man behind here. There is an incredible perspective in terms of tone and forcefulness in this book which leads one to believe that we are in great jeopardy because our leadership has failed us. And it's an extraordinary dissertation from somebody who if you haven't read his bio is a conservative Republican who served in the state of Texas with President Bush and does not come to these comments obviously without great risk to his own relationship with those who helped him get to where he is today. And so from that perspective it's a bit of a profile in courage.

But there are some questions in terms of how the tone translates into content, and I think the story of the Department of Homeland Security and how secure we are is a

complicated one. We have the messages really, by and large, that come from the administration that are of extraordinary improvement. We had as recently as past week that it is because of the Department of Homeland Security and because of our programs that we have stopped – prevented an attack from coming here over the last five years.

To me those are very bold statements, perhaps not exactly on the mark given that we have to understand what the terrorists are doing and we don't have a full grasp of that as well. But the contrast between the very strong dissertation from Clark and the perspective from the administration that things are really improved leads me to a question that I think we all need to ask is, who's right? And it ultimately leads to the question of a credibility gap; not a vulnerability gap, but a credibility gap.

We as the public deserve to know, demand to know, and are required to know what is ground truth on how secure we are and how secure we can and should be. If we do not know that, we can not participate in the public discourse. We can not vote in the elections based upon an accurate assessment of what's going on. And I think that what the conclusion I would draw from this is that what we've seen over the last five years is a historically relatively immune aspect of our national discourse; that is to say, national security or homeland security has become subsumed by politics. And in that we lack now the ability to discern spin from fact, and we rely on those like Clark who are coming out of the administration and ask the question what is true and what is not.

I think what also this means is that we lack true oversight. We may not need the curtain being pulled back by those who are leaving the administration if we had clear and compelling oversight to the current activities in the executive branch. I think that the Senate's report on Katrina offers one of the first clear analyses and (unintelligible) strong recommendations that we've seen coming out of Congress, but until recently – and when Clark was serving – we had the Department reporting to somewhere between 77 and 88 subcommittees in terms of oversight. We've now seen some consolidation and I think that's a step in the right direction. But we still have to a large extent the legacy agencies reporting to their legacy patrons and doing end-runs internally from the administration, preventing them from getting what they seek.

Clark asks the question, are we as safe as we could be? That is the key question and the answer is – could be, relative to what? I suppose the answer relative to where we could be five years under any other circumstances or with any other additional investment strategies. And the question we need to figure out in terms of determining the merit of our current situation is, given all that we know and the investments we sought to make, did we do it prudently, wisely, and with appropriate consideration of the risk?

In order to answer that, we really have to set boundary conditions. Recognizing, and Clark says this, that risk can never be reduced to zero and security can never be absolute, we have to employ our security and invest in security with limited resources and it has to be done based on limited, ambiguous, and often changing intelligence. This makes it very hard to see what can and should be done at any particular time.

If you take a similar – P.J. started off with talking about the largest reorganization that we've had prior to the Department of Homeland Security being formed was the Department of Defense back in the 1940s, and that came after a mobilization and different kind of war that by and large the U.S. entered and ended within 4 years. We're now five years past the beginning of what the activities that raised our consciousness to terrorism on a global level, and so there is some sense and I would share Clark's frustration with where we are today but the solution is not obvious.

I think we are – and if I had a criticism of the book, I would say that there are two areas in which I would like to see more – and Clark you can comment on this – more thought. One is I would like to see more of a coherent strategy. We can not just plug holes. We cannot go – in our public discourse, particularly recently, you see with Dubai Ports, we get extraordinary attention when it becomes, I would argue, politically expedient. We need that extraordinary attention today, not just when it becomes the attention of those who are running for office in the fall.

The system that we need – what we lack today is a national homeland security system. And I would argue that that system has elements of things that are mentioned in the book, but requires a much more coherent and integrated approach. Yes, it has to be risk-based. We need real-time situational awareness. We do not have that. We need to have an ability to surge our resources. Our national homeland security system should be based upon our understanding of what the threat we have to deal with – and there are scenarios now in place to do that. They are not comprehensive. We have – if we put in place what our vital assets are, look at the scenario, which we do not have, and Clark makes mention of that in his book. That is a travesty today. We need to have the national planning scenarios to ensure what it is we are to protect.

We need a capabilities inventory. We've defined to some extent – although if you talk to those inside government, it is not complete yet – what the capabilities we need to defend against the scenarios to protect our vital assets. And once you've identified those, we should go state to state, region to region, locality to locality doing a national gap analysis. What are the vulnerabilities, using Clark's term, comparing the capabilities that are needed with the resources that exist? At that point we can do a risk-based resource allocation, which we do not have that methodology today. We need to do that and then lead towards greater investments in preparedness based upon risk, training, and then exercise.

I'm going to wrap it up here because I want to get to hear Clark's comments and P.J.'s. The second point though that I wanted to bring to Clark's attention to comment on is the balance between on the one hand concern of our vulnerability that we do not have 100 percent screening, we do not have all of the illegal aliens behind bars, and this at least a feeling within the book that that is what is required; that we need to go towards the 100-percent solution. We do not have, as I said, unlimited resources, and so we need to make choices. How we do that and what resources we should employ is ultimately what's going to get us the security we need. So let me commend you on your very

difficult book. It was good reading, but I think it leaves us with a lot of questions and particularly in terms of what that national homeland security system is.

MR. CROWLEY: I certainly agree that we do not have a homeland security system and I want to return to the question of resources and we've heard both Clark and David talk about limited resources and that certainly is the case, but you have to ask if homeland security is a part of a national security strategy, which it is not, and Clark mentions that in his book somehow we'd rather distinguish between homeland security and national security; most other countries do not. But why don't we have – while, agreed, there is no such thing as unlimited resources, why every time you hear a discussion about homeland security we hear about limited resources?

And one of the reasons is that obviously the military component of our national power is the only dimension of our national security strategy that gets full funding; homeland security does not. This year we'll spend roughly \$55 billion on homeland security across the federal government and DHS only has budget authority over about half of that, and the majority of those funds are dedicated to defending government buildings. You know, continuity of government is an appropriate and necessary responsibility of the federal government, but the real question is what is the impact that this lack of resource has on the psychology and the strategy of the Department of Homeland Security? And I think it's profound because you see that DHS is very hesitant to take on additional responsibility, to become an aggressive regulator in many cases, or where responsibility does lie elsewhere – certainly there's responsibility within the states, the localities, the private sector to do their share of the homeland security responsibility – DHS is not in position to assist in helping provide incentives or support for the private sector or municipalities to change significantly enough and fast enough to meet the emerging threat.

I think it's certainly evident when you look through a number of the current issues; take border security: for example, the president the other day in his evening primetime address to the American people, the National Guard got all the headlines but in the fine print he acknowledged that we are going to significantly expand the number of border agents within CBP. Clark mentions in his book the fact that in the Intelligence Reform Act of December, 2004, Congress gave the administration the authority to hire 2,000 new border agents over five years. The administration's response was in 2006 to fund 210 agents and in 2007 to fund 1,500 – moving in the right direction, but not necessarily moving fast enough. It was only when the president was backed into a political corner that he signed up to his bill. I think that is a theme that we see consistently in the performance of DHS over the past three years.

Chemical facilities is a second area, and I certainly would call to your attention – in your packets is a new survey that we have just published at the Center on facilities that have been removed from the EPA's risk management program, a survey of roughly 1,800 facilities. The good news: 284 are moving towards inherently safer technology, materials, or practices. The bad news is only 10 percent of the highest risk facilities, those that have a surrounding population of 100,000 or more, have made that change. And yet

we find that 87 percent of the facilities that did change could do so for \$1 million or less. Forty-seven percent, I think, could do so for less than \$100,000, so the question is – if DHS recognizes that it does need expanded regulatory over the chemical industry, the real question is, if it has that regulatory authority how strong will it be among the various bills that are being debated currently within the House and Senate? And secondly, will it aggressively exercise that authority which it has not shown a willingness to do with the private sector once it has expanded authority?

I'm somewhat discouraged because Secretary Chertoff, in remarks to the American Chemistry Council back in March, singled out the issue of inherently safer technology for comment. And certainly DHS under Secretary Chertoff is talking a good game. They recognize that a risk-based strategy is vital to success in today's threat environment, but risk management has to include both risk management and risk elimination. But the secretary went out of his way, he said we have to be careful not to move what is a security-based focus as part of the type of regulation I'm describing into one that tries to broaden into achieving environmental ends that are unrelated to security.

How in the world can eliminating the risk by taking waste water or drinking water facilities and helping encourage them to move from the use of chlorine gas as a disinfectant, which is innately hazardous, to liquid bleach or ultraviolet radiation, which would in essence take these facilities off of the terrorism target list – how can that not have a security dimension?

A third area would be ports, and I notice that Clark was judicious enough to insert into the final manuscript a comment on the DPW Ports World, shows your nimbleness. Good for you. You have the question of 100-percent screening today and DHS, while I appreciate the fact that Secretary Chertoff, unlike his predecessor Secretary Ridge, is interested in the technology and recognizes it has potential value, still DHS is hesitating about signing up to the goal of 100-percent screening.

I think David mentioned that perhaps we should make sure that perfect is not the enemy of the good. The reality here is that by incorporating scanning technology (as an important ?) dimension, DHS currently screens 100 percent of the manifest for the shipping containers that come through the United States. They only, as Clark said, scan 6 percent, but by introducing technology through six global port operators in roughly 60 ports around the world, you could get to 85 to 90-percent coverage of all shipping containers that flow through the global trading system worldwide. That would be a very significant increase and, oh, by the way, the private sector will foot the majority of this bill.

What is required for DHS is to agree to improve its information processing capability at its National Targeting Center and use the data generated by the private sector as it scans 100 percent of shipping containers that flow through the global trading system. As Clark said, if it can be done in Hong Kong, it can be done most anywhere else as long as you have the willingness of DHS to step up to this responsibility.

Why is this important? It's important because ultimately strategy follows resources. It's like Willy Sutton said, why do you rob banks? Because that's where the money is. We currently have in this country a one-dimensional strategy in the so-called war and terror because the military – the Pentagon is the only one that we fully fund. It's very distressing, but it's a comment for a different panel, to see that the House of Representatives International Relations Committee has significantly cut the administration's proposal to increase funding for international affairs. Ultimately we're going to succeed in this war and terror by fighting a multidimensional fight, one that includes military power when necessary, a strong defense, and also what I would call deterrence, which is preventing future generations of terrorists from emerging around the world.

But one way or another, whether – this is not a debate on Iraq, but certainly at some point in time sooner or later we are going to leave Iraq and there is no logical phase three in the war on terror; certainly not Iran, for example. And as a result, while the president says rhetorically that we should stay on the offensive, we know that that is not sustainable and we are failing to utilize this intervening period, as Clark says compellingly in his book, to make the proper investments in homeland security so that when we come, whether it's a year from now, three years from now, five years from now, to rely more significantly on the defensive dimension of our national security strategy that we'll be prepared. And as Clark says very compellingly in the book, we're not prepared. We're not as prepared as we should be.

Clark, you know, do you want to –

MR. ERVIN: Sure. I know we're anxious to move to audience questions but just a quick word, a comment, a response, a reaction to both your comments, P.J.'s and David's. With regards to yours I just want to focus on your point about resources, P.J. As you say, I say in the book – and I'm glad you noted, David, that I'm a conservative Republican because I do think it gives my saying this greater credibility. I don't typically call for greater government spending, but, as I say, part of the problem is the Department of Homeland Security was underfunded from day one. Essentially, the Department of Homeland Security's budget was the budget of the 22 different components put together plus \$125 million.

In Washington, \$125 million isn't even a rounding error and so there was this terrific hearing – terrific in the sense that it was eye-opening – that I talked about in the book in January of last year. It was the hearing where the Senate Homeland Security Governmental Affairs Committee was teeing up issues for the secretary to be, Michael Chertoff, a few week weeks later for his confirmation hearing and there was an assembled panel. You may have been on it, David. I know that other homeland security experts were, and the experts range from the Brookings Institution on the left to the Heritage Foundation on the right, and yet all the experts were agreeing that needed to be significantly more money devoted to homeland security if there was to be more success going forward, whereupon Senator Domenici interrupted to say, "You guys need to understand that there's not going to be more money significantly for Homeland Security

because if we're not careful, we're going to wind up spending more money on this than we are the defense of the nation," and when he said that it was as if a light bulb went over my head. I said, a-ha. I mean, that really is a fundamental part of the problem. Both at one end of Pennsylvania Avenue and the other end of Pennsylvania Avenue, there is this bifurcated thinking; there is this false distinction between homeland security and national defense. They're part and parcel – they must be – they should be part and parcel of the same thing.

I think it is telling that, as you say and as I say in the book, the budget of the Department of Defense is \$400 to \$500 billion or so and the budget of the Department of Homeland Security is about \$40 billion or thereabouts, so almost exactly one-tenth that of the budget of the Department of Defense. And, of course, largely the role of the Department of Defense is to protect our interests abroad and to protect us from attack abroad by nation-states. Largely that's what the mission is, whereas the mission of the Department of Homeland Security is to protect us here at home and that's between – even though we're in great difficulty in Iraq – no question about that – we have the greatest war machine in the history of warfare protecting our interests there.

By way of contrast, we're virtually undefended here at home. We're far more vulnerable here than we are there and yet you have this huge mismatch in resources. With regard to David's comments, I couldn't agree more that we can't do everything and we can't have 100-percent security and we'll bankrupt ourselves if we try to do that and we'll have nothing to show for it at the end of the day if we have to do that. So I think one of the salutary things, and I give Secretary Chertoff kudos for this in the book, about his coming in was I was very, very hopefully about his having been named because one of the very first things he did was to say, look, we can't do everything. Secretary Ridge, with all due respect, I think was very inbox driven: do a little bit of this, do a little bit of that, where as Secretary Chertoff said we can't do everything and so we need to focus on the likeliest threats and those that if they were to materialize would have the greatest impact in terms of death and injury and economic damage.

That is a strategy. That is the strategy. And yet that template presented itself perfectly, as I say, in Katrina. It was foreseeable, foreseen, catastrophic damage would result, and yet we were manifestly unprepared for it, so I think we have the right strategy; we just haven't implemented the strategy.

A key part of that strategy of course is intelligence and that's why I say it is unfortunate that the Department of Homeland Security is a bit player in intelligence. As David mentioned, we need a list of the nations most critical infrastructure assets so that we can have a prioritized way of allocating scarce homeland security dollars on the basis of risk, so I think it's less a question of having a strategy. I think we've got a perfect one. It's a question of implementing that strategy.

I guess the final thing I'd say is that these things that I mentioned in passing – 100-percent inspection of cargo, checking the names of port workers against terrorist watch lists, fully funding ICE (ph) so that they can detain all illegal immigrants they

manage to catch for at least long enough to determine whether those illegal immigrants have terrorist or criminal connections – those things are easy things to do that would make us significantly safer and they are part and parcel of a homeland security strategy it seems to me. So why don't I leave it there.

MR. CROWLEY: David?

MR. HEYMAN: Thanks, Clark. I think one of the things we as citizens will need to be wary of, and one of the reasons I think this discussion in the book is so useful and helpful and will be going forward is we have to actually make decisions in November based upon our understanding. This will be one of the central themes of the fall. How secure are we? How secure should we be? How secure can we be? And it's very easy, I think, to get seduced by there's a vulnerability here or there – chemical facilities here, ports there – and what I think we need to shed a light on is that it's okay to point out those vulnerabilities. We need to do that. We need to be well versed on where greater security may be required, but they have to be in the context of something.

Number one, how does this fit in to the larger national security strategy, and I include homeland security in that term national security? And where does this fit in our priorities? So if you ask the question – and Clark asks a question, maybe we can go back one more round on this, Clark – Clark makes a criticism in the book about the 30-minute rule. Do people know what the 30-minute rule is? When you're flying in and out of Washington, D.C., there was after 9/11 a 30-minute rule that said you have got to be in your seat – no standing, no going to the bathroom, no nothing – for 30 minutes after takeoff and 30 minutes prior to landing. Secretary Chertoff, after a second-stage review and having come into office, lifted that rule and said it was no longer needed. And Clark in his book says that was a – there was a problem with that because we should be tightening security, not loosening it.

And while I agree in some cases that may be the case and what I think we need to make sure of is, well, what was the tradeoff there? We lifted that 30-minute rule because we put air marshals on planes, we hardened cockpit doors, we supposedly did more screening of passengers. All of those security enhancements were put in place and then we didn't need to make sure that people were sitting down. It allowed us to pull back a little bit on security. We need to be smart about our security so that we don't spend ourselves to death, so we have to put the 100-percent solutions or concerns in the context of where does it fit in our national security strategy, where is our priority, and how does the security get implemented?

MR. CROWLEY: Just a couple of questions back, or comments. You have rightfully talked about the importance of intelligence. In your book, you rightfully say that the vision that was created for DHS's intelligence role in the Homeland Security legislation was usurped by the CIA and the FBI. I would argue that that was a reality because DHS had no (intel?) capability. I think when Pat (unintelligible) showed up for work at DHS, he had literally one person on one terminal, you know, working for him, and that terminal wasn't even secure.

So I think it is possible down the road once you have a mature Department of Homeland Security that you could look at and revisit the issue of ownership of the NCTC and TSC, but I think that given the relative maturity of the CIA and FBI I think the administration in that case made a rational judgment to put them at a quasi independent status. Obviously, the DNI legislation has somewhat modified that again, but I certainly think – picking up on both of your comments – that DHS is in a very strong position to drive the intelligence process, wherever the various pieces are, to explore the homeland security vulnerabilities, challenge the intelligence community to come back with better information on the actual threat to our critical infrastructure, and then use that perspective to finally make decisions on what is fundamentally important.

Clark, in your book you mention the fact that the National Infrastructure Protection Plan only exists in draft. Well, even the draft of the NIPP is only a process document. It's not a priority document that says airports are more important or seaports are more important and transit is more important than everything else. That is still the fundamental decision that DHS has yet to make, which is precisely where do we put our resources? What is our priority?

I think a question back to you on aviation, since you spent a lot of time on the book and also this morning talking about that. You come to the conclusion based on solid evidence that the system we put in place post-9/11 is no better than the system we had in place before 9/11. In fact, the CAPS-1 (ph) system to some extent worked. We undertook an organizational change for what was a policy failure on 9/11, but the CAPS system actually flagged 10 of 19 perpetrators for additional screening. It's just there was nothing – there was no there there, but if the 45,000-member federalized screening force is not functioning well, what do you do with it?

In your book you say, well, I wouldn't give it back to the private sector because they've got a profit motive. Is there a middle ground? For example, give the screeners to the airports? But there are two maybe contradictions here: on the one hand the system we now have is not working, but on the other hand you don't want to resort back to a system that would perhaps free up some resources that could be deployed in other priority areas.

MR. ERVIN: Just some quick reactions because I know we want to get to audience questions. With regard to the 30-minute rule, what I really say in the book is that I was of two minds about it. It seems to me in the scheme of things lifting the 30-minute rule probably won't do any harm. I'm a beneficiary of lifting the 30-minute rule. I am one of those guys who really needs to get up a lot during the course –

MR. HEYMAN: And leaving for Chicago at 11:00.

MR. ERVIN: But what I said was that – is this the time to be relaxing security measures in the air? Are we significantly more safe in air travel now than we were on 9/11? If I thought that the answer to that were yes, I would be all in favor of relaxing rules like that that probably don't have that much to do with making it significantly safer.

I just worried about the optics of it. I worried about the backdrop of it at a time when we remain very vulnerable in the air.

With regard to what P.J. said about intelligence, he's quite right and I go into considerable detail in the book about this; about the paucity of resources – intelligence resources at the Department of Homeland Security. In its inception there were too few offices for people – too few agents and analysts for one thing – too few offices for them. Desk space; they didn't have computers, they didn't have classified connectivity to the rest of the intelligence community, et cetera, et cetera, et cetera. And, therefore, the argument is made, the responsibility that ought to have gone to the Department of Homeland Security instead went to the FBI and CIA. But to me, that's a catch-22. Why is it that the Department of Homeland Security didn't have those resources? That was an administration decision.

The administration could have given the Department of Homeland Security those resources if had intended to give effect to the homeland security law that quite rightly, it seems to me, intended for the Department of Homeland Security to play these tasks.

I guess the final thing I'd say is about airport screeners. I say the present system isn't working and certainly the previous system where screeners were working for private contractors wasn't working either, so what's my answer to that? I say take the present system – a federalized system – and make it work. It can be made to work. You had recommendations in that '03 report that if implemented would make us significantly safer. For example, one of our recommendations was that there be regularized training for screeners on a recurring, ongoing basis, and yet if we can believe these news reports from last summer in Atlanta in particular – the nation's busiest airport – screeners were forced to sign affidavits attesting to their having received many more hours of screening than they actually got. If you have a screener workforce that isn't trained, well of course you have poor performance.

Furthermore, technology: we can supplement the performance of screener by certain technological things that are now either not deployed at all or still deployed only in the pilot stage. For example – and I'll close with this – one of the technologies that we were most keen on with regard in particular to this issue of concealed guns and knives is called backscatter technology. For those of you who don't know about it, basically it's x-ray technology that allows us – the government – to see through the clothing of passengers. So that if you've got a concealed gun or knife, if you've got metal concealed in a sensitive part of your body, rather than having the screener continue to pat you in a way that's obviously uncomfortable and inappropriate, that x-ray machine can spot that.

Now, obviously there are privacy concerns with that, but there is further technology that can transmute the image of the body to a cartoon-like stick figure so any such privacy concerns are mitigated. Furthermore, privacy concerns can be further mitigated by the fact there's still more technology that can arrange to have those x-ray images viewed at some removal from the screener checkpoint, so that the person who is actually viewing the image is not looking at you as he or she does so. So as I say, this

technology exists; it simply hasn't been deployed. So we need to take the present federalized screener workforce and make it work. And we have the capability of doing that; we just lack the will.

MR. CROWLEY: Okay, we'll move to questions at this point, but we will start with journalists. I know Otto is here, Pam is here. If you've got questions, we'll give you the first one. If you're a journalist, you can get to ask the first question.

Q: Harlan Ullman. I'm both in CSIS and I'm columnist for the *Washington Times*. Last week in my column I made some suggestions for homeland security, and I'd like you to comment about them. First, in 1913 we had a series of banking crises; we formed the Fed. In '34, after the '29 collapse of the market, we formed the SEC. I was wondering whether or not a combination of kind of a Fed and an SEC for homeland security with those kinds of functions was one way of cutting through this morass of confusion between and among authority, responsibility, and accountability at local, state, and federal level. So I want you to just comment about whether you think some kind of an external commission like the Fed and the SEC might be appropriate.

Second, regarding FEMA it would seem to me that the only solution that would work would be to divide FEMA in half, roughly; put half in terms of logistics, long-term follow-up, disaster relief, (as is?) being done. But the second half needs to be operational and I think combining it with the Coast Guard makes eminent sense, giving the Coast Guard a much larger role. It has to have some kind of operational basis and the Coast Guard in my mind is the only agency within the Department of Homeland Security that can do that.

And then thirdly, what about a homeland security corps that could serve at local, state, and federal levels?

MR. ERVIN: Well, I'll start with that. I think I can answer really all three questions with one response, but I want to add a little bit to the FEMA bit of it, but basically all three questions relate to whether furtherer organizational changes would improve the performance of the Department of Homeland Security and would make us safer.

And I'm glad you asked that questions because it gives me an opportunity to make a larger point that you kind of alluded to in passing, P.J. We have this tendency in our country when we have fundamental political problems to assume that we can solve those problems by means of organizations. We are an organization-chart country. Maybe it's the MBA culture that we have here. But, you know, Einstein said that the definition of insanity is doing the same thing over and over again and expecting a different result.

You know, we created this Department of Homeland Security, we reorganized government, and we're not significantly safer as a result of that. We had these manifest intelligence failures in Iraq, elsewhere, and what do we do? We reorganized the

intelligence community and created on top of the intelligence community a whole new superstructure: the office of the director of National Intelligence and the DNI is to coordinate all the intelligence agencies which, if you recall, was the second responsibility of the head of the CIA. He was to be the director of central intelligence. And now the Negroponte shop is arrogating to itself many of the same functions that the CIA had beforehand.

FEMA. There were all of these measures and they continue to this day to take FEMA out of the Department of Homeland Security. And the argument that I made at the time was if you had the same leadership, if you had the same lack of resources, you would've had the same result. And so I think the last thing that we need to do now is to further reorganize the Department of Homeland Security. I think we need to take the department that we've got, I think we need to give it the money that it needs, I think we need to give it the leadership that it needs at the top and the middle and at the bottom, and I think we need to insist – to instill there a culture that is opened to acknowledging shortcomings and problems rather than resisting the existence of those or denying the existence of them because unless and until we have that kind of culture, we can't solve these problems.

The one specific thing I'd say about FEMA is that the one organizational thing that I would do, and I don't – I'm not contradicting myself really because I'm just talking about putting FEMA back the way it was initially set up in the Department of Homeland Security – you know, I was also looking forward very much to Secretary Chertoff's second-stage review. That was an opportunity for him, it seems to me, to make some tweaks that could have made the department more effective. And yet he did a number of things, I thought, that went in exactly the wrong direction. The one thing that I'd talk about here is this move to decouple the preparedness mission of FEMA from the response and recovery piece of FEMA.

As I say in the book, I don't even know how you can do that as a metaphysical matter. There're so inextricably intertwined. I don't see how you can delink preparedness and response and recovery, but even if you could, I think doing so is a dumb idea because I don't see how you could be good at any one of those things without being responsible for doing all three of them at the same time. So I hope that's responsive at least generally, and specifically with regarding FEMA.

MR. HEYMAN: I'll just make one comment on FEMA. I think most of the reports that are out there have said that the shortcomings of FEMA had to do with three things. One is the relation – withering of relationships with the state and local officials over the last several years. Two was a deemphasis of the core mission in light of the new terrorist mission. And third was the perhaps appointment of management officials who had lacked experience and skills in emergency response that they required.

It wasn't so much the organization, and after two reorganizations – and Congress is considering this right now – I would caution reorganizing a third time, particularly in advance of what may be a busy hurricane season or any hurricane season and given that

the three underlying causes are not about organization, but about human capital, relationships, and also about the mission.

MR. CROWLEY: And let me just add a couple of points. I think, you know, our next program in July is going to be about better reporting by the private sector through the SEC, you know, to the Department of Homeland Security about what the private sector is doing about its share of responsibility in homeland security, so I think that in essence you could expand the roles of existing agencies so that as part of its existing annual reporting to the SEC, companies should say, you know, here's how the terrorism threat affects our operations, here is what we're doing about it, and here's what we're spending.

I mean, ironically, a couple of years ago DHS tried to find out what is private sector spending on homeland security or their own security. They couldn't figure it out. We don't know. So on the one hand you have a philosophy that says the private sector and the markets will take care of this; on the other hand they don't – they have no mechanism to figure out if in fact markets are succeeding. And we all know in some cases where there's a convergence of interest, the private sector will function effectively. In some cases where society's needs outweigh what is the market requirement, there's going to be a gap there and there is no evidence that the private sector on its own is going to close that gap.

I think we all agree that the last thing we should do is reorganize DHS again. Ironically, here we have the latest report by the Senate committee that even before the second-stage review ink is dry – I wonder – I agree with Clark entirely that how do you separate preparedness and response. On the other hand, the only question I could think of is, if it's a matter of span of control – that you have one person that's staying home planning while the director of FEMA is out chasing hurricanes and tornados – that makes some sense, but I think that's highly questionable.

I think the best thing that Congress could do at this point is take a step back, let the organization mature a little bit, and then make some recommended changes after a period of quiet.

The last point, you're quite right that we need to have some sort of surge capacity across the country structured in some way, whether it's structured on a local or state basis versus national basis, but clearly if we do have one of the nightmare scenarios unfold, whether it's a pandemic or a more serious attack, we do not have the capability to administer assistance across the country the way that we need to.

Pam?

Q: Pam Hess with UPI. Clark, why didn't things get better at airport security and what resources do you think overall DHS needs? What would be a reasonable amount of money that would sort of get that 80-percent solution that it seems you want? And then

finally, for the whole panel, what changes would be necessary in our culture to actually make this happen and do you think that we are prepared to do that?

MR. ERVIN: With regard of why screener performance isn't better, I really think it's because the recommendations that we made in the areas of training and technology really weren't taken seriously enough. Just one quick anecdote I think that illustrates the mindset that I ran into when I was at DHS, and sadly I think that mindset continues. You know, I talked about the results that we obtained in '03. I continue to keep confidential the exact airports we went to and exactly how we concealed the weapons and exactly what the results were at each airport.

But let's say hypothetically that I was reporting to the then head of TSA, Jim Loy, that at airport X the failure rate was 40 percent. I talk about this in the book. And I went on down the line and he stopped me in one point and he said, "Clark, why are you referring to failure rates? Why do you say at that airport it was a failure rate of 40 percent? Why not talk about that airport having a pass rate of 60 percent?" I said: "Well, Jim, it's because it doesn't matter if your screeners are able to detect these deadly weapons six times out of ten if they can't do it four times out of ten. Four times is four times too many when one mistake is one too many in the age of terror."

So as I say in the book, rather than making bad results better, implementing those training recommendations, implementing those technology recommendations, Loy and Ridge and Hutchison and others were focused on making bad results sound better. And as long as you have that mindset, we're going to continue to have those kinds of results at airports.

In terms of how much money I think is necessary, you know, interestingly enough, in the aviation context I don't know that we need more money than we have. As I say, we've spent somewhere between \$18 to \$20 billion, but we don't have much to show for it. I think we've wasted a lot of money in the Department of Homeland Security generally. It's another point – a complainant point I want to make – and that's especially true in the aviation sector. We should use the aviation money that we've got to actually fund effective programs and operations.

For example, one of the things I – there is a whole separate chapter in the book about wasteful spending and sloppy accounting, and many – in fact, most of the examples I cite are TSA ones. I think TSA is the poster child at the Department of Homeland Security for wasteful spending. Just one quick example: I talk about explosive detection machine contract. There is a contract at the Boeing company got to install and maintain explosive detection machines at airports around the country. Well, actually the work of installing and maintaining the machines was done by two subcontractors, and yet Boeing made \$50 million merely for overseeing the contract. The department could have cut out the middle man and saved itself \$50 million, which would have bought a lot of backscatter machines. So I don't know that we need more money; we just need to spend it wisely in the aviation sector.

Q: (Off mike.)

MR. ERVIN: Well, for the Department of Homeland Security overall – for homeland security overall, not just the aviation context, I don't have a precise figure, I have to admit. But somewhere between what we're spending right now, \$40 billion, and what the Department of Defense spends, \$400 to \$500 billion, somewhere closer to \$400 to \$500 billion is, it seems to me, where we need to go. And as I say, as between spending that money to protect ourselves from external threats and spending lesser money with regard to internal threats here at home, I think we should spend more money on homeland security. I don't have a precise figure.

Just a quick word about your final question about what kind of cultural change is necessary, if I understood it correctly, to make ourselves more secure. I think that a little fear is called for here. You know, I may be rightly accused of being a scaremonger for writing a book like that, but as I say in the book, fear is a motivator. Fear can have a salutary effect and I think we lack fear. We lack motivation. You know, we think in such short timeframes; we think in terms of years at most, whereas the terrorists think in terms not of years or decades or centuries, but millennia. They're upset because they were kicked out of Spain in 1492. We need the mindset of the Chinese, you know.

And the final thing I'll say, you know, Zhou Enlai – it's one of my favorite quotations. I think it really sums up the mindset that we need so well. Zhou Enlai in the 1970s was asked, you know, "Premiere, what do you make of the French Revolution? Do you think it was successful or unsuccessful? What can we learn from?" And he said: "Well, it's too soon to tell." That's the Chinese mindset: that the French Revolution happened so recently we just don't have enough perspective on it to make a judgment. We need that kind of mindset when we're dealing with an enemy that's a long-term, strategic thinker.

MR. CROWLEY: David?

MR. HEYMAN: Let me answer the second question on the cultural change. I think it's the right question. I think one of the challenges is that we do not have, in addition to a national homeland security system, individual business and community preparedness commensurate with at least the rhetoric of the threat, if not the reality. The problem that we have faced is that national security is historically a national or federal – purview of the national or federal government, and that war is really something that the military does. But in the change from 9/11 in our understanding is that the battle lines are not across large terrain with tanks facing off each other, but that they are in our cities and streets with first responders being our soldiers on the front line and as private citizens having to support them.

And that change in perspective is not embraced across the country. It's not – it's thought largely that this a New York, Washington, LA problem – perhaps San Francisco. That if you look at the surveys that have taken place over the last five years, you know, probably – forgetting the exact numbers, but over 80 percent of Americans thought there

was a risk of one of their friends or someone they knew being involved in a terrorist attack. That number is well in the low 20s right now.

But I would differ from Clark in terms of the motivating factors. It's true fear is a large motivator, but fear in the absence of credibility leads to the loss of public trust and confidence. What we need to get the public involved and to understand this is understanding. Knowledge and understanding is ultimately the motivating fact (and we?) need to do that. And the changes we need in our society today are to bring individuals and communities in and ask them. No one has been asked what they can contribute. No one has been asked what they can contribute; not taxes or resources, but not on a personal level what they do. There is a ready.gov website that is not sufficient from a business perspective.

Let me just close here: the business perspective we need to look at business changes akin to what happened in 1950s with safety. Safety was embedded in business practices in the 1950s and earlier. (Today's time?) security needs to be better than security, whether it has to do with buildings and building codes, whether it has to do with – we should start with supply-chain integration because that's where we're most concerned. Private citizens need to build security into their own risk analysis in terms of personal preparedness and we start with the pandemic flu as a place of bringing people in to get ready.

MR. CROWLEY: Very quickly, I think we need a realistic threat assessment in the United States. You know, you look out and part of the political rhetoric that we hear is that we're doing things to make certain that another 9/11 will not happen. I think that does a disservice to the country. I think if we operate under the presumption that I think most of us in this national security business believe that it is almost certainly that we will be attacked on a 9/11-scale sometime in the next decade, that hopefully will concentrate the mind in terms of, okay, what are the things that we can do to either prevent it from happening or push your back as far as we can and mitigate the impact if an attack occurs?

But I think we have to operate on the reality that we will be attacked again and if we're not prepared, then you're going to have an even more draconian response than we had post 9/11. I think depoliticizing homeland security will be very important, and then certainly you're seeing – you know, in 2002, homeland security was used as an effective political weapon by the Republican Party and this year, based on the lack of reality in the DPW debate, for example, it's been exploited by the other side of the political spectrum. And even today here you've got the president sending resources to the southern border even as the Department of Homeland Security agrees and recognizes that the real threat today in border security is the northern border, not the southern border, so we have to act based on a realistic threat assessment.

And finally, I think we have to recognize that markets can work. Voluntary action is better than the alternative, but in some cases markets will not necessarily do what society requires. And in that case, it is an appropriate role for the federal

government to provide greater incentives to try to encourage change so that we can mitigate the risk that does exist.

Otto?

Q: I'm Otto Kreisher, Copley News Service. You kind of hit on my question. Clark talks about maybe DHS needs more resources or to redirect its resources. A lot of the things that – security things that you recommend doing are actually corporate requirements. You know the shipping industry, the port terminals resist the 100-percent screening of cargo containers; the airlines and the airports don't want to do screening of the cargo; the chemical industry, the nuclear industry, et cetera, all are resisting their role in taking on additional security. Is it really up to the government to do or should these people be forced to take their role?

MR. ERVIN: Well, it seems to me there should be a shared responsibility in terms of funding and in terms of implementation for so many of these things; certainly the things that you specifically mentioned with regard to security. At the end of the day, it's in the airline industry – it's in the supply-chain industry's interest to secure the supply chain. It's their goods we're talking about.

On the other hand, it's also part of the national interest that this be done because of the catastrophic loss and life and injury and economic damage that will result to us all if they were a catastrophic attack, so I think there needs to be shared financial responsibility and implementation responsibility.

I think one of the reasons – I think you put your finger on something that I've just kind of alluded to in passing here this morning and talk about more in the book, and that is part of the reason why we aren't safer and many of these things haven't been implemented is because, as you say, of the fierce opposition of industry to doing so many of these things. And, again, I'm a conservative Republican. I certainly don't want to impose draconian measures on industry. I am a free-market, de minimus regulation kind of guy. On the other hand, homeland security is a national security imperative and when the two are in conflict – when private profit and the security of the nation are in conflict – they're not always in conflict, but sometimes they are in conflict and when they're in conflict it seems to me that security should trump all else.

And it seems to me that we have tried now for four and a half years, almost five years, to leave to the marketplace, essentially, taking certain security measures that would make us safer and we've seen – it seems to me, four and a half years is a long time and it's long enough for us to come to the conclusion that we have to, unfortunately I think, as a conservative, use the heavy hand of regulation and legislation and do what the private sector has been unwilling to do on its own. P.J. was alluding to this. You know, now we have to take a meat-cleaver approach when we could have used a surgical approach if the private sector had been more willing to step up to the plate, but – and that's always the way: you have more draconian measures imposed when voluntary measures don't work. So I think it's unfortunate, but I think that's where we are.

MR. CROWLEY: I tell you what. Clark has to leave to go to Chicago at 11:00, but I know there are some hands here. Just shout out your question. We'll collect two or three questions and then we'll frame these in terms of a final comment.

Q: (Stu Magnus ?) with *National Defense* magazine. Just want to know real quickly, you mentioned DHS looking the outside into the other DNI and FBI intelligence. Do you have any reason to believe that they're not communicating – these three entities?

MR. ERVIN: I do – oh, I'm sorry.

Q: Bob McCray (sp), GW University. You mention in your book about New York being sort of the gold standard for cities in terms of readiness. Could you comment on what the implications are for other cities other than New York who don't have the resources? And the second part of that is what are the implications for state governors who have to somehow step in and provide the mediating structure for disaster and crisis response?

MR. CROWLEY: All right, we'll – you know, a couple of good areas just for cogent final thoughts.

MR. ERVIN: Well, again I want to thank you, P.J., for having me. I want to thank the Center for American Progress for having me. I want to thank you, David, for joining us. And I want to thank all of you for coming. I apologize that I'm going to have to dash presumably or perhaps P.J. and David can stay, but just let me give you a couple of quick reactions. Do I have any reason to believe that DHS is not getting the intelligence that it needs from the FBI and CIA, if I understand your question, sir, correctly. I do, and I have that on no less an authority about the state of the intelligence community than the Silberman-Robb Commission report.

You know, if you read that report, however many hundreds of pages long it was, a lot of people missed the fact that there are about four pages – literally four or five pages focused on DHS, and in those four or five pages everything that we predicted when we did work about intelligence at the Department of Homeland Security was confirmed by the independent, bipartisan Silberman-Robb Commission.

Even though the Department of Homeland Security does have a seat at the table – literally there is DHS representation at the National Counter Terrorism Center and at the Terrorist Screening Center – it is still the case that the CIA and the FBI, still the big boys in the intelligence community, literally go to another room and discuss hot information between themselves concerning the threats against the homeland and keep DHS in the dark, so there is evidence for that.

With regard to the final question about if New York City is the gold standard, and I think it's fair to say that it is – there's more New York City should do, but it's certainly does more than any other city – where does that leave the rest of the country? I think it

leaves the rest of the country in a lurch. The good news about New York is they understand that they're the very top of terrorists' threat matrix and, as you say, they have more resources than any other city in the country because it's New York, but we're at least as vulnerable, we're at least as much at risk of a terror attack – we in Washington – as New Yorkers are because Washington is Washington, and yet our preparedness pales in comparison to the preparedness of New York City. And if New York is not where it should be and Washington is not close to New York, even though Washington is likewise at the top of the terrorist hit list, how prepared could the rest of American city possibly be?

And so certainly as a conservative and as a federalist, I think – and this goes to your governors point as well – state and local governments need to step up to the plate. There's a minimum level of security that people at the local and state level should fund for themselves, but there comes a point when you need the federal government to serve to fill the gap. You know, those words in our founding documents with regard to the mission of our federal government: to provide for the common defense. That is the number one responsibility of the federal government.

And certainly – you know, talk about Katrina, a natural disaster, certainly there were failures in New Orleans. I'm a little surprised that Mayor Nagin was reelected, frankly. And certainly there were failures at the state level in Louisiana. Governor Blanco didn't do everything that she could have done. But it was clear very early on that the impact of Katrina was such that it would dwarf the capabilities of any city and any state in this country. That's why we have a federal government.

So I guess the final thing I'd say, and I don't want to venture into politics and I do agree that homeland security should not be political, but you really can't decouple Homeland security from politics really. And so I'd conclude by saying that going – like Dave, I'm very interested in the 2006 elections; I'm even more interested in the 2008 presidential elections. Whether you're a liberal or a conservative, like I am, a believer generally in smaller government, like I do, or in bigger government generally, I think going forward in 2006 in November and 2008, we all need to agree that what really matters most is effective government and I hope that the candidates are elected, whether they are Republicans or Democrats, who demonstrate some competence.

You know, in the end Michael Dukakis was right in 1988: it really is more about competence than ideology, it seems to me. So with that as a call to the ramparts conclusion, why don't I depart?

MR. CROWLEY: Thank you very much.

David, a final comment?

MR. HEYMAN: Sure, Clark having just ruined his future career in politics.
(Laughter.)

MR. ERVIN: Again. (Laughter.)

MR. HEYMAN: Let me conclude by first of all thanking Clark for your book, thanking P.J. for having us. I guess I would take the words of Winston Churchill, who said our difficulties and dangers will not be removed by closing our eyes to them, they will not be removed by waiting to see what happens, nor will they will be removed by a policy of appeasement. We need to have public discourse on this. We need to have people open their eyes to what is really our vulnerability, what are our security requirements, and I think that this book helps us open that dialogue.

I think that we have to take politics out of national security policy and I think people need to take away with – take with them the lessons of Katrina, which is the government may and probably will not be there for you. You can help yourself – you could help your community by helping yourself and we must take a greater effort at personal preparedness in the long term if this is a struggle that we are to prepare for.

MR. CROWLEY: I think a final comment just queuing off of the two questions that we had – I mean, first of all, there's a very strong role still to be played by DHS in the information sharing business, which is a statutory responsibility of DHS. You know, recently I was in the comment center for the Baltimore police department and talking to their intelligence chief. I said, you know, "Where is your SCIF?" He goes, "We don't have one." I said, "Where is your secure phone line?" He said, "Don't have one." "If you want to have a secure conversation with DHS, where do you do?" He goes, "I walk 15 blocks to the Secret Service office," you know, which only means that because you don't have a structure to support that information sharing, it's not going to happen. And that is a legitimate role for DHS to improve the connectivity between the federal government and state and local partners, and I think if they choose to control the system as opposed to necessarily owning the customer – there's this competition between the FBI and DHS over who can talk to state and locals. I think there's plenty of opportunity for both of them to do it, but right now there's not a real structure that facilitates those discussions on an ongoing basis.

I think the second point would be, ironically, if the Bush administration said, as it did consistently since Katrina, that all levels of government failed – the federal, state, and local – their response in the 2000 budget was to cut by about 26 percent grant funding that promotes better preparedness at the state and local level. The two are inconsistent, shall we say? If you want to strengthen the ability of state and local authorities, to do what they need to do, the grant funding is a very important dimension of that. And in particular in the port and transit areas – you know, transit security cannot be sustained by the fare box. At some point in time, there has to be a public subsidy if you're going to be able to sustain better transit security. That could happen at the state level or whoever owns the transit system, but one recognizes at the local level security funding is competing the education funding, healthcare, and so forth. And also with ports, the only port in United States that makes a profit is the port of Los Angeles in Long Beach. Every other port exists based on a public subsidy, so the challenge is are the resources there? If not, the federal government has to provide greater support than it already is,

With that, I thank you very much. I want to thank David, Clark, Antoine Morris in the back, and the communication support team for helping us this morning. I appreciate you coming and we're adjourned.

(Applause.)

(END)