COMBATING TERRORISM: THE PROLIFERATION OF AGENCIES' EFFORTS

HEARING

BEFORE THE

SUBCOMMITTEE ON NATIONAL SECURITY, INTERNATIONAL AFFAIRS, AND CRIMINAL JUSTICE

OF THE

COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT
HOUSE OF REPRESENTATIVES

ONE HUNDRED FIFTH CONGRESS

SECOND SESSION

APRIL 23, 1998

Serial No. 105–162

Printed for the use of the Committee on Government Reform and Oversight

U.S. GOVERNMENT PRINTING OFFICE

50–803 CC WASHINGTON : 1998

For sale by the U.S. Government Printing Office
Superintendent of Documents, Congressional Sales Office, Washington, DC 20402
ISBN 0-16-057917-1

COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT

DAN BURTON, Indiana, *Chairman*

BENJAMIN A. GILMAN, New York
J. DENNIS HASTERT, Illinois
CONSTANCE A. MORELLA, Maryland
CHRISTOPHER SHAYS, Connecticut
CHRISTOPHER COX, California
ILEANA ROS-LEHTINEN, Florida
JOHN M. McHUGH, New York
STEPHEN HORN, California
JOHN L. MICA, Florida
THOMAS M. DAVIS, Virginia
DAVID M. McINTOSH, Indiana
MARK E. SOUDER, Indiana
JOE SCARBOROUGH, Florida
JOHN B. SHADEGG, Arizona
STEVEN C. LATOURETTE, Ohio
MARSHALL "MARK" SANFORD, South Carolina
JOHN E. SUNUNU, New Hampshire
PETE SESSIONS, Texas
MICHAEL PAPPAS, New Jersey
VINCE SNOWBARGER, Kansas
BOB BARR, Georgia
DAN MILLER, Florida

HENRY A. WAXMAN, California
TOM LANTOS, California
ROBERT E. WISE, JR., West Virginia
MAJOR R. OWENS, New York
EDOLPHUS TOWNS, New York
PAUL E. KANJORSKI, Pennsylvania
GARY A. CONDIT, California
CAROLYN B. MALONEY, New York
THOMAS M. BARRETT, Wisconsin
ELEANOR HOLMES NORTON, Washington, DC
CHAKA FATTAH, Pennsylvania
ELIJAH E. CUMMINGS, Maryland
DENNIS J. KUCINICH, Ohio
ROD R. BLAGOJEVICH, Illinois
DANNY K. DAVIS, Illinois
JOHN F. TIERNEY, Massachusetts
JIM TURNER, Texas
THOMAS H. ALLEN, Maine
HAROLD E. FORD, JR., Tennessee

BERNARD SANDERS, Vermont (Independent)

KEVIN BINGER, *Staff Director*
DANIEL R. MOLL, *Deputy Staff Director*
WILLIAM MOSCHELLA, *Deputy Counsel and Parliamentarian*
JUDITH McCOY, *Chief Clerk*
PHIL SCHILIRO, *Minority Staff Director*

SUBCOMMITTEE ON NATIONAL SECURITY, INTERNATIONAL AFFAIRS, AND CRIMINAL JUSTICE

J. DENNIS HASTERT, *Chairman*

MARK E. SOUDER, Indiana
CHRISTOPHER SHAYS, Connecticut
ILEANA ROS-LEHTINEN, Florida
JOHN M. McHUGH, New York
JOHN L. MICA, Florida
JOHN B. SHADEGG, Arizona
STEVEN C. LATOURETTE, Ohio
BOB BARR, Georgia

THOMAS M. BARRETT, Wisconsin
TOM LANTOS, California
ROBERT E. WISE, JR., West Virginia
GARY A. CONDIT, California
ROD R. BLAGOJEVICH, Illinois
JIM TURNER, Texas
ELIJAH E. CUMMINGS, Maryland
JOHN F. TIERNEY, Massachusetts

EX OFFICIO

DAN BURTON, Indiana

HENRY A. WAXMAN, California

ROBERT CHARLES, *Staff Director and Chief Counsel*
MICHELE LANG, *Special Counsel*
ANDREW RICHARDSON, *Professional Staff Member*
AMY DAVENPORT, *Clerk*
MICHAEL YEAGER, *Minority Counsel*

CONTENTS

	Page
Hearing held on April 23, 1998	1
Statement of:	
Davis, Richard, Director of National Security Analysis, National Security and International Affairs Division, U.S. General Accounting Office, accompanied by Davi D'Agostino, Assistant Director of National Security Analysis, National Security and International Affairs Division, U.S. General Accounting Office; and Larry Johnson, former Deputy Director, Office of Counter Terrorism, Department of State	15
Skelton, Hon. Ike, a Representative in Congress from the State of Missouri	5
Letters, statements, etc., submitted for the record by:	
Davis, Richard, Director of National Security Analysis, National Security and International Affairs Division, U.S. General Accounting Office:	
Information concerning annual funding totals	61
Prepared statement of	17
Johnson, Larry, former Deputy Director, Office of Counter Terrorism, Department of State, prepared statement of	36
Mica, Hon. John L., a Representative in Congress from the State of Florida, information concerning a GAO report	68
Skelton, Hon. Ike, a Representative in Congress from the State of Missouri, prepared statement of	9

COMBATING TERRORISM: THE PROLIFERATION OF AGENCIES' EFFORTS

THURSDAY, APRIL 23, 1998

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON NATIONAL SECURITY, INTERNATIONAL AFFAIRS, AND CRIMINAL JUSTICE,
COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT,
Washington, DC.

The subcommittee met, pursuant to notice, at 1 p.m., in room 2247, Rayburn House Office Building, Hon. J. Dennis Hastert (chairman of the subcommittee) presiding.

Present: Representatives Hastert, Souder, Mica, Barr, and Barrett.

Staff present: Robert B. Charles, staff director and chief counsel; Michele Lang, special counsel; Andrew Richardson, professional staff member; Amy Davenport, clerk; and Michael Yeager, minority counsel.

Mr. SOUDER [presiding]. Good afternoon. The subcommittee on National Security, International Affairs and Criminal Justice will come to order.

I yield to Mr. Hastert, chairman of the subcommittee for an opening statement.

Mr. HASTERT [presiding]. Well, thank you Mr. Souder.

Good afternoon. Today we will be examining the U.S. Federal agencies' efforts to combat terrorism.

I'd like to start by thanking Mr. Souder, the vice chairman of the subcommittee, for his willingness to take charge of this important issue for the duration of the 105th Congress. Mr. Souder will be spearheading the efforts of this subcommittee as we undertake a close examination of the Federal policies and organizations in place to combat terrorism. Comprehensive congressional oversight of this area is long overdue.

Before I turn the hearing over to Mr. Souder, I'd like to make some brief comments. There are a few issues that can place as much fear in the hearts of Americans as the specter of terrorism. Whether perpetrated by foreigners or our fellow citizens. I understand that fear.

While in the Middle East last November, I saw firsthand the destruction caused by a terrorist attack at a United States Air Force base in Saudi Arabia that killed 19 American servicemen, and injured hundreds of others. I vividly recall the horror of the bombing attacks in New York and Oklahoma City.

Eager to swiftly react to these incidents of international and domestic terrorism, Congress has legislated many Federal programs

to combat terrorism over the last few years. Unfortunately, although we have been quick to authorize and appropriate new programs, we have failed to scrutinize them. The results, which will be discussed today in detail, have been a predictable explosion in bureaucracy and a noticeable failure to successfully prioritize and coordinate our efforts against terrorism.

As members of this oversight committee, it is our duty to identify and remedy mismanagement and inefficiency in our government. It is within this mind, that we hold this hearing.

The vice chairman of this committee, Congressman Souder, has traveled with me to Turkey, Saudi Arabia, and Bahrain. We watched our American troops and American officials work in a time of high pressure. It was a time when Saddam Hussein was threatening terrorism across southwestern Europe.

We saw a lot of different things. It was something that sobers us. We know that some of the things that were threatened there and protected against there can happen here. We have to be able to look at this with the best scrutiny and the best ability to find correct answers. We also need to correct things that are not working the way we had hoped they would.

So, I thank the gentleman from Indiana, for sharing this hearing and taking on this responsibility. I appreciate your fine work.

Mr. SOUDER [presiding]. Thank you, Mr. Chairman. An article in this week's U.S. News and World Report entitled, "The Real Battle," read,

> With the White House asking Congress for a record $6.7 billion to fight terrorism, turf wars are escalating across Washington. FBI officials are angry at the Secret Service, which is making a bid to oversee security at the Olympic Games and other special events.
>
> The Army Reserve is angered at the National Guard for ignoring Army resources in planning how to respond to a biochemical attack in the United States. And the National Security Council, which proposes to create its own terrorism czar, is drawing fire from Justice and the Pentagon for what officials at both departments see as an NSC power grab.
>
> As agencies begin lobbying appropriations committees, the battles are bound to intensify. But the bureaucrats may have little fear from a Congress anxious to show that it's tough on terrorists. "If the program has terrorism in the title," complains an insider, "it will get funded."

This article does an excellent job describing why we are here today.

This hearing, the second in a series on U.S. efforts to combat terrorism, will be general in its approach in order to address the multifaceted and seemingly disjointed approach the Federal Government takes to combating terrorism both domestically and abroad.

In the aftermath of the World Trade Center bombing in 1993, combating terrorism became a top priority for the Federal Government. As a result, there has been tremendous growth in the number of agencies involved in efforts to combat terrorism and the number of terrorism-related programs, as well as the funding for such efforts. There are over 40 Federal agencies, bureaus, and offices involved in U.S. efforts to fight terrorism, spending nearly $7 billion on dozens of programs and activities.

For example, FBI resources increased fivefold from 1994 to 1997. The FBI now has 2,500 agents assigned to conduct counterterrorism work. Yet, the FBI will soon release its statistics

for 1996 which show that three incidents of domestic terrorism occurred, and five terrorist acts were thwarted.

At the request of several members, including Mr. Skelton and this subcommittee, the U.S. General Accounting Office has undertaken a major review of Federal efforts and programs designed to combat terrorism, which has resulted in the issuance of four reports to date. This subcommittee along with my colleague, Congressman Ike Skelton, recently released GAO's latest report entitled, "Combating Terrorism: Threat and Risk Assessments Can Help Prioritize and Target Program Investments."

These reports make several important observations about our country's current efforts to combat terrorism.

One, it is unknown how much money is actually spent on Federal programs to combat terrorism.

Two, as of December 1997, no agency was required to regularly collect, aggregate, and review funding and spending data relative to combating terrorism on a crosscutting, governmentwide basis.

Three, there exists no governmentwide prioritization of funding proposals and requirements for terrorism-related programs.

The $30.5 million Domestic Preparedness Program which provides training and equipment to local governments does not utilize any threat or risk assessment in order to define requirements and focus program investments.

And, although I withhold judgment on the quality of any particular program or activity at this time, these findings are indicative of poor management practices which inevitably lead to ineffective programs and duplicative efforts. The General Accounting Office's excellent work on U.S. efforts to combat terrorism should serve as a clarion call for better oversight from both Congress and the executive branch. The failure to implement these programs without sound management practices, and without a coordinated command and control structure dedicated to using valid threat and risk assessments is not simply an issue of indiscriminate spending and bureaucracy gone awry, it goes to the very heart of the security of our citizens and Nation.

For the duration of the 105th Congress, this subcommittee will conduct a thorough review of Federal programs designed to combat terrorism. Our overall objective is to identify duplicative programs and capabilities, persuade and compel Federal agencies and bureaus to coordinate and prioritize their budgets for counterterrorism activities, and eliminate unsound management practices which hinder rather than facilitate the fight against terrorists. While terrorist attacks at the New York World Trade Center in 1993, Oklahoma City in 1995, and Saudi Arabia in 1995 and 1996, demand that America be prepared to respond swiftly and effectively to such acts, it is imperative that Congress, in an oversight function particularly, does not enact and fund programs haphazardly and lose sight of the need for a comprehensive framework through which to manage our counterterrorism programs.

Please note that this hearing is about process and programs. Accordingly, it is intended to address management and organizational issues, not to resolve honest disagreements regarding the capabilities or intentions of terrorist groups. Regardless of the severity of

the threat, there are serious questions as to how we organize and manage our Federal resources to combat terrorism.

I now yield to Mr. Barrett, our distinguished ranking minority member for an opening statement.

Mr. BARRETT. Thank you, Mr. Chairman, and welcome to Congressman Skelton and the other witnesses today. Two months ago we examined in a closed hearing the terrorist threats to our forces and our diplomatic personnel stationed abroad. Today's hearing, which will focus on the effectiveness of Federal Government programs, is part of a continuing review of our efforts to combat terrorism at home and overseas. The tragic bombing attacks on the World Trade Center and Federal Building in Oklahoma City, and the Sarin gas attack in the Tokyo subway system highlight the need for continued work in this area.

Thanks to the leadership of Ike Skelton, and others in Congress, and the executive branch, the goal is to maximize the effectiveness of programs both to prevent terrorists attacks, and when such attacks do occur, most effectively deal with the resulting crisis and consequences.

The Nunn-Lugar Domestic Preparedness Program is an important part of this effort. Led by the Department of Defense, the purpose of this program is to develop training for emergency response personnel in 120 cities, provide emergency equipment to each city, and create a data base on chemical and biological agents.

The GAO has highlighted several perceived problems with the program, including the failure of the Defense Department to perform threat and risk assessments to determine the most effective response to identify threats.

Although I am pleased that my home city of Milwaukee is among the first 27 cities scheduled to receive training and equipment this year, I have some concern that it and other cities in this program, may not be spending its scarce Federal dollars in the most effective way.

A central question appears to be over how we define the threat. Are we better served preparing for catastrophic events of relatively low probability, like a nuclear, biological or chemical attack, or preparing for conventional attacks that are more probable? Other questions center on how effectively Federal Government agencies are sharing responsibility for this important mission.

I look forward to hearing from our witnesses on this, and other related questions, and hope to hear the views of the relevant agencies at a later date. Thank you.

Mr. SOUDER. Thank you. Congressman Ike Skelton is our leadoff witness as the ranking member of the Committee on National Security and a member of the House Permanent Select Committee on Intelligence. Mr. Skelton has long-standing interests and efforts, and has contributed greatly to this timely discussion on U.S. efforts to combat terrorism. Mr. Skelton's contributions include legislatively mandating that the Office of Management and Budget establish a reporting system for the budgeting expenditure of funds for terrorism programs and activities to assist in the identification of priorities and duplication of efforts. I'm glad you could make it and appreciate your patience as we've gone through this statement.

STATEMENT OF HON. IKE SKELTON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSOURI

Mr. SKELTON. Chairman Souder and Mr. Barrett, I certainly appreciate this opportunity to appear before you today. It is important to speak about an important issue to our Nation. But it is also important to bring attention to a substantial body of work done by the General Accounting Office [GAO], which, by the way, I think is excellent work. This work in progress to date, in a series of four reports, will eventually produce the most comprehensive overview of our Nation's effort to combat terrorism.

As you all know too well, this is a daunting task. Without the leadership of this subcommittee we would have a far more vague picture of our government's activities and I compliment you, Mr. Souder and Mr. Barrett, on leading this charge.

Let me briefly review the recent finding of the four GAO works. The first, GAO released a July 1997 report entitled, "Combating Terrorism: Status of DOD Efforts to Protect its Forces Overseas." This report, dealing with anti-terrorism, concluded that uniformed security standards were necessary to assure the safety of Americans around the world.

Second, GAO released a September 1997 report entitled, "Combating Terrorism: Federal Agencies' Efforts to Implement National Security Policy and Strategy." Focused on counterterrorism as opposed to anti-terrorism for those offensive measures for deterring, resolving, and managing terrorist acts. This second report represents the first comprehensive examination of Federal activities to combat terrorism. It pointed out that there are more than 40 Federal departments, agencies, bureaus are involved in this activity. It also outlines specific roles and responsibilities of Federal agencies as well as their respective capabilities.

GAO released its third report in December 1997. It focused on total governmentwide spending levels to combat terrorism. This product and the process leading to its publication closely tracked with the congressional interest in this subject.

As many of you know, during floor consideration of the fiscal year 1998, defense authorization bill, my amendment was accepted to require the Office of Management and Budget [OMB], to disclose overall spending levels directed against terrorism, known as section 1051. And taken together with GAO's third report, enough evidence surfaced to offer both encouragement and concern.

Although it seemed that a significant amount of resources were annually committed to combat terrorism, the following inefficiencies were exposed.

No regular governmentwide collection and review of funding data existed; no apparent governmentwide priorities were established; no assessment process existed to coordinate and focus government efforts; and no government office or entity maintained the authority to enforce coordination.

As a result of the third report, GAO recommended that the National Security Council, the NSC, the OMB, the departments' and agencies' heads, such as the State Department and the Federal Bureau of Investigation, build upon the new statutory requirement embodied in section 1051. I am also pleased to report that this remains an annual obligation requiring an annual overview, by

March of each year, of governmentwide efforts to combat terrorism around the globe.

Finally, at the request of Chairman Hastert and myself, GAO has recently released its fourth and latest product on the subject entitled, "Combating Terrorism: Threat and Risk Assessments Can Help Prioritize and Target Investments." Again, enough evidence has been provided to question the Federal Government's level of funding. The last report responsible for reviewing the implementation of the Nunn-Lugar-Domenici Domestic Response Program, hopefully, will assist with the establishment of consistent national standards and priorities.

Mr. Chairman, members of the committee, in your mind's eye, join me and imagine what it was like, in 1995, for a senior airman in a remote location in a foreign land, relaxing after a long, hot, stressful day in the Arabian desert. Imagine too, what it was like, in 1996, for the Federal employee beginning the day in Oklahoma, pouring coffee, grabbing a breakfast snack, and preparing for morning briefings. Imagine what it was like, in 1993, for Americans, businesswomen, businessmen, diplomats, tourists, visitors milling innocently around in the heart of New York City, one of our Nation's busiest locations.

Imagine, if you can, what it was like for these individuals before these three locations became infamous for the catastrophic events that followed. To a person not expecting anything but a completion of an average day, all experienced a jolt, a shock, a sense of horror, as chaos and bedlam brought an abrupt halt to their respective routines.

The bombing victims at Khobar Towers in Saudi Arabia, were trained military professionals in a foreign land. The bombing victims at the Oklahoma City Federal Building and the World Trade Center were average American citizens, civilians, at home in their communities, totally unprepared for the violence that they were forced to experience. Despite the different circumstances, all three events share in common one avoidable tell-tale truth. Americans died brutally, without warning, unnecessarily, and in a manner that will almost certainly be imitated in the future.

In 1995 and 1996, about one-fourth of all international terrorist acts were against U.S. targets and although the number of terrorist incidents both worldwide and in the United States has declined in recent years, the level of violence and lethality of attacks has increased.

Violent efforts in the past may encourage further attempts to strike American places such as our own yards, back home in our districts and other places where attacks might least be expected. Enemies of the United States have adopted effective methods and means to strike against our country. Surely, enemies of America, both foreign and domestic, recognize the military capabilities of the United States. It is hard to ignore our successes throughout history and around the globe. It is difficult not to marvel at our technological advancements and is nearly impossible to overlook our massive military might at sea, in the air, and on the ground. Our naval, air, ground, and Marine forces remain superior and unmatched in today's world.

Further, enemies of America both foreign and domestic, almost certainly recognize the capabilities of our domestic law enforcement and emergency response professionals. But what is the point at which the responsibilities of these two communities intersect? Do our domestic law enforcement capabilities effectively coordinate with those of the Department of Defense? In the case of another incident on American soil, are Defense Department officials prepared to effectively support local officials? Are existing programs, such as the Emergency Response System Program, and Rapid Response Information System, and the Nunn-Lugar-Domenici First Responder Training Program, adequately focused and adequately funded to handle a future incident, particularly one involving a weapon of mass destruction, such as a biological, chemical, or nuclear device? We had better be sure. Is the threat real? I believe wholeheartedly that it is. Are we in danger of overstating the threat? I'm not sure.

Let me share with you something about which there is no doubt. I implore you to consider two lists, one based on capabilities and another based on alleged activities. I ask you to first consider the lists of nations around the globe known as either possessing or nearly possessing the capability to produce chemical and biological weapons. You are, of course, familiar with the unclassified list: North Korea, China, India, Pakistan, Iran, Iraq, Libya, Syria and Russia.

Second, I ask you to consider the group of nations singled out by the State Department for engaging in State sponsored terrorism. Again, you are familiar with the list membership: Cuba, Iran, Iraq, Libya, North Korea, Sudan, and Syria.

Finally, I ask you to look at the correlation between these two lists and ask you to decide, are you willing to risk the potential consequences of not being prepared?

To properly prepare for potential terrorist acts, we must set forth with a political commitment to attain both efficiency and adequate resource levels across the entire Federal Government. The recent past offers a bit of optimism. The relatively high level of congressional support has existed. But I am concerned about our Nation's ability of the next few years to attain efficiency or to sustain such commitment. The Defense Department, rightly assumes a supportive role during a terrorist incident within the United States, leaving the Department of Justice the primary responsibility for response and coordination.

Yet even a role, supportive in nature, has come at a great costs in both manpower and dollars. Much of the highly specialized expertise resides in the Department of Defense. Most of the highly trained individuals necessary for such tasks are also from the Department of Defense. Fortunately, for them, for their families, and for our Nation these same individuals are often needed elsewhere in overseas contingencies.

In these strict budgetary times, in support and training assistance to domestic authorities, defense personnel are placed under a very terrible strain. This year's budgetary constraint is particularly tight. I have not received information that would cause me to believe that anything might be different in the near future. Yet I am aware of the Department of Defense's budgetary struggle to meet

existing requirements. We must assume that this new effort might also find itself at risk receiving inadequate resources.

We should look closely at this recommendation before committing large sums of our precious and increasingly scarce financial resources. Also, we should recognize that this resource pool is declining further now that FEMA has recently decided to withdraw itself from any lead agency role. Without its assistance the Department of Defense must now find additional, previously unanticipated, budget authority over the next 4 years to support this requirement.

This work of GAO has helped us discover our approach may be fundamentally flawed. Perhaps, too many different Federal agencies and local governments possess existing or emerging capabilities for responding to the weapons of mass destruction attack.

Mr. Chairman, there is a Chinese proverb that states, "May you live in interesting times," which, be thankful that we do. But we also live during challenging times. A time of budget cuts, forced drawdowns, streamlining and reductions in military personnel and strength levels. We are faced with a familiar threat that is growing in importance. To counter the terrorist threat, to provide as much safety to Americans at home and abroad, we must need not only to strengthen and reinforce existing capabilities but legislate additional resources. If we fail in this calling, we may face another day when, without warning, innocent Americans fall victim to such evil. Thank you.

[The prepared statement of Hon. Ike Skelton follows:]

IKE SKELTON
4TH DISTRICT, MISSOURI

2227 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-2504
TELEPHONE: (202) 225-2876

Congress of the United States
House of Representatives
Washington, DC 20515–2504

514-B N.W. SEVEN HIGHWAY
BLUE SPRINGS, MO 64014-2733
(816) 228-4242

1401 SOUTHWEST BLVD., SUITE 101
JEFFERSON CITY, MO 65109-2429
(573) 635-3499

219 NORTH ADAMS STREET
LEBANON, MO 65536-3060
(417) 532-7984

319 SOUTH LAMINE
FEDERAL BUILDING
SEDALIA, MO 65301-4593
(660) 826-2675

Testimony before the
Subcommittee on National Security, International Affairs, and Criminal Justice
Committee on Government Reform and Oversight
April 23, 1998

Chairman Hastert, members of the subcommittee, it gives me great pleasure to appear before you today. I appreciate the opportunity not only to speak about an important issue to our nation but also to bring attention to a substantial body of work produced by the General Accounting Office (GAO). This "work in progress" – to date, a series of four reports – will eventually produce the most comprehensive overview of our nation's effort to combat terrorism. As Chairman Hastert knows all too well, this is a daunting task. Without his leadership and effort, we would have a far more vague picture of our government's activities. Let me briefly review these recent findings.

First, GAO released a July 1997 report entitled, *"Combating Terrorism: Status of DoD Efforts to Protect Its Forces Overseas."* Dealing with Anti-terrorism, this report concluded that uniform security standards were necessary to assure the safety of Americans around the world.

Second, GAO released a September 1997 report entitled, *"Combating Terrorism: Federal Agencies' Efforts to Implement National Security Policy and Strategy."* Focused on Counterterrorism – or those offensive measures for deterring, resolving, and managing terrorist acts – this second report represents the first comprehensive examination of federal activities to combat terrorism. It pointed out that more than 40 federal departments, agencies, and bureaus, are involved in this activity. It also outlined specific roles and responsibilities of federal agencies, as well as their respective capabilities.

GAO released its third report in December of 1997. Focused on total government-wide spending levels to combat terrorism, this product – and the process leading up to its publication – closely tracked with congressional interest in the subject. As many of you know, during floor consideration of the fiscal year (FY) 1998 Defense Authorization Bill, an amendment – my amendment – was accepted to require the Office of Management and Budget (OMB) to disclose overall spending levels directed against terrorism. Known as Section 1051 and taken together with GAO's third report, enough evidence surfaced to offer both encouragement and concern. Although it seemed that a significant amount of resources were annually committed to combat terrorism, the following inefficiencies were exposed:

PRINTED ON RECYCLED PAPER

- no regular government-wide collection and review of funding data existed;
- no apparent government-wide priorities were established;
- no assessment process existed to coordinate and focus government efforts; and
- no government office or entity maintained the authority to enforce coordination;

As a result, the third report recommended that the National Security Council (NSC), OMB, the departments, and agency heads – such as the State Department and the Federal Bureau of Investigations (FBI) – build upon the new statutory requirement embodied in Section 1051. I am also pleased to report that this remains an annual obligation, requiring by March of each year an annual overview of government-wide efforts to combat terrorism around the globe.

Finally, at the request of Chairman Hastert and myself, GAO has recently released its fourth and latest product on the subject, entitled, *"Combating Terrorism: Threat and Risk Assessments Can Help Prioritize and Target Investments."* Again, enough evidence has been provided to question the federal government's level of funding. This last report -- responsible for reviewing the implementation of the Nunn-Lugar-Domenici domestic response program – hopefully will assist with the establishment of consistent national standards and priorities.

The Threat

Mr. Chairman, members of the committee:

In your mind's eye, join me and imagine what it was like in 1995 for the Senior Airman at a remote location in a foreign land, relaxing after a long, hot, stressful day in the Arabian desert;

Imagine, too, what it was like in 1996 for the federal employee beginning the day in Oklahoma, pouring coffee, grabbing a breakfast snack, and preparing for morning briefings;

Imagine what it was like in 1993 for Americans – businesswomen, diplomats, tourists, visitors – milling innocently about in the heart of New York City, one of our nation's busiest locations;

Imagine, if you can, what it was like for these individuals before these three locations became infamous for the catastrophic events that followed. To a person, none expected anything but completion of an average day; yet all experienced a jolt, a shock, a sense of horror, as chaos and bedlam brought an abrupt halt to their respective routines.

The bombing victims at Khobar Towers in Saudia Arabia were trained military professionals in a foreign land. The bombing victims at the Oklahoma City Federal

Building and the World Trade Center, were average American citizens – civilians – at home in their communities, totally unprepared for the violence they were forced to experience.

Despite the different circumstances, all three events share in common one unavoidable, tell-tale truth: Americans died brutally, without warning, unnecessarily, and in a manner that will almost certainly be imitated in the future. In 1995 and 1996, about one-fourth of all international terrorist acts were against U.S. targets; and although the number of terrorist incidents both worldwide and in the United States has declined in recent years, the level of violence and lethality of attacks has increased. Violent events in the past, may encourage further attempts to strike America in places such as our own yards, back home in our districts, and other places where attacks might be least expected. Enemies of the United States, I fear, have adopted effective methods and means to strike against America.

Surely, enemies to America – both foreign and domestic – recognize the military capabilities of the United States. It is hard to ignore our successes throughout history and around the globe; it is difficult *NOT* to marvel at our technological advancements; and it is nearly impossible to overlook our massive military might at sea, in the air, and on the ground. Our naval, air, ground, and Marine forces remain superior and unmatched in today's world.

Further, enemies to America – both foreign and domestic – almost certainly recognize the capabilities of our domestic law enforcement and emergency response officials. The Federal Bureau of Investigations, or FBI, the U.S. Secret Service, the Bureau of Alcohol, Tobacco and Firearms (ATF), U.S. Customs, and the Federal Emergency Management Agency (FEMA) are highly respected worldwide. Their standards currently set those of the international community.

But what of the point at which the responsibilities of these two communities intersect? Do our domestic law enforcement capabilities effectively coordinate with those of the Department of Defense? In the case of another incident on American soil, are Defense Department officials prepared to effectively support local officials? Are existing programs – such as the Emergency Response Assistance program, the Rapid Response Information System, and the Nunn-Lugar-Domenici "First Responder Training" program -- adequately focused and adequately funded to handle a future incident, particularly one involving a weapon of mass destruction (WMD) such as a biological or chemical agent, or nuclear device?

We better be sure.

Is the threat real? I believe wholeheartedly that it is.

Are we in danger of overstating the threat? I am not sure. But, let me share with you something about which there is no doubt. I implore you to consider two lists, one

based on capabilities, the other based on alleged activities. I ask you first to consider the list of nations around the globe known to either possess or nearly possess the capability to produce chemical and biological weapons -- you are, of course, familiar with the unclassified list: North Korea, China, India, Pakistan, Iran, Iraq, Libya, Syria, and Russia. Second, I ask you to consider the group of nations singled out by the State Department for engaging in state-sponsored terrorism. Again, you are familiar with the list's membership: Cuba, Iran, Iraq, Libya, North Korea, Sudan, and Syria. Finally, I ask you to look at the correlation between these lists and ask you to decide. Are you willing to risk the potential consequences of not being prepared?

The Response

To properly prepare for potential terrorist acts we must set forth with a political commitment to attain both efficiency and adequate resource levels across the entire federal government.

The recent past offers a bit of optimism. A relatively high level of Congressional support has existed:

- The 1994 National Defense Authorization Act expressed a sense of Congress that the President should strengthen federal interagency response planning for early detection and warning of -- and response to – potential use of chemical or biological agents and weapons.

- The Defense Authorization Act for Fiscal Year 1996 required the Secretary of Defense and the Secretary of Energy to submit to Congress a joint report on military and civil defense response plans.

- The 1997 National Defense Authorization Act required the President to take immediate action to enhance the capability of the Federal Government to prevent and respond to terrorist incidents involving WMD and to provide enhanced support to improve both the response and deterrent capabilities of state and local emergency response agencies. More than $50 million in assistance was authorized.

- And just this past year, the budget request for the Defense Department included $49.5 million for support of the domestic emergency preparedness program. The resulting 1998 authorization provided for this request as well as an additional $10 million for equipment for the Marine's Chemical-Biological Incident Response Force and $10 million to support development of a domestic/biological counter-terrorism mission for the National Guard.

But I am concerned about our nation's ability over the next few years to attain efficiency or to sustain such a commitment. The Defense Department rightly assumes a

supportive role during a terrorist incident within the United States, leaving the Department of Justice the primary responsibility for response and coordination. Yet even a role supportive in nature has come at a great cost – in both manpower and dollars. Much of the highly specialized expertise resides in DoD; and most of the highly-trained individuals necessary for such tasks are also from the Department of Defense. Unfortunately, -- for them, for their families, and for our nation – these same individuals are often needed elsewhere, in overseas contingencies around the world. In these strict budgetary times, support and training assistance to domestic authorities is placing Defense personnel under a terrible strain.

This year's budgetary constraint is particularly tight and I have not received information to cause me to believe that anything might be different in the near future. This is not to say there aren't several matters to provide encouragement, such as the recent announcement to authorize 10 Rapid Assessment and Initial Detection (RAID) teams within the Guard and Reserve components. Indeed, the collocation of these teams with FEMA regional offices just might provide the necessary "bridge" between federal and state officials and spawn better coordination.

Yet, I am aware of the Defense Department's budgetary struggle to meet existing requirements and must assume that this new effort might also find itself at risk of receiving inadequate resources. We should look closely at this recommendation before committing a large sum of our precious – and increasingly scarce – financial resources. And we should recognize that this resource pool is declining further now that FEMA has recently decided to withdraw itself from any lead-agency role. Without its assistance, the Defense Department must now find additional, previously unanticipated budget authority over the next 4 years to support this requirement.

As the work of GAO has helped us discover, our approach may be fundamentally flawed: perhaps too many different federal agencies and local governments possess existing or emerging capabilities for responding to a WMD attack; uneven and nearly incompatible levels of expertise often exists; duplication and poor communication may complicate our effort; and *public complacency* may threaten to weaken our overall capability. To be sure, if I must leave only one message today, let it be this: coordination problems may exist; but these problems pale in comparison with the potential problems resulting from public complacency.

Mr. Chairman, there is a Chinese proverb that states, "May you live in interesting times." We should be thankful that we do. We also live during challenging times. At a time of budget cuts, force drawdowns, streamlining, and reductions in military personnel endstrength levels, we are faced with a familiar threat that is growing in importance. To counter the terrorist threat -- to provide as much safety to Americans at home and abroad -- we may need to not only strengthen and reinforce existing capabilities but legislate additional resources. If we fail in this calling, we may face another day when – without warning – an innocent American again falls victim to such evil.

Mr. SOUDER. Thank you very much for your testimony.

If I could ask you just one question. As you have mentioned, there are 40 different organizations working with this and recently there has been much discussion about the National Security Council and the National Guard. Would you comment how you think we might best structure the Federal Government's efforts to combat terrorism both for crisis management and consequence?

Mr. SKELTON. There is no easy answer to this. But you must prioritize. You must have an Indian chief running the show. The left hand must know what the right hand is doing. That's what got me involved in this whole effort to begin with. Not knowing whether one agency, whether the State Department, FBI, Department of Defense—you choose it—really knew what the other was doing.

So, there must be prioritization of who is running what type of operation. Second, you must make sure that they are coordinated, not just with themselves. The 40—I think there are actually 43 different organizations, Mr. Chairman—and that they know what they are doing. But there is necessity to coordinate in the event of a domestic attack with the various law enforcement agencies in a State or in a city. This is a daunting task and one that is going to take tremendous leadership by the lead agency, which ever it was. And as you know, as I said a few moments ago, FEMA has withdrawn as the potential agency.

So, I think those are the priorities that we must cause to happen. Because to begin with, they help deter. No. 2, should an event occur, we will want to capture the suspects, try them, and if found guilty, punish them properly. No. 3, there must be a proper response to those people that are injured and lose property, or have problems that are connected with such a disaster. Those three elements must be included in any prioritization that we offer.

Mr. SOUDER. Well, thank you very much. I appreciate your leadership on National Security and Intelligence and look forward to working with you this year. The hearing stands in recess until we can get back from our vote. Thank you.

[Recess.]

Mr. SOUDER. The second panel could come forward. The committee is again in order.

Thank you for coming today. We have with us Mr. Richard Davis, Director of the National Security Analysis, National Security and International Affairs Division, U.S. General Accounting Office. Accompanying Mr. Davis is Ms. Davi D'Agostino, Assistant Director, National Security Analysis and we also have Mr. Larry Johnson, former Deputy Director of the U.S. Department of State, Office of Counter Terrorism who will also testify. Mr. Johnson's experience includes teaching a senior crisis management seminar for foreign governments, designing terrorism exercises for the Department of Defense, and supervising security assessments for several U.S. businesses. Mr. Johnson also worked for the Central Intelligence Agency and currently is a partner at Berg Associates. Thank you for joining us, and we look forward to your testimony.

I have to swear you in. Would you rise and raise your right hands.

[Witnesses sworn.]

Mr. SOUDER. Mr. Davis, will you please proceed?

STATEMENTS OF RICHARD DAVIS, DIRECTOR OF NATIONAL SECURITY ANALYSIS, NATIONAL SECURITY AND INTERNATIONAL AFFAIRS DIVISION, U.S. GENERAL ACCOUNTING OFFICE, ACCOMPANIED BY DAVI D'AGOSTINO, ASSISTANT DIRECTOR OF NATIONAL SECURITY ANALYSIS, NATIONAL SECURITY AND INTERNATIONAL AFFAIRS DIVISION, U.S. GENERAL ACCOUNTING OFFICE; AND LARRY JOHNSON, FORMER DEPUTY DIRECTOR, OFFICE OF COUNTER TERRORISM, DEPARTMENT OF STATE

Mr. DAVIS. Thank you, sir. I am pleased to be here today to discuss our work and observations on Federal efforts to combat terrorism. As you know, we have been studying the cross-cutting aspects of terrorism for nearly 2 years at the request of Congressman Ike Skelton and Senator John Glenn, in addition to this subcommittee. I would like to just offer at this time a few brief comments. I would ask that my statement be included in the record. And I'll just briefly summarize it.

Mr. SOUDER. So ordered.

Mr. DAVIS. Conventional explosives and firearms continue to be the weapons of choice for terrorists. Terrorists are less likely to use chemical and biological weapons and conventional explosives, although the likelihood that they may use chemical and biological materials may increase over the next decade according to intelligence agencies.

More than a decade ago, the Vice President's Task Force on terrorism highlighted the need for improved centralized interagency coordination. Our work suggests that the government should continue to strive for improved interagency coordination today. In fact, in testimony before two senate committees yesterday, Attorney General Janet Reno said that we must achieve even greater interagency coordination than exists today. The need for effective interagency coordination both at the Federal level and among Federal, State, and local levels is paramount.

The challenges of efficient and effective management and focus for program investments are growing as the terrorism area draws more attention from Congress, and as there are more players and more programs and activities to integrate and coordinate. The United States is spending billions of dollars annually to combat terrorism without assurance that Federal funds are focused on the right programs or in the right amounts.

As we have emphasized in two reports, a critical piece of the equation in deciding about establishing and expanding programs to combat terrorism is an analytically sound threat and risk assessment using valid inputs from the intelligence community and other agencies.

Threat and risk assessments could help the government make decisions about how to target investments in combating terrorism and set priorities on the basis of risk; identify unnecessary program duplication, overlap and gaps; and correctly size individual agencies' levels of effort.

In 1996, Congress passed the Defense Against Weapons of Mass Destruction Act, which authorized the Nunn-Lugar-Domenici Domestic Preparedness Program. That program is to provide Federal training and assistance to local emergency response personnel for

dealing with a potential weapons of mass destruction terrorist incidents. That legislation does not require threat and risk assessments be performed and, as currently designed, the program does not incorporate that. Our recent report to you and Mr. Skelton recommends that Congress consider amending legislation to require that threat and risk assessments be included and funded as part of the assistance under this act. The concept we recommend is a Federal-city collaborative efforts with the FBI taking the lead in facilitating the assessments with inputs from the intelligence community and appropriate Federal agencies, including the Department of Defense.

The assessments should be used to guide decisionmaking on cities' training and equipment requirements and their priorities in alignment with the most likely threat scenarios with the severest consequences. Finally, there are different sets of views and apparent lack of consensus on the threat of terrorism, particularly weapons of mass destruction terrorism.

Mr. Chairman, that concludes my summary remarks. Ms. D'Agostino and I would be happy to answer any questions.

[The prepared statement of Mr. Davis follows:]

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to discuss our work and observations on federal efforts to combat terrorism. As you know, we have been studying the crosscutting aspects of the terrorism area for nearly 2 years at the requests of Congressman Ike Skelton and Senator John Glenn, in addition to this Subcommittee. This horizontal approach to our work--looking at terrorism matters across several agencies--offers a very different perspective on the issues to the Congress than if we looked at individual agencies and their programs separately. I will first briefly talk about the foreign-origin and domestic terrorism threat in the United States as we understand it from intelligence analyses and the origins and principles of the U.S. policy and strategy to combat terrorism. Then I would like to share some of our observations about issues that warrant further attention.

SUMMARY

Conventional explosives and firearms continue to be the weapons of choice for terrorists. Terrorists are less likely to use chemical and biological weapons than conventional explosives, although the likelihood that they may use chemical and biological materials may increase over the next decade, according to intelligence agencies. More than a decade ago, the Vice President's Task Force on Terrorism highlighted the need for improved, centralized interagency coordination. Our work suggests that the government should continue to strive for improved interagency coordination today. The need for

effective interagency coordination–both at the federal level and among the federal, state, and local levels–is paramount. The challenges of efficient and effective management and focus for program investments are growing as the terrorism issue draws more attention from the Congress and as there are more players and more programs and activities to integrate and coordinate. The United States is spending billions of dollars annually to combat terrorism without assurance that federal funds are focused on the right programs or in the right amounts. As we have emphasized in two reports, a critical piece of the equation in decisions about establishing and expanding programs to combat terrorism is an analytically sound threat and risk assessment using valid inputs from the intelligence community and other agencies. Threat and risk assessments could help the government make decisions about how to target investments in combating terrorism and set priorities on the basis of risk; identify unnecessary program duplication, overlap, and gaps; and correctly size individual agencies' levels of effort. Finally, there are different sets of views and an apparent lack of consensus on the threat of terrorism–particularly WMD terrorism.

THE FOREIGN AND DOMESTIC TERRORISM THREAT IN THE UNITED STATES

We are all aware that certain key large-scale terrorist incidents at home and abroad since 1993 have dramatically raised the public profile of U.S. vulnerability to terrorist attack. The bombings of the World Trade Center in 1993 and of the federal building in Oklahoma City, Oklahoma in 1995, along with terrorists' use of a nerve agent in the Tokyo subway in

1995, have elevated concerns about terrorism in the United States--particularly terrorists' use of chemical and biological weapons. Previously, the focus of U.S. policy and legislation had been more on international terrorism abroad and airline hijacking.

The U.S. intelligence community, which includes the Central Intelligence Agency, the National Security Agency, the Federal Bureau of Investigation (FBI), and others, has issued classified National Intelligence Estimates and an update on the foreign-origin terrorist threat to the United States. In addition, the FBI gathers intelligence and assesses the threat posed by U.S. or domestic sources of terrorism.

What is important to take away from these intelligence assessments is the very critical distinction made between what is conceivable or possible and what is likely in terms of the threat of terrorist attack. According to intelligence agencies, conventional explosives and firearms continue to be the weapons of choice for terrorists. Terrorists are less likely to use chemical and biological weapons than conventional explosives, although the likelihood that terrorists may use chemical and biological materials may increase over the next decade. Chemical and biological agents are less likely to be used than conventional explosives at least partly because they are more difficult to weaponize and the results are unpredictable. According to the FBI, the threat of terrorists' use of chemical and biological weapons is low, but some groups and individuals of concern are beginning to show interest in such weapons. Agency officials also have noted that terrorists' use of

nuclear weapons is the least likely scenario, although the consequences could be disastrous.

The FBI will soon issue its report on domestic terrorist incidents and preventions for 1996. According to the FBI, in 1996, there were three terrorist incidents in the United States, as compared with one in 1995; zero in 1994; 12 in 1993; and four in 1992. The three incidents that occurred in 1996 involved pipe bombs, including the pipe bomb that exploded at the Atlanta Olympics.

ORIGINS AND PRINCIPLES OF U.S. POLICY AND STRATEGY TO COMBAT TERRORISM

U.S. policy and strategy have evolved since the 1970s, along with the nature and perception of the terrorist threat. The basic principles of the policy continue, though, from the 1970s to today: make no concessions to terrorists, pressure state sponsors of terrorism, and apply the rule of law to terrorists as criminals. U.S. policy on terrorism first became formalized in 1986 with the Reagan administration's issuance of National Security Decision Directive 207. This policy resulted from the findings of the 1985 Vice President's Task Force on Terrorism, which highlighted the need for improved, centralized interagency coordination of the significant federal assets to respond to terrorist incidents. The directive reaffirmed lead agency responsibilities, with the State Department responsible for international terrorism policy, procedures, and programs, and

the FBI, through the Department of Justice, responsible for dealing with domestic terrorist acts.

Presidential Decision Directive 39–issued in June 1995 following the bombing of the federal building in Oklahoma City–builds on the previous directive and contains three key elements of national strategy for combating terrorism: (1) reduce vulnerabilities to terrorist attacks and prevent and deter terrorist acts before they occur; (2) respond to terrorist acts that do occur–crisis management–and apprehend and punish terrorists; and (3) manage the consequences of terrorist acts, including restoring capabilities to protect public health and safety and essential government services and providing emergency relief. This directive also further elaborates on agencies' roles and responsibilities and some specific measures to be taken regarding each element of the strategy.

Now a new Presidential Decision Directive on combating terrorism is being drafted which could further refine and advance the policy. This draft directive, which is classified, reflects a recognition of the need for centralized interagency leadership in combating terrorism. Among other things, the draft policy tries to resolve jurisdictional issues between agencies and places new emphasis on managing the consequences of a terrorist incident and on the roles and responsibilities of the various agencies involved.

OBSERVATIONS ON CROSSCUTTING TERRORISM ISSUES

Based on the reports and work we have performed to date, I would like to make three observations. First, in certain critical areas, just as the Vice President's Task Force on Terrorism noted in 1985, improvements are needed in interagency coordination and program focus. Since that time–and even since PDD-39 was issued in June 1995–the number of players involved in combating terrorism has increased substantially. In our September 1997 report,[1] we noted that more than 40 federal agencies, bureaus, and offices were involved in combating terrorism. To illustrate the expansion of players since PDD-39, for example, Department of Agriculture representatives now attend counterterrorism crisis response exercise planning functions. Also, to implement the Nunn-Lugar-Domenici Domestic Preparedness Program,[2] the U.S. Army's Director of Military Support has created a new office for the new mission to train U.S. cities' emergency response personnel to deal with terrorist incidents using chemical and biological weapons of mass destruction (WMD) and plans to create another office to integrate another new player–the National Guard and Reserve–into the terrorism consequence management area. The

[1]Combating Terrorism: Federal Agencies' Efforts to Implement National Policy and Strategy (GAO/NSIAD-97-254, Sept. 26, 1997).

[2]The Defense Against Weapons of Mass Destruction Act, contained in the National Defense Authorization Act for Fiscal Year 1997 (title XIV of P.L. 104-201, Sept. 23, 1996), established the Nunn-Lugar-Domenici Domestic Preparedness Program. The Department of Defense is the lead federal agency for implementing the program, and is to work in cooperation with the FBI, the Department of Energy, the Environmental Protection Agency, the Department of Health and Human Services, and the Federal Emergency Management Agency.

National Guard and Reserve initially plan to establish 10 Rapid Assessment and Initial Detection, or RAID, teams throughout the country. The U.S. Marine Corps has established the Chemical Biological Incident Response Force. Further, the Department of Energy has redesigned its long-standing Nuclear Emergency Search Team into various Joint Technical Operations Teams and other teams. At least one Department of Energy laboratory is offering consequence management services for chemical and biological as well as nuclear incidents. And the Public Health Service is in the process of establishing 25 Metropolitan Medical Strike Teams throughout the country in addition to three deployable "national asset" National Medical Response Teams and existing Disaster Medical Assistance Teams. There are many more examples of new players in the terrorism arena.

Effectively coordinating all these various agencies', teams', and offices' requirements, programs, activities, and funding requests is clearly important. We are currently examining interagency coordination issues as part of our work for this Subcommittee and Congressman Skelton in counterterrorism operations, exercises, and special events and in the Nunn-Lugar-Domenici Domestic Preparedness Program. In doing our work, we have observed some indications of potential overlap in federal capabilities to deal with WMD, and we plan to further assess this issue for you and Congressman Skelton.

In a second, related observation, more money is being spent to combat terrorism without any assurance of whether it is focused on the right programs or in the right amounts.

Our December 1997 report[3] showed that seven key federal agencies spent more than an estimated $6.5 billion in fiscal year 1997 on federal efforts to combat terrorism, excluding classified programs and activities. Some key agencies' spending on terrorism-related programs has increased dramatically. For example, between fiscal year 1995 and 1997, FBI terrorism-related funding and staff-level authorizations tripled, and Federal Aviation Administration spending to combat terrorism nearly tripled.

We also reported that key interagency management functions were not clearly required or performed. For example, neither the National Security Council nor the Office of Management and Budget (OMB) was required to regularly collect, aggregate, and review funding and spending data relative to combating terrorism on a crosscutting, governmentwide basis. Further, neither agency had established funding priorities for terrorism-related programs within or across agencies' individual budgets or ensured that individual agencies' stated requirements had been validated against threat and risk criteria before budget requests were submitted to the Congress.

Because governmentwide priorities have not been established and funding requirements have not necessarily been validated based on an analytically sound assessment of the threat and risk of terrorist attack, there is no basis to have a reasonable assurance that funds are being spent on the right programs in the right amounts and that unnecessary

---

[3]Combating Terrorism: Spending on Governmentwide Programs Requires Better Management and Coordination (GAO/NSIAD-98-39, Dec. 1, 1997).

program and funding duplication, overlap, misallocation, fragmentation, and gaps have not occurred.[4]

In part as a result of our work, the National Defense Authorization Act for Fiscal Year 1998 (P.L. 105-85, Nov. 18, 1997) requires OMB to establish a reporting system for executive agencies on the budgeting and expenditure of funds for programs and activities to combat terrorism. OMB is also to collect the information and the President is to report the results to the Congress annually, including information on the programs and activities, priorities, and duplication of efforts in implementing the programs. OMB recently issued its first report to Congress on enacted and requested terrorism-related funding for fiscal years 1998 and 1999, respectively. OMB reported that more than 17 agencies' classified and unclassified programs were authorized $6.5 billion for fiscal year 1998, and $6.7 billion was requested for fiscal year 1999. OMB's figures are lower than ours were for fiscal year 1997, but different definitions and interpretations of how to attribute terrorism-related spending in broader accounts could cause a difference of billions of dollars. What is important about the OMB effort is that it is a first step in the right direction toward improved management and coordination of this growing program area. But this crosscutting, or functional, view of U.S. investments in combating terrorism, by itself, does not tell the Congress or the executive branch whether or not the federal government is spending the right amounts in the right areas.

---

[4]For further discussion of threat and risk assessment approaches and models, see Combating Terrorism: Threat and Risk Assessments Can Help Prioritize and Target Program Investments (GAO/NSIAD-98-74, Apr. 9, 1998).

Many challenges are ahead as we continue to see the need for (1) governmentwide priorities to be set, (2) agencies' programs, activities, and requirements to be analyzed in relation to those priorities, and (3) resources to be allocated based on the established priorities and assessments of the threat and risk of terrorist attack. As an example of my last point, if an agency spends $20 million without a risk assessment on a security system for terrorism purposes at a federal building, and the risk of an attack is extremely low, the agency may have misspent the $20 million, which could have been allocated to higher risk items.

Additionally, we see opportunities in the future to apply Government Performance and Results Act of 1993 principles to the crosscutting programs and activities intended to combat terrorism. The act requires each executive branch agency to define its mission and desired outcomes, measure performance, and use performance information to ensure that programs meet intended goals. The act's emphasis on results implies that federal programs contributing to the same or similar outcomes should be closely coordinated to ensure that goals are consistent and program efforts are mutually reinforcing.

In response to a separate requirement from the fiscal year 1998 Appropriations conference report (House Report 105-405), the Department of Justice is drafting a 5-year interdepartmental counterterrorism and technology crime plan. The plan, due to be completed by December 31, 1998, is to identify critical technologies for targeted research and development efforts and outline strategies for a number of terrorism-related issues.

In developing the plan, Justice is to consult with the Departments of Defense, State, and the Treasury; the FBI; the Central Intelligence Agency; and academic, private sector, and state and local law enforcement experts. While Justice's efforts to develop an interagency counterterrorism and technology crime plan are commendable, this plan does not appear to have been integrated into the agencywide Government Performance and Results Act planning system. Justice's 1999 annual performance plan contains a section on reducing espionage and terrorism, and it does not mention the 5-year plan or how it plans to coordinate its counterterrorism activities with other agencies and assess inputs, outputs, and outcomes. Justice has recognized that it needs to continue to focus on developing and improving crosscutting goals and indicators.

Our third observation is that there are different sets of views and an apparent lack of consensus on the threat of terrorism–particularly WMD terrorism. In our opinion, some fundamental questions should be answered before the federal government builds and expands programs, plans, and strategies to deal with the threat of WMD terrorism: How easy or difficult is it for terrorists (rather than state actors) to successfully use chemical or biological weapons of mass destruction in an attack causing mass casualties? And if it is easy to produce and disperse chemical and biological agents, why have there been no WMD terrorist attacks before or since the Tokyo subway incident? What chemical and biological agents does the government really need to be concerned about? We have not yet seen a thorough assessment or analysis of these questions. It seems to us that, without such an assessment or analysis and consensus in the policy-making community, it

would be very difficult–maybe impossible–to properly shape programs and focus resources.

Statements in testimony before Congress and in the open press by intelligence and scientific community officials on the issue of making and delivering a terrorist WMD sometimes contrast sharply. On the one hand, some statements suggest that developing a WMD can be relatively easy. For example, in 1996, the Central Intelligence Agency Director testified that chemical and biological weapons can be produced with relative ease in simple laboratories, and in 1997, the Central Intelligence Agency Director said that "delivery and dispersal techniques also are effective and relatively easy to develop." One article by former senior intelligence and defense officials noted that chemical and biological agents can be produced by graduate students or laboratory technicians and that general recipes are readily available on the internet. On the other hand, some statements suggest that there are considerable difficulties associated with successfully developing and delivering a WMD. For example, the Deputy Commander of the Army's Medical Research and Materiel Command testified in 1998 about the difficulties of using weapons of mass destruction, noting that "an effective, mass-casualty producing attack on our citizens would require either a fairly large, very technically competent, well-funded terrorist program or state sponsorship." Moreover, in 1996, the Director of the Defense Intelligence Agency testified that the agency had no conclusive information that any of the terrorist organizations it monitors were developing chemical, biological, or radiological weapons and that there was no conclusive information that any state sponsor

had the intention to provide these weapons to terrorists. In 1997, the Central Intelligence Agency Director testified that while advanced and exotic weapons are increasingly available, their employment is likely to remain minimal, as terrorist groups concentrate on peripheral technologies such as sophisticated conventional weapons.

- - - -

Mr. Chairman, that concludes my prepared statement. I would be happy to answer any questions at this time.

(701141)

Mr. SOUDER. Thank you. Mr. Johnson.

Mr. JOHNSON. I appreciate the opportunity to appear before this committee. And I particularly appreciate the opportunity to appear with the GAO. I think that the body of work over the last year is particularly impressive in this area, and I add my endorsement of Congressman Skelton's remarks in that regard.

I want to ask that my statement also be included in the record. I've provided a written statement and I'll dispense with reading it.

What I'd like to do is jump to a very quick picture of the face of terrorism right now. I have felt like a voice crying in the wilderness. And let me emphasize, I'm not coming at this with any particular ax to grind. I've worked in the intelligence community. I've worked as a policymaker. I continue to provide some support to the Department of Defense in scripting exercises, but nothing I'm saying today is designed, in any way, to give me more work, or in anyway provide a financial advantage. In fact, if you take it—what I'm saying—there is less terrorism and I think we're throwing too much money at it right now in an unwise way. I would be seen cutting my own throat financially if that was, in fact, the primary source of my income.

The bottom line for us, the good news, is that the United States has an extraordinary robust capability to combat terrorism. And one of the reasons I've always enjoyed working the issue of terrorism is that it is still one of the last remaining vestiges of bipartisan agreement. I don't care what your political views are, everyone can agree that terrorism is a bad thing and Republicans, Democrats, and Independents alike have always cooperated in combating that threat. So, with that in mind, let me turn to these charts and just do a very quick presentation.

The statistics I'm going to show you were collected by the Central Intelligence Agency, the FBI and the Department of State's Bureau of Diplomatic Security. Some of these are published annually and have patterns of global terrorism, but the presentation today, a lot of the statistics you will see for the first time.

This chart shows you the picture of international terrorism going back over the last 30 years. We are right now approaching levels that we have not seen since the early 1970's. The zenith of international terrorist activity was in the mid-1980's. At the bottom of the screen you notice the red. That is domestic acts of terrorism.

There is always a problem with collecting statistics about terrorism beginning with how you define it. As the Central Intelligence Agency has defined international terrorism, simply, it's an act where someone attacks a foreigner in their country or someone from a particular country goes to another country, and carries out an attack. Those get lumped in as international terrorists incidents.

There is a problem with this data that is consistent over time. Attacks in Algeria, against Algerians, don't show up in any of these statistics. Those are domestics incidents of terrorism in Algeria. The same for Pakistan, the same for India, the same for Egypt, and the same for Turkey. That said, I do recall having worked this issue in the mid-1980's, and when the acts were going up and we were showing the constant rise in the number of incidents, nobody was saying there was a problem with the statistics. It is only when

we've seen the decline that we have begun to see some intellectual gymnastics to explain, well, the incidents are down but casualties are getting worse. I have statistics later to show that that is not true.

The picture of these incidents as well can be seen by how many are anti-U.S. attacks. A substantial majority or substantial portion of the attacks in any given year are anti-United States. I'd like to point to 1991, is particularly noteworthy in terms of assessing the issue of threat.

Terrorism is a dynamic phenomena and can change quickly. We saw that during the Gulf war the number of attacks, total international attacks, as well as anti-United States attacks, dramatically increased. And there is a lesson. Policy actions of the United States can provoke retaliation.

There is good news buried in the rise in the number of attacks, however, because in that year most of them were low level. There were bombings of Kentucky Fried Chicken restaurants. We did not have large casualty incidents because the countermeasures that were put in place did an effective job of preventing high casualty attacks at that time. When you look at the picture domestically, I have jokingly said that some officials who have made comments of domestic terrorism increasing were raised learning Arabic or Chinese because their reading from right to left. The facts are that the number of incidents both actual and prevented have declined over time. I give the primary credit for that to the FBI. The FBI has done a very effective job. I think one of the other key components that help contribute to this, is the fact that we are free. Freedom ends up being one of our best defenses against terrorism. It doesn't make us more vulnerable, in my view, it makes us stronger.

I would note that the 1997 results are preliminary figures because the FBI is only now releasing its report for 1996. But, I am told that 11 of those 13 incidents were letter or package bombs that were sent to the Al-Fayat Newspaper. None of those exploded. I think that illustrates in part that when you start stretching out to define an act of terrorism, is a letter that is delivered but did not explode, you have to accept the possibility of that threat but you should not exaggerate.

Another way to look at the level of international terrorist activity is by examining the regions of the world that are affected the most by international activity. And as you can see, the picture changes over time. I think the most interesting thing is to go against the conventional wisdom that the Middle East is the source of most international terrorism. That simply is not true. For the preliminary statistics for 1997, the State Department will issue its final report by the end of this month.

Colombia, Latin America, is the region right now with the greatest number of incidents of international terrorist attacks. And everything else plays a distant second. But you can also note that it changes, it is not static over time. And that reflects the fact that you can not pretend that terrorism is somehow going to disappear. That we can put away all of our capabilities. That we need to stick our head in the sand. I'm not advocating that. I'm not saying there is no threat. But I am saying that, I think sometimes we exaggerate the threat. In exaggerating the threat we end up scaring the

American people more than we do helping them recognize that the Federal Government is actually doing a pretty good job of protecting them.

When you look at the number and types of groups, the number of groups engaged in international terrorism have also been falling. And when you break them out by whether they are radical Marxists or Islamic Radical Fundamentalists, you also have some radical Jewish groups that once in a while show up, you'll notice that the vast majority of these groups remain radical Marxists though they continue to disappear. In fact, there was a fairly substantial fall off in 1991 as the Soviet Union was breaking up. The checkbook that the Soviets provided to countries like Cuba, Syria, and Iraq went empty. When the checkbooks went empty those groups no longer had a way to sustain themselves.

The other thing that I would note is that the number of Islamic Radical Fundamentalists groups, at least those engaged in international terrorism, are not dramatically increasing. Like the caveat that goes with mutual funds, this is no guarantee of future performance. This does not guarantee that you are always going to have the same set number of groups to deal with. But I do believe that the decline in groups coincides with a renewed vigor of U.S. policy that came in the wake of the Iran Contra scandal.

When the United States began getting its policy act together back in 1987 it had a measurable effect upon the incidents of international terrorism around the world. Another way to look at this is to say, of those groups who are engaged international terrorism, which ones are responsible for most of the attacks. Now this was a statistic, I must admit that when I was at the State Department we never generated. And when I got the data and began producing it, I was surprised by the fact that within any given year you're talking about 4 to 10 groups, maximum, who are responsible for 20 or more attacks. And from the standpoint of planning and using resources we don't have to worry about a universe of terrorists. We don't have to worry about a hoard. We are dealing with a very measurable, defined, discrete group. You'll see over time that there are some interesting similarities.

In 1996, as an example, when the data is classified there are some that are unknown and there is a group for others that are so insignificant as to not be measured. But, what is important in this statistic is, you notice, that in 1996 five groups alone accounted for 51 percent of all international terrorists incidents. Two of those groups are based in Colombia, three of those groups are based in Turkey. And I would note that there it is no coincidence that Colombia and Turkey are major sources of drugs coming into the United States.

The lesson here, I believe, is that as State sponsorship has changed because of the effectiveness of U.S. policy and making it very costly for States to sponsor terrorism, you are seeing many of these groups now turn to drug trafficking as a way to finance their activities. I'm not talking narco-terrorism because the narcotics industry, generally, likes to avoid confrontation and make money. They are businesses. But we are seeing this phenomenon and it's not just in 1996. Again, we see it in 1997.

While the number of unknown and other groups fluctuates a few percentage points, once again, you see the National Liberation Army of Colombia, the Armed Revolutionary Forces of Colombia, FARC, and the Kurdish Workers Party of Turkey. All three groups are engaged in narcotics trafficking. All three groups are engaged in committing acts of international terrorism.

I would also like you to note that groups that are traditionally identified as carrying out lots of terrorist attacks, at least in the mind of the public, Hezbollah, HAMAS, the Khmer Rouge, the Al-Gama 'Al-Islamlyya of Egypt, were responsible for a relatively small number of incidents. But, I will show a statistic later which explains why the public perception, and this deals with the issue of casualties.

When you look at the casualties for international terrorism over time, we have not reached the level of lethality experienced in 1987—1986, 1987. That timeframe was the highest body count of international terrorist. Now let me put it in another perspective. If you add up the total number of people that have died from international terrorism, since 1968, the number is less than 11,000. I don't want to minimize in any way the loss of life, but when you compare that to the loss of Americans who have died from the use of drugs—these statistics are from the White House Office of National Drug Control Policy—100,000 Americans in the first 6 years of this decade alone. So, when you're talking about threat and loss of life, we're dealing with a great disparity in which the loss of life from drugs is substantially higher than the loss of lives from international terrorism.

At the same point, I do want you to take note of a couple of incidents, in 1995—and I think I have a graph that will show this a little clearer. The blue and the yellow refer to—the blue are foreign casualties wounded from international terrorism; the yellow are U.S. casualties; the red are foreign fatalities from international terrorism; and the green are U.S. fatalities.

The two largest loss of life refer to U.S. citizens and acts of terrorism, international terrorism. In 1983, the bombing of the Marine barracks in Beirut is still the highest loss of United States lives—over 207. In 1988, the bombing of Pan Am 103. The two individuals responsible for that bombing remain in Libya. The Libyan Government continues not to cooperate. In 1993, the bombing of the World Trade Center. In 1996, the bombing of Dharan in Saudi Arabia. And this enormous peak that occurred in 1995 internationally, was the result of one incident in Japan. The Sarin gas attack on the subways by Aum-Shinryko.

The lesson from this is, I want you to put it into context, we're not facing a rising tide of fatalities or casualties around the world. International terrorism, fortunately, remains a relatively minor threat that is under control. But, governments have got it into that position by taking a proactive stance. So, I think the effort is not one of, let's stop what we are doing, but rather I think we are doing a good job, we can do better with what we are doing. And with a better focus of resources we can manage this problem. This is a manageable problem. I'd also like to show you the—this graph quickly provides an overview of U.S. casualties from terrorism. And again, you see a large number of wounded, over 900 in the bombing

of the World Trade Center in New York City, in 1993, and again in Dharan. But overall the loss of lives by U.S. citizens international terrorism has been very, very low, thankfully.

I'd like to show you who is doing the killing. These statistics are based upon who was suspected. In the intelligence community's judgment, based upon all source information where they made their best judgment. What is interesting about this and go back and check at some point the number of groups responsible for incidents. You'll see that the groups that are causing casualties are the groups with fewer incidents generally.

In 1996, the Tamil Tigers of Sri Lanka, they set off a truck bomb, there were several foreigners in the crowd and the incident was recorded as an act of international terrorism.

The Irish Republican Army, in 1996, was responsible for almost 10 percent of the attacks. The Islamic Resistance Movement, HAMAS, again almost 10 percent. The Armed Islamic Group in Algeria, 4 percent. In 1997, we see a similar picture. Here HAMAS was responsible for most of the casualties last year, even though, it committed less than 1 percent of the attacks.

And the lesson from there is we can't just look at the numbers and say how many attacks, we have to look at: numbers of attacks, numbers of casualties, and who is doing them, and where they live. When you look at it from that perspective, again, you see over time casualties by region change.

Last year most of the casualties were in the Middle East, and even though, the number of incidents in the Middle East was relatively small. The Middle East, over the last 3 years, has been very high in terms of casualties. This, in my view, explains partly the public's perception that international terrorism is a phenomena of Islamic Radical Fundamentalists.

Finally, just to underscore a point that the GAO made, you can see over time the red symbolizes bombs. Bombs remain the most popular form or method of attack by groups that engage in international terrorism.

Let me just quickly make one final comment. What I see is that too many cooks spoils the broth remains the problem that we have right now. When U.S. citizens were being killed at a higher rate—when we had airplane bombings, we had three for example, from December 1988 through November 1989. Talking the bombing of Pan Am 103, the bombing of UTA 772, and then the bombing of an Avianca plane in Colombia that was carried out by Pablo Escobar.

During that period, we were not running around saying that the world was going to end and that our international terrorists were on the rise. I think actually we have international terrorists reined in. But there are some problems on the horizon. And there are two I would point you to.

No. 1, in countries like, Pakistan, Egypt, Turkey, and Algeria, you are seeing a Radical Islamic Movement that is challenging secular governments. Those groups are not looking to project international force at this time. They have not been concentrating their attacks on international citizens or foreigners. They've been concentrating their attacks on secular governments. But, in that, they represent a brand of Islam that is not mainstream. There is the

vast, vast majority of Muslims that oppose terrorism and support peace. A small group of individuals are willing to commit acts of violence that know no limits. Fortunately, they do have limits technologically, and they use the good old fashioned method of shooting, and chopping people to bits, and blowing them up.

If those groups, at some point, consolidate their power over those societies, then we will be seeing a new form of Iran. An Iran that would be more lethal and more deadly down the road. I don't see that on the immediate, imminent, horizon. But, it is something that we have to pay attention to.

A second area are the now groups that at one time were willing to rely upon money from state sponsors. They're now out as entrepreneurs on their own and are turning increasingly to drug trafficking. I would just simply say in my final remark, the findings of the GAO, in my experience, having worked the counterterrorism issue and seen it from many different perspectives is exactly on target. And with that, I'll be happy to answer any questions.

Mr. SOUDER. Thank you, first for the record, and I would like unanimous consent to insert all statements as well as these charts and have up to 3 days for additional materials. Hearing no objection, so ordered.

[The prepared statement of Mr. Johnson follows:]

TESTIMONY OF LARRY C. JOHNSON BEFORE THE SUBCOMMITTE ON NATIONAL SECURITY, INTERNATIONAL AFFAIRS, AND CRIMINAL JUSTICE

April 21, 1998

I am pleased to appear before this committee today to offer my personal thoughts on the capability of our government to deal effectively with the threat of terrorism. I have worked on the issue of terrorism in several capacities during the last 18 years--as an academic at the American University, as an analyst at the Central Intelligence Agency from 1985 to 1989, and as a policymaker in the U.S. Department of State's Office of the Coordinator for Counter Terrorism. I have continued to work on terrorism issues as a consultant since leaving Government service in October of 1993. My activities have included an analysis of the U.S. Government's databases on chemical and biological agents and scripting terrorism exercises for U.S. military forces. I also represented the U.S. Government at the July 1996 OSCE Terrorism Conference in Vienna, Austria. I appear today, however, as a private citizen. My comments are my own and are based on my previous experience.

I want to begin with the good news. The United States has robust and effective capabilities to combat domestic and international terrorism. We have an improving ability to deal with a wide range of threats, including chemical, biological, and nuclear terrorism. We have achieved dramatic improvements in operational readiness and competence since 1987, when President Reagan launched an initiative to buttress U.S. military, intelligence, and law enforcement capabilities. Since then, the incidents of international and domestic terrorism have fallen to historic lows.

The drop in terrorist incidents is not an accident. It is the result of solid and consistent bipartisan policies, good intelligence, proper coordination and preparation, and competent operations. The successes we have enjoyed, and there have been many, have been a direct consequence of good coordination and teamwork. It is also important to recognize that Americans from all points on the political spectrum--Democrats, Independents, and Republicans--agree that terrorism is evil and the Government has a responsibility to fight it.

While terrorism has been on the decline, counter terrorism efforts have proliferated. Many U.S. Government departments and agencies have discovered that terrorism makes them relevant. Departments, which at one time only were peripherally involved in counter terrorism, now are seeking new missions and bigger budgets to play in this arena. Our challenge as a country is to create and maintain essential capabilities to detect and combat threats to our nation's security without wasting scarce resources, chasing false threats, or compromising our liberties.

My goal today is to assist this committee in its efforts to preserve our nation's strong capabilities to combat terrorism. I will share with you empirical data and analytical judgments about the changing nature of the current threat. I will then review the major components of our counter terrorism system. Next, I will identify shortcomings in the current mix of policies and programs that could undermine our national capabilities if left unchecked. I will conclude by identifying steps this committee should consider as it weighs

choices on how to keep America capable and competent to meet the threat of terrorism here and abroad.

What is the Threat?

The threat of terrorism, whether domestic or international, has dropped fairly dramatically since 1993 I was at Department of State. Yet, citing statistical declines offers no comfort to those who have lost loved ones in terrorist bombings in Israel, Argentina, and Oklahoma City, or the sarin gas attack in Tokyo. For these people, terrorism is a terrible reality. It is a reality we must remain prepared to confront. We also must constantly assess whether we are doing the right things and how we are organized to deal with the threat.

The following charts provide an overview of where we have been and where we are today:

1. International terrorist incidents have fallen more than 50% since 1987. Things indisputably are better today than they were in the mid-1980s when we saw airplanes blown from the sky, embassies bombed, and ships hijacked. Yet, a sizeable portion of these incidents are directed against the United States. (Chart 1 and 2).
2. Domestic terrorist incidents have fallen 80% since 1981. Effective law enforcement is the major factor, in my judgment, behind these results. The FBI has been very effective in discovering and arresting groups involved with terrorist activity. (Chart 3)
3. Latin America and Europe, not the Middle East, have been the regions with the most international terrorist incidents. (Chart 4)
4. The number of groups engaged in international terrorism also has declined. Marxist-Leninist inspired, rather than Islamic Radical Fundamentalists, are the most numerous groups. What is particularly interesting is that the number of Islamic Radical Fundamentalist groups has not increased significantly during the last ten years. (Chart 5)
5. Most international terrorist attacks are carried out by a small number of groups. In 1996 five groups carried out 51% of all international attacks. Two of these operate in Colombia and the other three operate in Turkey. In 1997 three groups were responsible for 39% of all attacks—with the groups in Colombia accounting for 34% of the attacks. It is no mere coincidence that the countries with the largest numbers of international terrorist attacks are also the areas where the production and distribution of illegal narcotics are a major problem. (Charts 6, 7, and 8)
6. Fatalities from international terrorism have fallen since 1987. There have been isolated but dramatic incidents that have cause unprecedented mass casualties—the 1993 World Trade Center bombing, the 1995 Sarin gas attack in Tokyo, and the 1996 truck bomb in Sri Lanka. During the last 30 years citizens of other countries have been the most common victims of terrorist attacks. The largest loss of US citizens in a terrorist incident remains the 1983 attack on US Marines in Beirut, Lebanon. (Charts 9, 10 and 11)
7. The groups responsible for most of the casualties are different from the groups responsible for most incidents. In 1996, for example, the Tamil Tigers, the IRA,

Hamas, and the Armed Islamic Group accounted for 91% of the casualties. Preliminary figures for last year show that three groups caused 95% of the casualties. (Chart 12 and 13)

8. Although most international terrorist incidents did not occur in the Middle East, it was the area where most of the casualties occurred. This phenomena offers one possible explanation for the perception that most terrorism is carried out in the Middle East. (Chart 14)

During the 1980s, groups linked directly and indirectly to states' opposed to the United States were a major source of international terrorist activity. Beginning in 1987, the United States made cracking down on state sponsors of terrorism a top priority of its counter terrorism policy. Through a combination of diplomacy, intelligence operations, military strikes, and law enforcement we made substantial gains in reducing the ability of states, such as Iraq, North Korea, Cuba, Syria, and Libya, to sponsor terrorism. Although the number of states identified on the list of state sponsors has increased from six to seven, most of these countries are no longer actively engaged in supporting terrorist operations. The two groups responsible for 34% of the terrorist attacks in 1997 are based in Colombia and at one time received substantial support from the Soviet Union and Cuba. Today these groups are self-financing, relying instead on illegal narcotics and kidnapping to generate cash.

We should take little comfort in the narrowing of the threat because the violence today seems less predictable and more dangerous. While international terrorist incidents are down, domestic terrorism has increased in Algeria, Colombia, Egypt, Pakistan, and India. Most of these countries face attacks by extremist religious groups that want to eliminate secular government. Religious fervor rather than political ideology motivate the terrorists.

Fundamentalist groups—the true believers—tend to be less pragmatic and more willing to take risks than groups with strong ties to other countries. They worry less about the external consequences of their actions and are willing to accept international isolation. Their leaders tend to have short tenures and parochial strategic visions. Their ability to project force—conduct terrorist operations outside of their national area—is generally limited.

What do we need to meet the Threat?

The foundation of our counter-terrorism policy, which was erected in 1987, remains essentially sound. There are four basic pillars:

1. Intelligence collection and analysis;
2. Law enforcement and prosecution;
3. Diplomacy and coordination;
4. Operations and training;

Although we generally think of these as relevant to international terrorism, I believe these principles also are relevant to domestic terrorism. Collecting information on terrorist groups is an essential element in our ability to track and defeat them. We need to identify the members of these groups, learn how they get their money and who provides them with

training and support, track their capabilities, and preempt their plans. The task goes beyond simply gathering facts. Raw intelligence also must be assembled, analyzed, and used for operational or other purposes. The process is the same whether the targets are Hezbollah guerrillas in Lebanon or domestic terrorists in the U.S. The value of this process was illustrated by the Tiny Star incident. Tiny Star was a ship used by Libya in planning and carrying out a sea borne attack against Israel in 1990. We learned the details of the operation through intelligence methods, but we used this information to convince skeptical U.S. allies in Western Europe to toughen sanctions against Libya.

Along with intelligence we must have law enforcement. Arresting, prosecuting, and incarcerating terrorists has occupied center stage for U.S. efforts in recent years. Last year, for example, the FBI, working in tandem with the State Department and the CIA, captured and returned to the United States Mir Amal Kansi, the man responsible for murdering and wounding CIA employees on their way to work in McLean. In 1995, the U.S. Government apprehended the mastermind of the World Trade Center bombing, Ramsi Yousef who was tried and convicted last year. In addition, Sheik Abdul Rahman was convicted as part of a conspiracy to commit a series of terrorist acts in the New York City area.

Law enforcement is a critical tool to implement counter terrorism policy produces several benefits. First, I believe it has a clear deterrent effect. At a minimum, it sends a signal to all terrorists that attacks against the United States will not go unpunished, and that if identified and caught they will personally pay a heavy price. Second, it provides a clear demonstration of what separates us from terrorists. Our goal as a country is to seek justice rather than vengeance. When we afford terrorists the right of due process we are making a powerful statement to our citizens as well as the terrorists. We hold them legally accountable for their actions.

Finding and arresting terrorists outside the United States is a significant undertaking. It requires the permission of foreign governments and coordination among a variety of agencies. The arrest of the mastermind of the World Trade Center bombing, Ramsi Yousef, is a case in point. The U.S. Government first learned of his whereabouts thanks to a collaborator who walked into the U.S. Embassy in Pakistan. Elements of several U.S. Government agencies were involved in vetting the information provided by the source and putting in place an operation to apprehend Yousef. In addition, the United States asked for and received the full assistance of the Government of Pakistan to arrest and extradite Yousef. This type of coordination and cooperation is characteristic of what happens when things go well. But these events do not happen of their own accord. It takes preparation and often years of work to put the mechanisms in place. Securing such cooperation is the nuts and bolts of diplomacy.

The use of diplomacy in fighting terrorists encompasses more than assisting law enforcement. It includes reaching international consensus on how to handle issues ranging from aviation security to tagging explosives to imposing sanctions on state sponsors. Most importantly, it involves developing and implementing policy responses to terrorism or the threat of it. In many cases we know beyond a reasonable doubt who the terrorists are and who bankrolls and sponsors them. But, we have no chance of ever apprehending or trying them in a court of law. Other, sometimes aggressive, responses are necessary.

The principle of diplomacy and coordination also is relevant to counter-terrorism efforts inside the United States. Interactions between Federal, state, and local officials can be just as complicated and sensitive as any operation conducted overseas. Because of Constitutional protections that exist within the United States, ensuring proper coordination among the different law enforcement agencies can play a critical role in whether or not a prosecutable case against a terrorist can be obtained.

Finally, to rein in terrorists we must have personnel with the skills to detect and stop them. At the Munich Olympics in 1972 the world learned a painful lesson. The German Government, despite having one of the best military and police forces in the world, was unprepared and ill-equipped to deal with the Black September terrorist group that stormed the Israeli apartments at the Olympic complex. As a result of that experience other developed nations and we embarked on an extensive campaign to develop and maintain counter terrorism strike forces and police SWAT teams.

We enjoy a wealth of resources in the United States, both at the national and state level, for dealing with terrorists. The U.S. military special operations forces are the best in the world and provide the President with enormous capabilities for dealing with a variety of terrorist contingencies. Closer to home we have seen the remarkable capabilities of state and local agencies to handle the aftermath of terrorist incidents at the World Trade Center and the Federal Building in Oklahoma City.

We have witnessed some important strides towards improving our domestic readiness by providing training and preparation to conduct multi-agency operations under the auspices of the Nunn Lugar Domenici legislation. These exercise programs serve several purposes. First, they give the agencies a chance to test their readiness to handle future contingencies. Second, they allow the various departments and forces to become familiar with each other and to learn how to coordinate and work together under a stressful situation. In my experience you cannot wait until an incident occurs to figure out how you will collectively respond. Finally, these kinds of exercises flag problems and conflicts that require a solution while there is still time to fix them.

What are the Problems?

The four general areas I have highlighted above represent a formidable package to prevent and deter terrorism if used in a focused coordinated way. Coordinating these capabilities, however, has become more difficult even though the level of international and domestic terrorist violence has diminished. Most of the difficulties are self-inflicted and some are a consequence of the changing nature of the threat.

Combating terrorism has slipped as a policy priority. To be sure President Clinton has had some notable and laudatory victories over terrorists during his tenure, but there also have been glaring shortfalls.

- The Irish Republican Army was not identified as a terrorist group by the Administration, even though it was responsible for almost 50% of confirmed casualties from international terrorist attacks in 1996.
- The State Department lifted restrictions on the travel of US citizens to Lebanon without assurances from that government to pursue the individuals who were responsible for

the murder of U.S. Navy Diver Robert Stetham, U.S. Marine Colonel Richard Higgins, CIA Station Chief William Buckley, and more than 300 U.S. Embassy and military personnel. In addition, the people responsible for kidnapping and holding U.S. citizens hostage have not been arrested or prosecuted.

- Saudi Arabia has hindered progress in identifying and capturing those behind the June 1996 murder of U.S. military personnel by a bomb in Dharan, Saudi Arabia.
- The CIA has reduced its presence in South America despite evidence that Hizbollah has created a beachhead in the region and was implicated in the bombings of the Israeli Embassy and a Jewish Community Center in Buenos Aires.
- The position of the State Department's Coordinator for Counter Terrorism was vacant from June of 1997 until April 1 of 1998.

The diminished priority of counter terrorism has been reflected in wasteful spending and inconsistent policy implementation, even though ample funds have been made available for such programs. Following the 1996 explosion of TWA 800, Congress passed, and President Clinton signed a one billion-dollar anti-terrorism package that included funds for explosive detection systems. Yet, in the subsequent budget the Administration chose not to continue funding those programs. The law also gave many agencies, such as the FBI, the Department of Energy, and the Federal Aviation Administration, more money and personnel to combat terrorism even though terrorist incidents were down. For example, the FBI has created a domestic counter terrorism center and hired more than a thousand new agents. Yet, domestic terrorist incidents remain infrequent and generally inconsequential. Others, such as State Department, received nothing.

Bureaucratic turf protection and budget priorities rather than a growing threat have also contributed to the muddle in U.S. counter terrorism programs, especially those designed to combat biological, chemical, and nuclear terrorism. Government agencies and departments have discovered that having a mission that deals with weapons of mass destruction guarantees bureaucratic survival and budget growth.

For those of us who have worked in the counter terrorism community for more than ten years, we are seeing a mind-boggling proliferation of agencies with responsibilities for weapons of mass destruction. Fortunately terrorists are having a much more difficult time building or buying such weapons. There is an ample supply of organizations ready to package and transport a chemical, biological, or nuclear device. You can choose from the U.S. Army's Technical Escort Unit, the U.S. Army 52nd Explosives Ordnance Disposal Unit, the Environmental Protection Agency's Environmental Response Team, or the Department of Energy's (DOE) Joint Technical Operations Team.

In 1990 responsibility for identifying and evaluating "weapons of mass destruction" agents resided with the U.S. Army Technical Escort Unit, the U.S. Army Medical Research Institute for Infectious Diseases, or the DOE Nuclear Emergency Search Team. Today the array of players has grown and includes, along with the aforementioned units, Marine Corps' Chemical Biological Incident Response Force, the DOE Joint Technical Operations Team, the DOE Nuclear-Radiological Advisory Team, and the DOE Lincoln Gold

Augmentation Team, and the Naval Medical Research Institute. In addition, the Center for Disease Control and Prevention, the National Institutes of Health, the Food and Drug Administration, and the Environmental Protection Agency all claim to have a critical role in the process. Let us not forget the FBI, which, along with its Domestic Counter Terrorism Center, is trying to build its own forensic labs to handle chemical and biological agents even though facilities already exist at the Center for Disease Control, the Environmental Protection Agency, the National Institutes of Health and U.S. Army Medical Research Institute of Infectious Diseases (USAMRIID).

The problem of duplication and excess also exists in other areas of the counter terrorism community. There are several anti-terrorism training programs for foreign police--the Department of State's Anti Terrorism Assistance Training Program, the Department of Justice International Criminal Investigations Training Assistance Program, and the FBI's Academies in Budapest, Hungary and Quantico, Virginia.

The problem of coordination has become more complicated with the emergence of "Consequence Management" as a component of our national response to terrorism. Before the bombing of the World Trade Center and Oklahoma City, our national level response emphasized "Crisis Management". Crisis management is analogous to what a fire department does when it is alerted to a fire. The crew saddles up and goes out to battle the blaze. Consequence management is analogous to the functions performed by insurance company, the fire investigator, and the Red Cross. They handle putting life back together once the fire is out.

There is an inherent and unavoidable conflict between Crisis Managers and Consequence Managers in the field of counter terrorism, which is best illustrated by the following scenario. Assume that we have intelligence that a terrorist group is hiding in a city and is manufacturing a deadly biological agent. Most importantly, we know the location of the terrorist lab.

What should be done and who is in charge? From the Crisis Management perspective—and let us assume this is a domestic threat—the FBI has the lead. They will want to secure the site without alerting the bad guys that their plot has been uncovered. Operational security—i.e., limiting knowledge of the operation to those with a need to know—is a priority. Planning in stealth and striking quickly and violently is a priority for the Crisis Managers.

Consequence Managers have a different perspective. Their primary concern focuses on the potential harm to the surrounding population. Unlike Crisis Managers, who prefer to operate without the knowledge of the targets, Consequence Managers have a more public focus. Their units are larger because they are designed to serve a larger population.

Under this scenario, let us assume that the Crisis Managers decide that a preemptive strike is the best way to deal with the threat. That would entail putting personnel and equipment surreptitiously around the target and, at the designated moment, launching an assault. Consequence Managers, however, would be inclined to evacuate people from the surrounding neighborhood to guard against the chance that the unsuspecting civilians could be contaminated if the terrorist device was accidentally exploded. Yet if you

evacuate the people, you run a high risk of alerting the terrorists and provoking them into using the device.

So, who makes the decision? Current policy provides no clear guidance. The Crisis Managers and the Consequence Managers can each legitimately claim they have the final call. The picture is further muddied by local officials, who under our federal system of government, have a say in the process as well. We should not wait until there is a real world incident to figure out how to resolve this issue. Making bad decisions in the heat of battle creates bad policies.

A final area of concern is our diminishing ability to collect human intelligence relevant to the terrorist threat. Our current human intelligence system is a relic of the Cold War. Without delving too deeply into methods, let me simply note that the CIA is organized and structured to go after intelligence sources that are tied to governments. Diplomatic circles proved a fruitful field for spotting and recruiting such assets.

The kinds of terrorist threats we face today are not generally linked to specific countries. You are not likely to meet the key representatives of Hamas or the Al' Gama Al Islamiya on the diplomatic cocktail circuit. Complicating the question of targeting is religion. Many of the groups that pose potential threats to us are based on a religious belief. It is one thing to ask a intelligence officer to penetrate a business or government while working undercover. It is an entirely different and more difficult proposition to penetrate a religious fraternity.

The different missions of the intelligence community and the law enforcement community create a natural friction that makes it difficult to fully exploit the information that each collects about the activities and plans of terrorist groups. The intelligence community enjoys the luxury of being able to gather information without having to worry about it meeting evidentiary standards for use in a court case in a U.S. jurisdiction. While the CIA and other intelligence organizations face some constraints in collecting information internationally, e.g. not targeting US citizens unless there is clear evidence that the person is involved in terrorist or narcotics activities, the only real limitations are those imposed by the quality of the information. The intelligence collected is dictated primarily by requirements established through a comprehensive inter-agency process.

The FBI, although it considers itself part of the intelligence community, is an investigative law enforcement organization. The information it collects must be part of an open case that is intended to lead ultimately to the arrest and trial of the suspects. Because of its concerns about how information is handled--improper handling could cause a good case to be thrown out in court--the Bureau has exercised extreme caution in sharing this information.

Unfortunately, the legal constraints placed on it, and the FBI's natural caution have created a situation in which valuable intelligence often is not in the hands of the intelligence community. There is strong concern among intelligence professionals about the lack of information flow from the FBI and other law enforcement agencies to the intelligence community.

This is an issue that goes beyond bureaucratic turf battles. We must find a way to bridge the gap between the way law enforcement agencies and intelligence agencies view their respective tasks and collect and handle information. The law enforcement agencies are very good at investigating cases and bringing them to trial but lack expertise and analytical perspective that the national intelligence agencies can bring to bear on issues. A good example is the fact that the law enforcement community had information about Aum Shinryko activities in the U.S. to acquire material for chemical warfare but did not have a system in place for flagging this as a potential threat. That information never made its way in to the hands of the intelligence analysts who were better prepared to assess it and bring it to the attention of policy makers.

Related to the problem of sharing information is the more difficult issue of tracking international terrorists who move their operations to the United States. There is a clear demarcation at the water's edge. Notwithstanding the Hollywood myth of intelligence agencies acting unfettered within the United States, the reality is quite different. The CIA operates overseas and the FBI is in control domestically. In my view this is as it should be, but we need to have a broader view than we have about groups and individuals operating domestically.

The FBI and other law enforcement agencies collect information in field offices or, when there is an attack against Americans overseas, through the agents dispatched to investigate the crime scene. FBI analysts spend most of their time servicing the needs of the Special Agents in Charge in the field rather than combing through the information that is collected in case reports for strategic intelligence. At present there is neither the incentive nor system in place to routinely generate intelligence that could be used to warn policy makers about developing threats, such as groups like Aum Shinryko.

I recognize that putting in place a system to collect and analyze domestic intelligence in the manner the rest of the intelligence community does raises some legitimate constitutional and civil rights concerns. I am not suggesting trampling on the rights of our citizens. However, our current system is clearly inadequate. International terrorist groups can exploit loopholes in our laws that essentially make them untouchable.

How do we Make the System Work?

There is no magic bullet or program that can get this country fully prepared to face potential threats from terrorists. But I do believe that there are some practical steps we should take that will maintain and enhance our nation's overall level of readiness. First, we need to do a better job of coordinating our efforts to combat terrorism. We must go beyond saying that terrorism is a problem. We need a strategic vision that identifies essential capabilities and necessary programs to meet changing threats. We also need some accountability in the process to ensure the programs and resources are managed efficiently.

Achieving better coordination, however, is a recipe for bureaucratic turf battles. Departments and agencies are reluctant to surrender their control over programs and policies to another agency. Accordingly, the direction for taking this kind of action must come from the President and from the Governors of the fifty states. It is foolish to think you can legislate away turf battles. As long as you have different agencies and departments you will have different missions and conflicts over who does what.

One approach would be to create a "Terrorism Czar" who is charged with the oversight of the counter terrorism mission, both internationally and domestically. This job should be under the direct control of the White House and should be in charge of identifying and monitoring the various counter terrorism missions and capabilities. I think the current "lead agency system"—which puts the Department of State in charge of coordinating international terrorism and the FBI in charge of coordinating domestic terrorism—is basically sound. Yet, neither agency has the power to set budget priorities or assign clearly defined missions. Someone, somewhere in the process needs such power if they are to be effective in coordinating the process. There must be accountability built in to this process. You should not simply commission one or more departments to handle a potential threat, such as thwarting chemical and biological terrorism, without also ensuring that they are required to give an account of their efforts.

Third, I believe we need a national budget line item for combating terrorism, which encompasses both the domestic and the international components. The problem is not one of too little money, rather I think too much money is being spent ill-advisedly. For example, the Department of Energy does not need to have a NEST and a JTOT. These units should be merged and scaled down. I also think it is foolish to assign various parts of the mission for dealing with threats from weapons of mass destruction to different military units. One unit could perform the tasks currently assigned to Army's Technical Escort Unit and the Marine Corps' Chemical Biological Incident Response Force, for example. Someone in the process needs to have the budget authority to match resources to policies. Under the current system there is no such thing as budget item for counter terrorism policy, either domestic or international. I think we are poorly served as a nation by relying on an ad hoc system of budgeting money to deal with this problem. We should consider instead a more disciplined approach where we identify needs and policies and clearly define required to meet these.

Finally, we need to take a hard look at how to obtain better human intelligence against non-governmental organizations, such as a radical religious sect. Targeting such groups raises legitimate concerns about civil liberties, particularly if these groups are in the United States. Instead of enacting a law granting the Executive Branch broad authority in this regard, we should look at using something akin to the Presidential Foreign Intelligence Advisory Board. A small group of distinguished men and women charged with providing the lead agencies for combating terrorism and collecting intelligence with specific guidance on a case-by-case basis. We are not talking about the need to penetrate hundreds of groups. Practically speaking, we are looking at a handful. We should also look at putting in place new mechanisms to bridge the gaps between the domestic and international arenas. Ultimately, such a mechanism should probably reside in the White House rather than being put in one of the major departments. These mechanisms should address procedures to share intelligence information and to conduct planning and training for multi-agency crisis response.

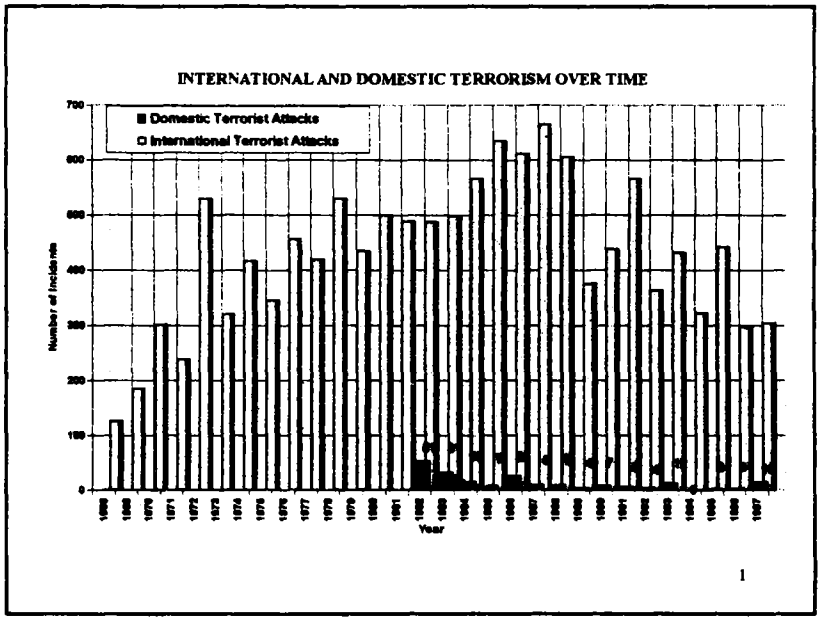
Conclusion

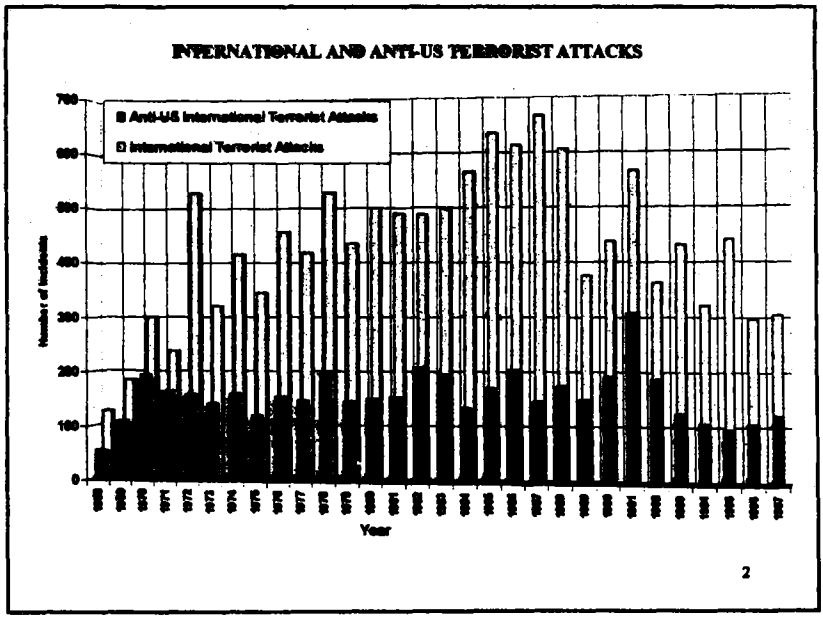
Let me reiterate in closing that I remain optimistic about our national capabilities to combat terrorism. Prevention and preparation can pay important dividends when the unexpected occurs.

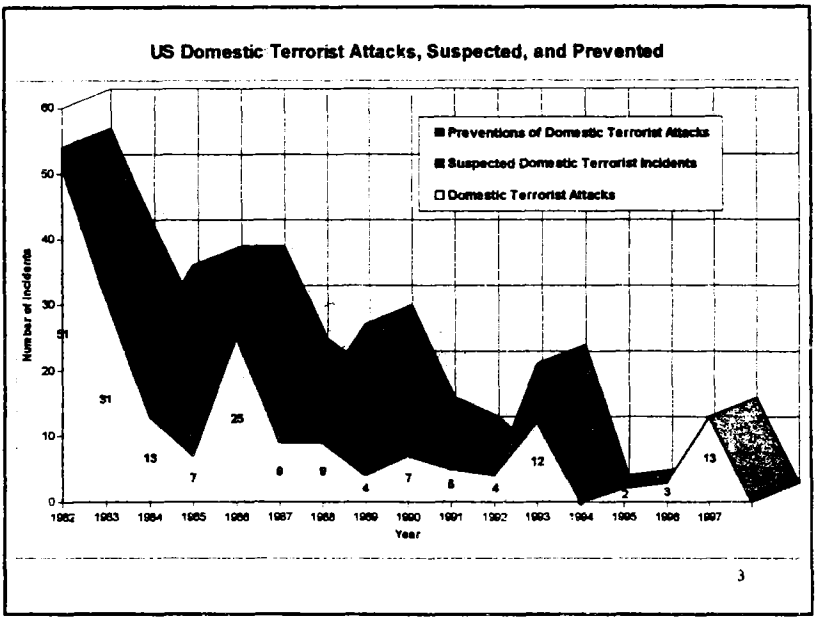
Whatever we do we must safeguard our best defense against terrorists—freedom. Earlier this year FBI agents in Las Vegas rushed to hold a press conference announcing the arrest of two men who were allegedly plotting to produce a deadly biological agent. TV and newspapers seized on the news of this diabolical plot and helped fuel the belief that we are on the verge of a biological Armageddon. A few days later, a sheepish FBI released both men from jail after tests revealed the substance was a harmless vaccine and no such plot existed.

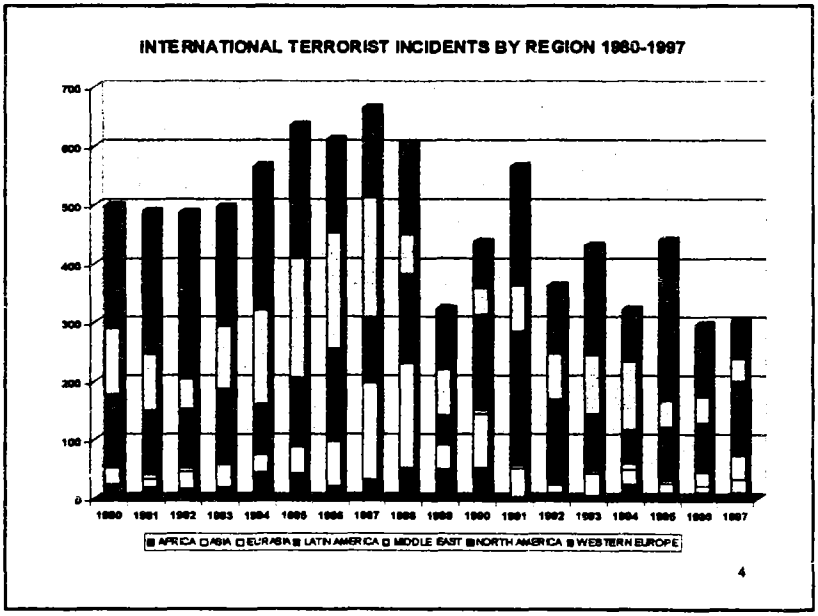
I believe we should be proactive in handling such threats and preparing for such contingencies. But our government's response must be tempered with reason and prudence. We should insist that our security and law enforcement policies reflect the values and the vision that are enshrined in the constitution. A nation that respects the views of the minority, a government that defends the weak, a people that seek justice for all, and a faith that entrusts individuals with the right and duty to be free—these things are our ultimate protection against terrorism.

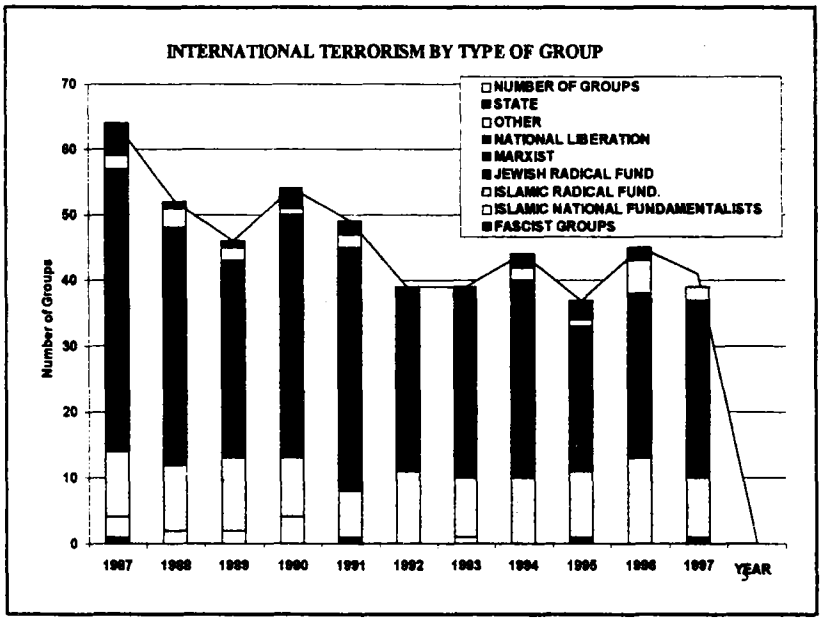
I want to thank this committee for taking the time to explore this issue and for working to ensure the safety and well being of the citizens of the United States.

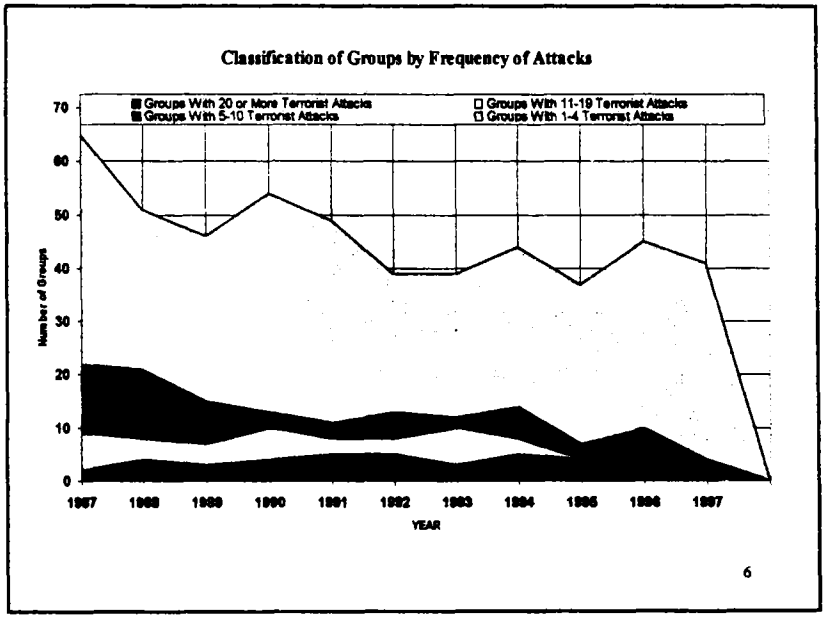

INTERNATIONAL AND DOMESTIC TERRORISM OVER TIME
Domestic Terrorist Attacks
International Terrorist Attacks
Number of Incidents
Year
1

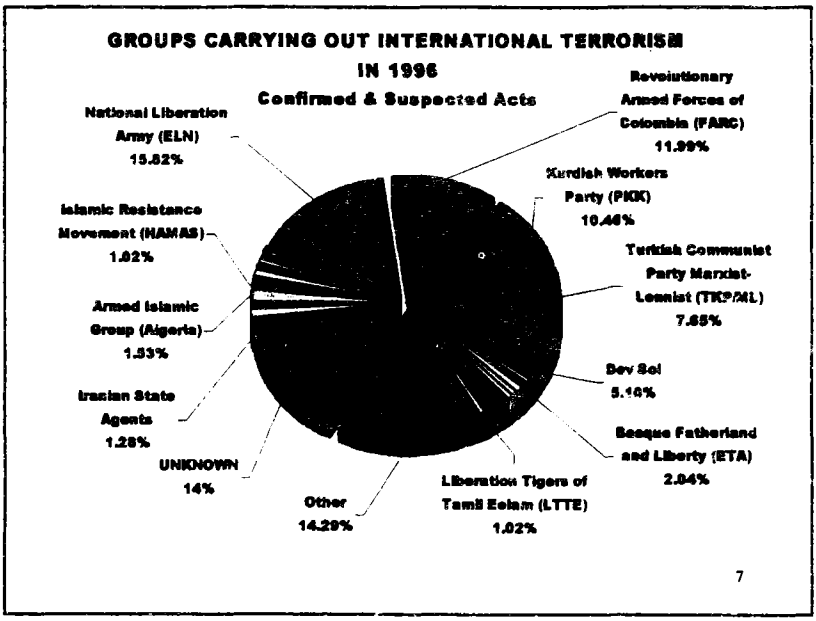

INTERNATIONAL AND ANTI-US TERRORIST ATTACKS
Anti-US International Terrorist Attacks
International Terrorist Attacks
Number of Incidents
Year
2

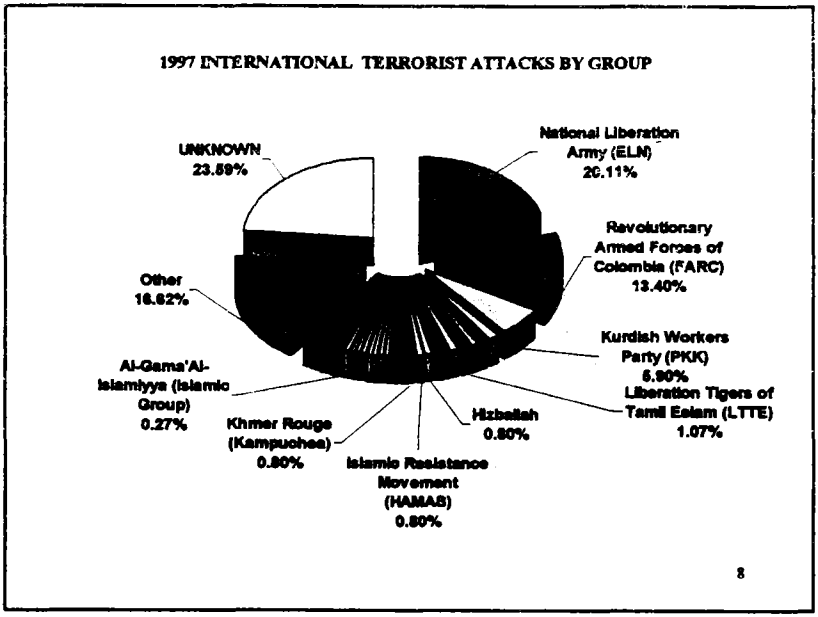

US Domestic Terrorist Attacks, Suspected, and Prevented
Preventions of Domestic Terrorist Attacks
Suspected Domestic Terrorist Incidents
Domestic Terrorist Attacks
Number of Incidents
Year
3

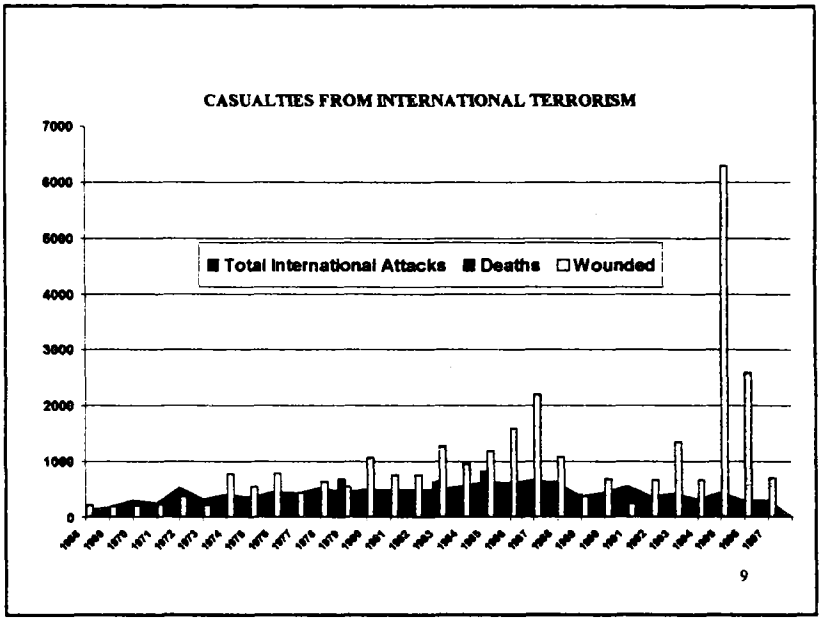

INTERNATIONAL TERRORIST INCIDENTS BY REGION 1980-1997
AFRICA
ASIA
EURASIA
LATIN AMERICA
MIDDLE EAST
NORTH AMERICA
WESTERN EUROPE
4

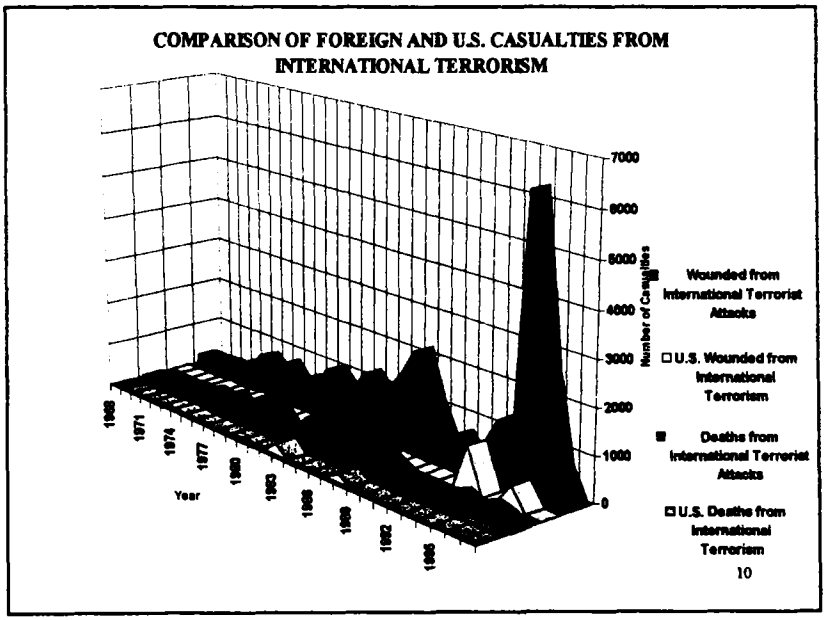

INTERNATIONAL TERRORISM BY TYPE OF GROUP
NUMBER OF GROUPS
STATE
OTHER
NATIONAL LIBERATION
MARXIST
JEWISH RADICAL FUND
ISLAMIC RADICAL FUND.
ISLAMIC NATIONAL FUNDAMENTALISTS
FASCIST GROUPS
Number of Groups
0
10
20
30
40
50
60
70
1987
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
YEAR

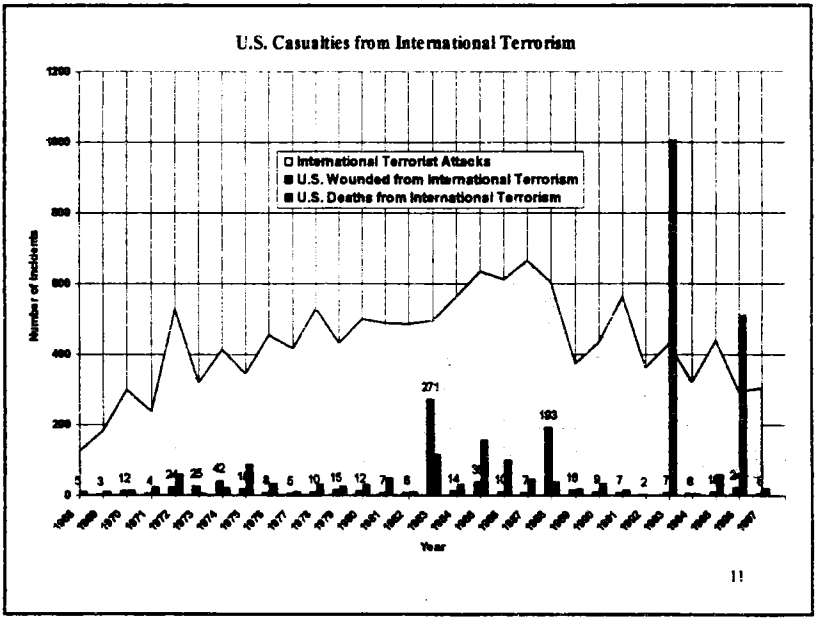

Classification of Groups by Frequency of Attacks
Groups With 20 or More Terrorist Attacks
Groups With 11-19 Terrorist Attacks
Groups With 5-10 Terrorist Attacks
Groups With 1-4 Terrorist Attacks
Number of Groups
0
10
20
30
40
50
60
70
1987
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
YEAR
6

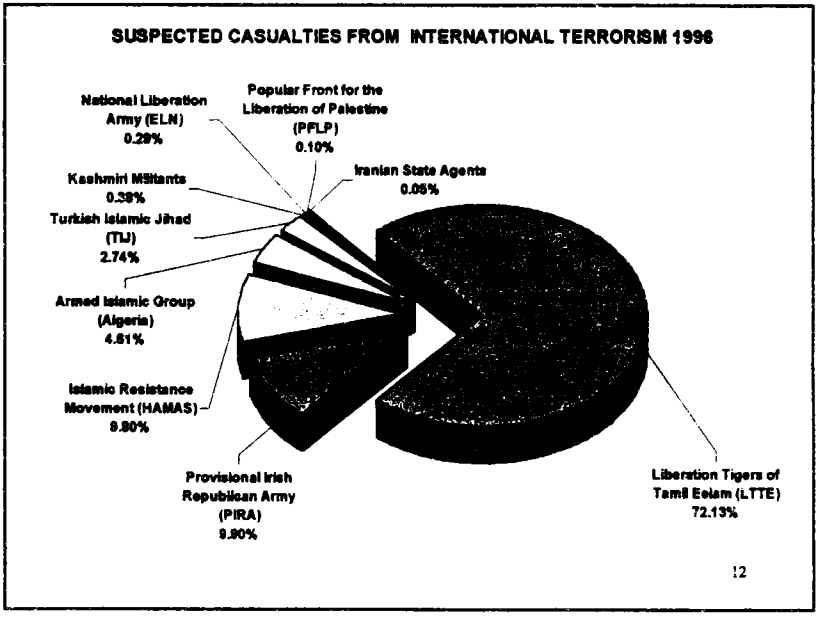

GROUPS CARRYING OUT INTERNATIONAL TERRORISM
IN 1996
Confirmed & Suspected Acts
National Liberation Army (ELN) 15.82%
Revolutionary Armed Forces of Colombia (FARC) 11.99%
Kurdish Workers Party (PKK) 10.46%
Islamic Resistance Movement (HAMAS) 1.02%
Turkish Communist Party Marxist-Leninist (TKP/ML) 7.65%
Armed Islamic Group (Algeria) 1.53%
Dev Sol 5.10%
Iranian State Agents 1.28%
Basque Fatherland and Liberty (ETA) 2.04%
UNKNOWN 14%
Liberation Tigers of Tamil Eelam (LTTE) 1.02%
Other 14.29%
7

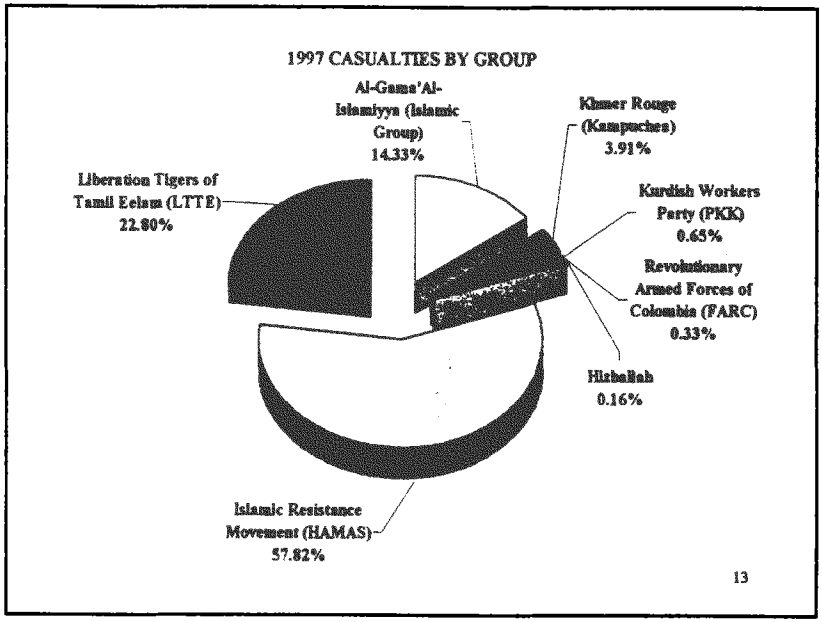

1997 INTERNATIONAL TERRORIST ATTACKS BY GROUP
UNKNOWN 23.59%
National Liberation Army (ELN) 20.11%
Revolutionary Armed Forces of Colombia (FARC) 13.40%
Other 16.62%
Kurdish Workers Party (PKK) 6.90%
Al-Gama'Al-Islamiyya (Islamic Group) 0.27%
Liberation Tigers of Tamil Eelam (LTTE) 1.07%
Hizballah 0.80%
Khmer Rouge (Kampuchea) 0.80%
Islamic Resistance Movement (HAMAS) 0.80%
8

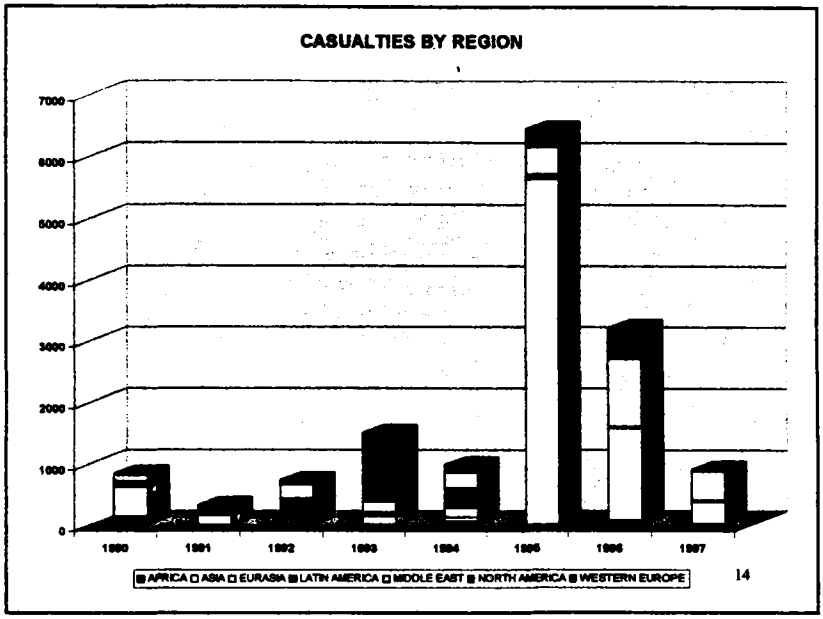

CASUALTIES FROM INTERNATIONAL TERRORISM
7000
6000
5000
4000
3000
2000
1000
0
Total International Attacks
Deaths
Wounded
9


COMPARISON OF FOREIGN AND U.S. CASUALTIES FROM INTERNATIONAL TERRORISM
7000
6000
5000
4000
3000
2000
1000
0
Number of Casualties
Year
1968
1971
1974
1977
1980
1983
1986
1989
1992
1995
Wounded from International Terrorist Attacks
U.S. Wounded from International Terrorism
Deaths from International Terrorist Attacks
U.S. Deaths from International Terrorism
10


U.S. Casualties from International Terrorism
International Terrorist Attacks
U.S. Wounded from International Terrorism
U.S. Deaths from International Terrorism
Number of Incidents
Year
271
193
11


SUSPECTED CASUALTIES FROM INTERNATIONAL TERRORISM 1996
National Liberation Army (ELN) 0.29%
Popular Front for the Liberation of Palestine (PFLP) 0.10%
Iranian State Agents 0.05%
Kashmiri Militants 0.39%
Turkish Islamic Jihad (TIJ) 2.74%
Armed Islamic Group (Algeria) 4.81%
Islamic Resistance Movement (HAMAS) 9.80%
Provisional Irish Republican Army (PIRA) 9.90%
Liberation Tigers of Tamil Eelam (LTTE) 72.13%
12


1997 CASUALTIES BY GROUP
Al-Gama'Al-Islamiyya (Islamic Group) 14.33%
Khmer Rouge (Kampuchea) 3.91%
Liberation Tigers of Tamil Eelam (LTTE) 22.80%
Kurdish Workers Party (PKK) 0.65%
Revolutionary Armed Forces of Colombia (FARC) 0.33%
Hizballah 0.16%
Islamic Resistance Movement (HAMAS) 57.82%
13


CASUALTIES BY REGION
7000
6000
5000
4000
3000
2000
1000
0
1990
1991
1992
1993
1994
1995
1996
1997
AFRICA ASIA EURASIA LATIN AMERICA MIDDLE EAST NORTH AMERICA WESTERN EUROPE
14

Mr. SOUDER. It has been a fascinating presentation. I'm going to start with some questions, here. Mr. Davis, I may or may not have the question directed to the right person, so if somebody wants to jump in go ahead.

In the Nunn-Lugar-Domenici Domestic Preparedness Program, $30.5 million was allocated for 120 cities with $300,000 worth of training and equipment to combat terrorist incidents. How did the Department of Defense determine which cities would receive the funding? Did they pick some large population bases that were excluded because not everything is a city anymore? You can have a core city with metro areas a lot bigger. Could you explain to me a little bit of the process and how that was done?

Mr. DAVIS. It's our understanding that the way the cities were selected was by using the 1990 Census. And they simply selected the 120 most populated cities. It was specifically done on a city basis, and not a metropolitan area basis.

Mr. SOUDER. Any logic to that other——

Mr. DAVIS. We discussed that with them, and I'll try to explain their logic. They thought that when you have a city, it was important to have somebody that was in charge, that had responsibility that you could go and talk to that had overall control. When you dealt with the Washington, DC metropolitan area, for example, you would have the District of Columbia, you would have northern Virginia, you would have Maryland. The question is, who is in charge? Who do you go to? And, so on—so, that's the rationale that they told us—that they wanted to focus on cities rather than metropolitan areas.

Mr. SOUDER. Some of these questions may or may not be answerable, but does it seem to you that some sort of a combination of risk assessment, types of groups that have incidences, and the potential to hit—I think all of us, particularly those of us who are Baby Boomers grew up during the 1960's scare of, "Where was your city ranked?" And some kind of assumption that there would be a logical hit based where certain defense installations were, for example, Huntsville, AL is not very big, but we have a lot of space program things there.

Why isn't that type of thing calculated, or do they just assume that there is enough of that in each big city that it would not make much difference?

Mr. DAVIS. At the present time, in fact, we are doing an assessment of the Nunn-Lugar-Domenici Domestic Preparedness Program. We are doing a comprehensive assessment, for this committee, and we are asking some of those questions. We don't have all the answers at this point and time. But, I can tell you in talking to some of the people that we have talked to already, they have suggested that maybe we should have, or that would have been one alternative—to look at threat and risk assessment in terms of how we selected the cities that were selected.

Mr. SOUDER. Mr. Johnson, when we were in the Middle East and joined by my colleagues Mr. Barr of Georgia and Mr. Mica of Florida, as well as Mr. Hastert. One of the things that struck me, and I don't want to minimize any threats, and I don't think that you were attempting to do that either, but after we visited Khobar Towers and saw what seemed like a very potential risky situation;

buildings at the edge of grounds in the middle of the city. Then to go out to Prince Sultan Air Force Base, that where they had every bit of modern equipment and technology and there were beepers and alarms going off, it seemed like quite frankly, every 5 minutes somewhere. Just as a layperson's reaction, several things seemed to be happening. One is that there are a lot of bells and whistles out there that don't necessarily seem to be coordinated with any kind of a risk assessment. It's like, hey, we have a bunch of equipment here, our troops are at risk, we had better do something.

A second kind of laymen's reaction to this was that our military seemed to be more concerned about the terrorist threats than they were necessarily their first mission. And partly because they're worried they may lose their command. While it's important, that isn't necessarily the No. 1 assignment of our Armed Forces.

And the third thing is that by isolating—for example, in some areas even families and their ability to get out in public. Literally in 4 or 5 countries each time where we met with Hoosiers, we each met with people I found one person ready to re-enlist. They're so isolated, so discouraged that given the data that you had, do you feel that we're striving for some kind of a balance? How can we move this into a realistic discussion, knowing when it happens it's so terrible?

Mr. JOHNSON. I'm somewhat hard line on this because I was both trained and mentored by a retired Marine Colonel, who in his final assignment was at State Department in 1983, and was actually in Beirut helping dig the Marines out, was on the Long Commission. Dahran was a disaster because we forgot the lessons of the past. I think we error if we try to focus and be mind readers on what is the threat. In my experience when we've been hit we have not had advanced warning. The opportunity that we're going to get a human intelligence breakthrough or a signal intelligence breakthrough is very remote. But, let me use the example of hijackings. We do not in this country, or in fact in most countries around the world anymore, deal with hijacking by estimating threat. For what is the threat of hijacking? We don't ask whether it is high or it's low. What we have put in place is a countermeasure that defeats it. So, it doesn't matter whether the threat is high or low, the countermeasure works. I propose that instead of trying to guess what the threat is, because more often than not we'll always be wrong, let's work on being proactive in putting in place effective countermeasures that can defeat terrorists or can make their job more difficult. And we do have, as I think the statistics show, a very solid track record.

Another illustration, the Omnibus Diplomatic Security Act of 1985, I think we had over 7 Ambassadors murdered by terrorists. We had Embassies blown up. We had U.S. diplomat and military facilities hit on a regular basis. When that act went into effect and we began hardening diplomatic facilities, protecting U.S. diplomats, and putting training programs in place around the world, guess what, we haven't had U.S. Ambassadors murdered as we did at one point.

A very good friend of mine and former colleague, Ambassador Morris D. Busby, was one of the beneficiaries of that when he was in Colombia and the Cali cartel and Medellin cartel were trying to

kill him but couldn't. So, the countermeasures are effective. I think the focus needs to be not so much on trying to anticipate what is the threat. Let's recognize there is a threat out there and the threat is not going away. But deciding whether it's high or low, should not guide us in taking, what I consider, are prudent countermeasures to combat that threat.

Mr. SOUDER. Mr. Barr.

Mr. BARR. Thank you, Mr. Chairman. Could somebody define weapons of mass destruction, please?

Mr. DAVIS. I think it is generally accepted that chemical, biological, nuclear, radiological, weapons are generally understood to be weapons of mass destruction.

Mr. BARR. Is there a definitive definition? We hear particularly politicians, this President for example, used it constantly. What effect does that have just loosely using these terms, I suppose that a hand grenade could be a weapon of mass destruction.

Mr. JOHNSON. Congressman, I would suggest that it's one of those sloppy pieces of jargon that really has no place.

Mr. BARR. Would you like assault weapons?

Mr. JOHNSON. They are potential weapons of mass casualties. Only a nuclear device is a weapon of mass destruction. If you detonate a nuclear device, you're going to have physical damage to buildings, you're going to have loss of life, you're going to have radioactive contamination.

Chemical and biological weapons, in my view, I think they become what I call weapons of mass distraction, not weapons of mass destruction. They distract because they imply that if you detonate these weapons you will have an immediate loss of life and an immediate loss of territory; buildings will fall down.

I'll simply use the illustration, actually there are two good illustrations. One was during the Iran-Iraq war, Saddam Hussein used chemical and biological weapons against the Iranians. Out of 600,000 Iranians that died in that conflict, only 5,000 died from a chemical-biological attack. Now that's a far stretch from—if you told me that he used it once or twice and 80 percent of the casualties were caused by those weapons then I would be a little more willing to concede that those weapons generically are mass destruction. They are not. They cause mass fear. That's true. Also, there is an individual in the audience today who wrote a book called, "A Cult at the End of the World" about the Aum-Shinryko. His book detailed——

Mr. BARR. About the what?

Mr. JOHNSON. The Aum-Shinryko. The ones who planted the Sarin gas on the Tokyo subway back in 1995. What he shows in a very detailed record is that Aum had scientists, biologists, chemists; they had millions of dollars; they had laboratories; they had the will to use those devices; and they had a lot of difficulty producing it. And when they did produce it, yes, there were 5,000 people that had to seek medical treatment. There were 12 people that died that day in Japan, but the subways were up and running the same day. So, I put nuclear weapons and nuclear devices in a different category from chemical and biological.

Both need to—we need to pay attention to them and be prepared to deal with them, but how you approach and deal with them require different methods.

Mr. BARR. What is the——

Mr. DAVIS. Congressman Barr—I'd just like to add the National Defense Authorization Act for 1997 actually has a definition. It defines the weapons of mass destruction as: Any weapon or device that is intended or has the capability to cause death or serious bodily injury of a significant number of people through the release of toxic or poisonous chemicals, or their precursors, a disease organism, or radiation, or radioactivity.

Mr. BARR. Which is limited then just to nuclear, or chemical, or biological weapons. Devices?

Mr. DAVIS. It looks that way.

Mr. BARR. That's interesting. I know we've seen through your testimony today, as well as in other testimony and publications, and a number of us have travelled down to South America and Colombia, in particular, and recognize, at least most of us recognize, the problem with the unholy alliance between the narco-traffickers and the more traditional terrorists groups. The FARC and so forth.

In December 1999 the United States loses any vestige of presence, military of national security presence in Panama. Does that reduce even further our capability to monitor and track and take any sort of efforts to neutralize the terrorism that is eminating more and more from South America.

Mr. JOHNSON. In my view, not necessarily as long as it's not accompanied by a reduction in the assets both Army, Navy, Air Force, and Marines that are currently deployed there. Relocating them just simply creates a bit of a time distance problem if there is a need to respond to an incident down there. But, that ends up being more of a hinderance as opposed to a weakening of capability. The real issue is maintaining the capabilities to conduct the operations.

Mr. BARR. Would it be given the fact that physical presence in an area contiguous to where the terrorism and trafficking activity seem to take place being somewhat important, would you say that between keeping, in some form, that capability physically located in Panama as opposed to shifting it over to Puerto Rico or south Florida would certainly be preferrable?

Mr. JOHNSON. Well, I think yes. Keeping the capability in Panama would be preferrable just from several operational standpoints. I don't think that the folks that have engaged in terrorism necessarily sit down and look at where U.S. forces are prepositioned unless they're planning to attack them themselves. But, the real issue for those groups, particularly the ones where terrorism and drugs come together, is who's causing them financial loss? Who's hurting their ability to operate? And if that is seen as U.S. military forces then the closer the better in that situation.

Mr. BARR. Thank you.

Mr. SOUDER. Mr. Mica.

Mr. MICA. Let me scoot down and straighten here a little bit.

Thank you Mr. Chairman.

I was reading the testimony of Mr. Johnson. You have some conclusions, sir, that sort of identify the problem. And, I think in your

conclusions you say how can you make this system work. But, I think first of all you describe a system that really doesn't have anyone in charge. That it is disorganized, at best, and sort of scattered. Maybe, some good efforts and maybe, some not so good efforts. But, all together spending a lot of money in sort of a disorganized and disjointed fashion. Is that correct?

Mr. JOHNSON. When you need to break it out into two parts. If you look at our ability to conduct it internationally, that's still in pretty good shape. Although as I note, the position of the Coodinator for Counterterrorism, State Department, who is charged by Presidential decision directive to be the one in charge of coordinating that—that was vacant for 10 months. So, it's a little difficult, it's very difficult, to have a coordinator when there isn't one in the job to do that.

Mr. MICA. But, there's not—one of your recommendations, I think is that, you say one of our urges is to create a terrorism czar who is charged with oversight. The sort of thing that we've done. We've experienced the same problem with the war on drugs. There was no one in charge. They designated one individual because there are many agencies, multi-jurisdictional responsibilities that are involved in the drug war. And you're saying that you favor the same approach on terrorism, and that the weakness in the system now is that the position isn't properly identified as far as mandate, and responsibility, and control?

Mr. JOHNSON. Yes. The reason I suggest that—and apparently I think the NSC is going in that direction as well with this PDD that's currently being drafted—is you need someone ultimately to be in charge of coordinating the international and domestic response. Not from an operational standpoint but really from a management of resources.

Just as an illustration. One of the concerns that I see right now is in the area of our response under the Nunn-Lugar-Domenici to a potential chemical or biological attack. A lot of emphasis is being placed on first responders—and they're talking about putting 10 National Guard units out to deal with that. You've got the U.S. Army Technical Escort unit, the FBI is offering to have its own Hazardous Materials unit, you have local fire departments. Everybody's wanting to get into the game. Nobody is sitting there trying to say, look we need this capability, let's identify who will do that job. Let's give them the resources to do that, but for heavan's sake, let's not create 5 or 6 redundancies.

And that's what's lacking in the system right now. No one is bringing it together. We've seen it to a lesser extent on the international front, but you still get a duplication of effort. In fact, some of the folks I've worked with have been doing this work a lot longer than I have. We are now witnessing gerrymandering of some of the capabilities to deal with chemical and biological responses where you're dividing groups up into two or three different entities in order to allow them to respond. So, I think there needs to be someone at the top that has some budget control over this process that can help establish the priorities and it's not just coordinating from watching what's going on, but is genuinely coordinating by helping establish priorities and assuring that those priorities are met.

Mr. MICA. Well, you outlined to in your graphs and charts the numbers of incidents, raw incidents, in which U.S. citizens or military personnel have been murdered by terrorists acts. I don't claim to be an expert, our subcommittee undertook some work in this area, particularly after Khobar Towers, which as an aside, most of the 19 casualties came from my State. One young man—I told the committee I spoke at his graduation and then I spoke at his funeral, which is something I never wanted to do for any family again. But, we looked at this. We pumped, I think as a Congress, one-third of a billion or more into defense readiness and counterterrorism and troop protection.

What gets me when we travel to South America or the Middle East and you see our military personnel at-risk, you see our State Department personnel at-risk, you see their families living in these outposts and almost all of these incidents involve some kind of international terrorism. What disturbs me is that you cannot protect for every instance. Not every American overseas school, you can't protect the kids on buses, the families, the serviceman who go out to a bar drinking—there are hundreds of thousands of situations. To me, the key seems to be better intelligence. If we had better intelligence on Pan Am; if we had better intelligence on the World Trade Center; if we had better intelligence—just a few more hours on Khobar Towers—we knew what was going on. If we had just even an hour more as far as intelligence and alert. So, I tend to favor now an approach of beefing our intelligence which has been weakened and disoriented because of the fall of the Berlin Wall and Communism. It hasn't focused, or adjusted to refocusing in world situations. Is that a good approach? Putting more emphasis on intelligence. How would you spend the bucks if you were sitting in this chair?

Mr. JOHNSON. We need to refocus on intelligence effort. Right now the system that exists is not going to go after the groups that are likely to engage in these attacks, unfortunately. I still have several close friends and colleagues from my days at the agency. I was talking to one the other day, and he described it as a "McCarthy-ite" era right now out there. The capability to conduct operations and go out and really take chances has diminished. I think that should be of concern. At the same time, we should not put undue expectations on the intelligence. When I worked at CIA, I had a somewhat cynical view of it, I said that intelligence became either a convenient scapegoat when things didn't turn out as they had planned and the policymaker would turn to the intelligence community and say it was your fault you didn't tell us. I was involved in certain circumstances where I told the policymaker what was going to happen and they ignored it.

Or, you can tell them what will happen and they take credit for it. I think the intelligence is important but it has to be viewed not as one or the other. This is like a quiver of arrows, you put them all together. You need the intelligence, you need the law enforcement, you need the countermeasures, and you need somebody coordinating all of that. When you put those together, then that in effect is defense. Doing just one in exclusion of the others, I think, doesn't necessarily buy us anything.

Mr. MICA. Well, Mr. Chairman, if I may, can I get a response from Mr. Davis in conclusion?

Mr. DAVIS. A couple of observations about intelligence: I think intelligence is extremely important in this area. In talking to people, we heard comments that they certainly would like to have better human intelligence. Having said that, that's a tough nut to crack. I'm not sure whether or not we need to put more money in that area. But, just within the Department of Defense alone, for example, since 1980 we have spent double the amount of money in constant dollars for intelligence. So, I don't know that more money is necessary. But, whether it is focused properly may be another question. We are targeting the resources to the areas that are in the most need?

Mr. MICA. I don't know if he could Mr. Chairman, but he says since 1980, I would really like to see from like 1980 to 1992, and then 1993 figures to last fiscal year, if you could provide that to the committee for the record.

Mr. DAVIS. We can provide that, certainly.

[The information referred to follows:]

Annual Funding Totals for Command, Control, Communications, Intelligence and Space Defense Mission Codes : FY 1980-2003
(in thousands of FY 1999 dollars)

DMC Category	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Space DMCs	2,765,136	3,123,517	3,436,776	3,928,989	4,533,064	4,950,527	5,096,191	5,176,890	4,924,165	4,554,053
C3 DMCs	9,188,008	11,249,791	13,079,266	14,588,665	15,496,584	15,958,638	16,772,386	17,359,387	14,455,067	14,251,117
Intelligence DMCs	10,250,153	11,721,804	13,619,104	16,860,035	18,817,600	22,162,378	22,287,231	23,455,308	23,716,699	23,966,620

Annual Funding Totals for Com
(in thousands of FY 1999 dollar

DMC Category	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Space DMCs	4,070,873	3,967,443	3,744,981	3,272,885	3,066,881	2,815,945	2,780,356	2,426,678	2,489,445	2,819,674
C3 DMCs	13,219,436	12,992,593	12,496,236	11,340,322	10,089,061	10,362,604	9,597,490	9,544,416	9,114,305	9,454,490
Intelligence DMCs	23,988,874	22,860,781	23,334,655	21,013,720	21,240,334	19,891,087	20,599,993	20,858,870	20,900,678	21,328,643

Annual Funding Totals for Com
(in thousands of FY 1999 dollar

DMC Category	2000	2001	2002	2003	Change FY99-00	Change FY99-01	Change FY99-03
Space DMCs	2,838,741	2,850,072	2,668,107	2,531,411	-9.97%	1.97%	-8.46%
C3 DMCs	9,104,945	8,854,883	8,866,356	9,002,537	47.29%	52.79%	46.48%
Intelligence DMCs	20,758,511	20,583,894	20,721,816	20,827,159	103.91%	108.08%	103.19%

Mr. MICA. Thank you.

Mr. SOUDER. Thank you. We're going to go at least another round and if you'd lean in on the red light. I wanted to followup on some of the structural questions. OMB is supposed to be guarding against the overlap and duplication now. I kind of take it from your testimony and comments that you don't think they are. Could you elaborate on that a little? Tell us what you think some of the problems are and why that hasn't worked.

Mr. DAVIS. Well, the real crux of the problem is that they are not in the position to do it. While they should be doing it and, I think, it is their responsibility, and, I think, they would agree to it, you don't have a basis for looking at an overlap and duplication until you really have established requirements. You have to have some assurance that requirements are analytically based and sound and so forth.

The legislation that we talked about earlier that Mr. Skelton introduced and Congress passed last year, asked the OMB to develop a system. They are now collecting funding and budget information and spending for terrorism. They just issued their first report last month to Congress. We think that is a step in the right direction. What is missing right now is they have no road map to guide them as to how we target those resources to make sure that they are being targeted against the highest priority issues. Until you determine requirements that are analytically sound and establish requirements, how do you know that you have duplication?

Mr. SOUDER. You're speaking OMB has no guidelines.

Mr. DAVIS. OMB. Exactly.

Mr. SOUDER. And the Department of Defense has to do that.

Mr. DAVIS. Well, somebody. We think priorities need to be set through the leadership of the National Security Council working with the Director of OMB, and the heads of the other executive agencies. They need to be able to set priorities.

Mr. SOUDER. Do you agree with Mr. Johnson's proposal on an antiterrorism czar out of the National Security Council?

Mr. DAVIS. Not at this time. I don't think that you solve problems through changing organizations. I think that you deal with problems through leadership, and having people that are focused and committed to a mission. I think that the organizational structure that we have today is basically sound. It's not perfect. It needs to be adjusted. As I understand it they're working on some of these adjustments right now as they go through the update to the PDD 39.

I think, as I've just mentioned, the National Security Council has an opportunity to provide leadership in coordinating policy, facilitating the jurisdictional issues that need to be facilitated, or helping make sure that their priorities get set. OMB can provide leadership in some areas. They have information on budgeting and spending, but now they need a road map to guide them, and to give the Congress assurance that the moneys that you are authorizing and appropriated are actually, in fact, targeted to the things that are the highest priorities. Today, you as Members of Congress, have no assurance that the $6.5, $6.7 billion, that's being spent on terrorism are targeted in those areas that are of most need.

Mr. SOUDER. I want to ask one followup question and I would like Mr. Johnson's comments on this discussion. I would assume and I believe that I've seen that the bulk of anti-terrorism money goes to the Department of Defense. Partly that's because it's confusing how people report. And, it's clear that the FBI has a big boost up for domestic anti-terrorism. Is that assumption correct? And if so, could you give me some idea of the ratios?

One of the problems that—and I want to put this out there so Mr. Johnson can respond to this too—while the concept of a drug czar sounds good, it really depends on the influence and how much the President is backing an individual, and how much in the same wavelength, it can easily be politicalized or ignored. Since most of the budget lies in other places, there is not, necessarily, a lot of modified behavior because the drug czar said something. How do you avoid those types of things? And, one of the things I wondered is if most of the money is in one place, it seems like that may be where responsibility should be too.

Mr. DAVIS. OK. Regarding the question you asked about the money. When we reported in December and you pointed out in your opening remarks, Mr. Chairman, nobody in the Federal Government knew how much money was being spent on counter-terrorism. We went out and asked the seven major agencies that had counterterrorism responsibilities. And, the answer that we got back for 1997 was roughly $6.7 billion; 54 percent, almost 55 percent, was spent by the Department of Defense. The Department of Energy spent another 21 percent. So, those two agencies alone had three-quarters of the money—Defense and Energy. As you also mentioned, the amount of money that you claim was being spent for counterterrorism is in large measure driven by the definition that one uses.

Mr. SOUDER. Mr. Johnson. Do you want to comment on a number of these things.

Mr. JOHNSON. The word "czar" may be an ill-chosen word on my part. I'm not trying to replicate ONDCP because I think that while General McCaffrey has done a very good job, nonetheless, he doesn't have a lot of power and clout. And what you need in this process is someone who can force the money to go where it's needed and get right in the middle of the budget process.

I may sound like the man from La Moncha, at that point, expecting Department of Justice, Department of Defense, and Department of State to sit down and let someone from the White House tell them how much money they're going to have. But, you get different motivations out there. When you talk to Department of Defense, Department of Justice, and FBI, in particular, they're very smart in the budget process. They have learned that when you package it with terrorism you get money. Department of State is much more parochial and I witnessed several attempts, internally in the building, to try to get a single line item budget for the terrorism fund. Which is very, very small in the overall budget. And, the seventh floor was scared to death of letting that happen. For one reason. Because they knew that if it got up to the Hill, Congress would give the money for that and may not give the money for other things that were State Department priorities.

So, when I'm talking about a "czar" I'm talking about someone who can come in and try to help put some clout in the budget process. Because it is not managed properly.

As an illustration, in the wake of TWA 800 when the Clinton administration proposed the $1 billion, most of that money went to agencies that were Department of Justice that you would expect. Department of State, again I'm not being paid anything by the Department of State to represent this, but they have absolutely nothing in the process. At least the ones who are responsible for coordinating international terrorism. It became a Christmas tree. I heard it described as such by some even in the administration. So, you're looking for someone who can bring some reason to this, but at the same time it's not at the same scale in terms of a real problem that confronts America, as is the drug problem. But, they are bumping up against each other.

Mr. SOUDER. Thank you. Mr. Mica.

Mr. MICA. Thank you. Mr. Davis. I'm not sure if I missed this. Do you take a position on the drug czar? I mean. I'm sorry, drug czar i.e., what we are talking about here terrorism—counterterrorism czar. [Laughter.]

Mr. DAVIS. Yes. At this point and time.

Mr. MICA. You don't support it.

Mr. DAVIS. We don't support it for the reasons that I said before. But I also could add another observation. And that is this: as we were doing our first job and looking at how the government is organized and how different organizations were supposed to coordinate, different people and numerous people around town told us that, please whatever you do, don't recommend another czar like we have for drugs.

Mr. MICA. Well, one of the problems with a drug czar is that though, as Mr. Johnson pointed out is he does not have real authority and you have more than a dozen agencies dealing in the narcotics issue in a somewhat disorganized, disjointed fashion, just like it. I mean it is pretty analygous, so when you look at it to—I remember Mr. Zeliff who chaired our subcommittee several years ago when he took over and I got involved in the drug war back in the early 1980's as a Senate staffer, he says well all we have to do is look at the line item and we'll adjust it upward, or something, I think was his first reaction. And, I said, "Bill, oh, my God. Do you realize how many agencies, how much turf is involved?" Then we began a series of 40 some hearings in the last 36 months on the drug issue. Now we are continuing our efforts in trying to reorganize, or re-focus our counterterrorism efforts.

I looked through a number of the documents, and excuse me gentlemen and ladies if I've missed it. I've got all the documents on incidents and things like that. There is $6.5 billion being spent. Is that broken down? Do you have a good breakdown by agency? Have I missed that?

Mr. DAVIS. Right. In fact, the report that the OMB just issued shows the numbers. Our report shows the numbers that agencies provided us for fiscal year 1997.

Mr. MICA. So, you have Defense taking the bulk of it.

Mr. DAVIS. That's correct.

Mr. MICA. Energy is the second big hit.

Mr. DAVIS. That's right.

Mr. MICA. Quite a bit of money——

Mr. SOUDER. Will the gentleman yield for just a second. I think it might be helpful for those that read the future hearing records if we can have that xeroxed and put it in the record.

Mr. MICA. Mr. Chairman. I move that page 6 and 7 of the GAO report to Congress on Combatting Terrorism be made a part of the record.

Mr. SOUDER. With no objection. So ordered.

[The information referred to follows:]

Table 1: Estimated Spending for Key Agencies' Unclassified Terrorism-related Programs and Activities (fiscal years 1994-97)

Current dollars in millions

	Fiscal year			
Department/agency	**1994**	**1995**	**1996**	**1997**
Defense	[a]	[a]	$3,244.2	$3,671.1[b]
Energy	[a]	[a]	1,324.7[c]	1,420.0[c]
Justice	$94.2	$171.0	332.0	451.0
(FBI)	(79.3)	(118.3)	(287.0)	(393.0)
Transportation (FAA)[d]	98.3	95.9	115.6	296.8
State	166.5	169.4	161.5	162.5
Treasury	[a]	7.8[a]	552.1	682.5
Health and Human Services	[a]	[a]	7.0	13.8
Total	[a]	[a]	**$5,737.1**	**$8,697.7**

[a]Complete data on terrorism-related spending were not available for fiscal years 1994 and 1995.

[b]This amount comprises about 1.5 percent of the total DOD budget and includes force protection and other security measures.

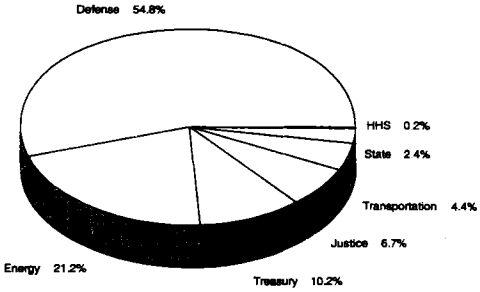
[c]Includes security at Department of Energy facilities and nonproliferation program costs.

[d]Includes only the FAA. Totals represent estimates from three FAA entities with programs to prevent terrorism.

Source: Data provided by selected departments and agencies.

Figure 1 indicates that DOD spent the largest share of estimated terrorism-related funds for fiscal year 1997, followed by the Department of Energy.

Figure 1: Estimated Spending for Key Agencies' Unclassified Terrorism-related Programs and Activities (fiscal year 1997)



Source: Data provided by departments and agencies included in table 1.

While DOD and the Department of Energy estimated spending accounted for 76 percent of the unclassified fiscal year 1997 terrorism-related funds, other agencies' resources dedicated to combating terrorism have significantly increased in recent years. For example, FAA resources tripled (in current dollars) during fiscal years 1994-97, and FBI resources increased five-fold. FAA increased equipment purchases and aviation security operations, and the FBI nearly tripled the authorized staffing level dedicated to combating terrorism, with the largest staff increase occurring in fiscal year 1997.

Key Interagency Management Functions Are Not Clearly Required or Performed

There is no interagency mechanism to centrally manage funding requirements and requests to ensure an efficient, focused governmentwide application of federal funds to numerous agencies' programs designed to combat terrorism. Given the high national priority and magnitude of this nearly $7-billion federal effort, sound management principles dictate that (1) governmentwide requirements be prioritized to meet the objectives of national policy and strategy and (2) spending and program data be

Mr. MICA. Well, again you try to put the money where the incidents are or at least where the threat is and maybe that is the incidents. Quite a bit of money suddenly appeared after TWA 800. I think we did a counterterrorism unit. Is that where the FBI got most of these positions? And they didn't create the unit for a long time, I think. Wasn't there a delay in that? And now it looks like they've sort of gone off on these 900 cases, or something. Have I sort of stretched that beyond the limits Mr. Johnson, or you think that what they are doing is necessary?

Mr. JOHNSON. Well, you know, I don't want—I have still several very good friends both current and former with the FBI and I don't want to savage the Bureau but they are smart bureaucrats. They saw an opening and they took it.

Mr. MICA. Created that, mini bureaucracy. [Laughter.]

Mr. JOHNSON. A friend who is no longer with the Bureau, he was asked 4 years ago to write a report on where the Bureau should go on the issues of terrorism and organized crime. His conclusion was, we need to shift resources away from domestic terrorism and focus them on organized crime. He was told, wrong answer. Subsequently, well, if I tell you where he was sent that would reveal who he is. He was right. He gave good advice and it was ignored. It is one thing to have 900 cases because you have 1,000 more people doing the work than were doing it before. Any yet in terms of actual incidents both prevented, suspected and that have gone off, you find that the numbers have not only gone down but they are not dramatically increasing. So, I think the resources at the FBI are not being used as efficiently in this area as they could be.

Mr. MICA. Well, in this report in December 1997, it says there is no interagency mechanism to centrally manage funding requirements and requests to see if they should focus governmentwide application funds to numerous agencies programs designed to combat terrorism. You said the same thing today. Unless you have someone in charge, unless you have some designation and power of the money, then it's never going to get coordinated. Is that——

Mr. JOHNSON. That's correct.

Mr. MICA. And you've got Mr. Davis opposing.

Mr. JOHNSON. Well, I don't think he—we agree on the general principle. I think he opposes, maybe, the specific solution I offered. But, I think we're both in agreement on the general principle.

Mr. MICA. OK. Mr. Davis your folks prepared this so how do you—what's the best way to deal with this most efficiently and effectively.

Mr. DAVIS. As we recommended in that report we thought you needed to have the Assistant to the President for National Security Affairs, within the National Security Council, in conjunction with the Director of OMB and the heads of the other affected agencies, ensure that the priorities are set, that the programs and projects that are being designed are compared to those priorities, and that somebody can allocate resources.

Mr. MICA. Now do they need additional legislative authority to do that?

Mr. DAVIS. No. They do not.

Mr. MICA. It can be done now.

Mr. DAVIS. It can be done.

Mr. MICA. By the President, through Executive order? Or what?

Mr. DAVIS. I think that the mechanisms are in place already. We have the National Security Council. They have——

Mr. MICA. But, they're not doing it.

Mr. DAVIS. Well, they're not doing it. And, that's why I said that in order to get this done the leadership has to be there, and you have to have people who are committed to the mission. Creating—putting someone else there and saying you have the responsibility. The NSC already has the responsibility to work with these people and make it happen. It's not happening today.

Mr. MICA. Well, the way it seems to happen is we have an incident and we overreact as a Congress. Whether it was the money after Oklahoma City, after TWA we implemented some infringements of civil rights, and the way we question people getting on airplanes, we don't address even the potential risk. I just flew out of an international airport as a tourist; no one asked me any questions. They don't care. If you're going to bomb a plane you're going to bomb one with American citizens coming into the country or outside the country. I think that that's the Colombian incidence, with the Pan Am incidence. So, we overreacted. And TWA. We overrated somewhat. And Oklahoma City. And we spent an awful lot of money on force protection after Khobar Towers. But, you're saying there is the potential for someone being in charge, but nothing is being done.

Mr. DAVIS. I wouldn't say nothing is being done.

Mr. MICA. And they have the authority and they don't need legislative authority.

Mr. DAVIS. Right. In this particular case, what we are talking about, there are key things that need to be better managed. This is one of the key things that we think is needed—just like when we recommended that there needs to be threat and risk assessments so the requirements are based on an analytically——

Mr. MICA. But, nobody is coordinating this and nobody is mandating this.

Mr. DAVIS. Right, now. In our latest report on our threat assessment——

Mr. MICA. But, it could be done by Executive order, we'll say. How about if we wrote the President and said that we'd love to do legislation though somewhere there is lacking this direction, and coordination, and maybe an Executive order would be fitting to do what is recommended by GAO, others, and all of the above. How about that?

Mr. DAVIS. I guess that's possible but——

Mr. MICA. I mean. It's all there. You're saying, in place, but it's just not getting together.

Mr. DAVIS. It's not getting done.

Mr. MICA. OK.

Mr. DAVIS. In our latest report we recommend that the legislation be modified. I think that is something that this Congress and you could be very supportive of. We recommend that the Nunn-Lugar-Domenici legislation, the Department of Defense Domestic Preparedness Program, require threat and risk assessments before money is spent so that you have greater assurance that the money the Congress has authorized and is appropriating for certain things

is being targeted to those areas that are in most need. Today you don't have that assurance.

Mr. MICA. Well, those questions deal with administration, management, and financing. Let me ask Mr. Johnson, if I may a final question.

Mr. SOUDER. OK.

Mr. MICA. Thank you. Mr. Chairman. You said you were going to be liberal.

Mr. SOUDER. Yes, that's my big day of being a liberal. [Laughter.]

Mr. MICA. I'm to the left of Mr. Barr here, at least temporarily, I appreciate that.

Mr. Johnson in your testimony you point out that many agencies have now the capabilities to deal with and detect weapons of mass destruction. Who do you think should have the responsibility for identifying and containing these threats?

Mr. JOHNSON. I think that ought to be with the Department of Defense. They have an intact capability that is well-trained and operates well. I had the opportunity, back in 1990, when we did a terrorism exercise with live agent. We were in Alabama and we worked with the U.S. Army Technical Escort Unit. I think that the Department of Defense, and specifically the Army, probably ought to have charge of that. And I do think there has been duplication both on the DOD side of the house, as well as, on the civilian side of the house when you're looking domestically.

Right now, you have too many different units scrambling for it. I think there needs to be some consolidation. I'm not talking about creating additional bureaucratic layers. I think there is a lot that could be cut at the Department of Energy, as an example. I think we don't need five bio-level hazard, five laboratories running around the United States. I don't think we need to have an FBI HAZMAT team to go with a fire department HAZMAT team, to go with what will be a National Guard or Reserve HAZMAT. It's just getting to the point of being silly. There needs to be some sanity in this process.

Mr. MICA. Well, you answered what would have been my last, very last question. Thank you, Mr. Chairman.

Mr. SOUDER. Thank you, Mr. Mica. Mr. Barr.

Mr. BARR. Thank you, Mr. Chairman. What is going on with FEMA? It is my understanding that FEMA recently pulled out of an interagency group. That it—coordination group that it created, the Senior Interagency Coordinating Group, or something. What's going on here?

Mr. DAVIS. We're in the process of trying to find that out ourselves. I can share some background on that with you. A couple years ago, or almost a couple years ago, FEMA, in their role as being responsible for consequence management, set-up this working group because there wasn't a working group that dealt with consequence management for domestic issues, but there was a working group for international issues. They set it up and they invited the appropriate agencies to participate with them dealing with policy type issues and so forth.

And just last month, they notified the Department of Defense that they wanted to relinquish their leadership role on this working committee, working group if you will. And we're in the process

of trying to find out what is involved with that as we pursue our current job.

Mr. BARR. Could you let us know, when you do find that out?

Mr. DAVIS. Yes, sir.

Mr. BARR. I have a concern also—I don't know which one of the three of you would be in the best position to answer this—what is the role currently for the Reservist and the Guard in all of this? Are we seeing any rivalries there that could harm the effectiveness? Are we going to, once again, place additional demands on our Reservist and Guard Units that are already stretched extremely thin, and we're already starting to see their recruitment rates drop and reupment rates drop because of the tremendous demands being used basically as active duty, when they're not. In this area, do you see a problem there?

Mr. DAVIS. I see a couple of issues here. First, as we understand it, as part of the Homeland Defense issue the Department of Defense has decided that to have the Guard and Reserves participating in helping the local people deal with weapons of mass destruction, if you will, chem-bio incidents and so forth or whatever that definition is. And they're proposing to set up 10 different teams throughout the country to train them. They are in the process right now of trying to develop that program. As we understand it, they are going to spend about a year trying to get the program in place and start training people.

The question—one of the real issues that I have regarding—and this gets backs to many of the same things Larry referred to, Mr. Johnson referred to—and that is, what is the requirement, what is the gap that we are trying to fill? Why the Guard and Reserves? Is there anyone else out there who could do it? Is there something that we need? And how all of a sudden did we come up with this answer? It seems like these things——

Mr. BARR. Are you all going to be looking at that?

Mr. DAVIS. We are not looking at that per se in our current job, but we plan to pursue that as we finish our current work for the committee.

Mr. BARR. OK. Because I think, Mr. Chairman, that would be something I'd like to hear back on. Maybe if we could formally request that. If that would be some assistance to you all.

Mr. DAVIS. That would very much.

Mr. BARR. I think that would be very helpful. If I could ask just one other question. There have been two highly publicized possible terrorist incidents, certainly we had TWA 800. At least based upon the knowledge that we now have, it was not a terrorist act. Yet that immediately became very, very highly publicized and was the catalyst for legislation, money and so forth.

We also remember just a few months ago the anthrax incident. All the sudden flashes in tv's and newspaper headlines all across the world—this anthrax scare—came up, as I remember, right around the time when the justification was being developed to go into Iraq. Is our government mishandling the incidents themselves, getting out in front of the facts, and developing perhaps an inaccurate public perception of what the threat is and what the problem is.

Because I remember in the anthrax, there was no anthrax involved at all. That, of course, didn't get the banner headlines and so forth. But, is this a problem and something that our Federal officials and politicians ought to be a little more careful of, and maybe even some law enforcement agencies?

Mr. JOHNSON. Yes, it's a problem but you have two different problems. With TWA, I think, the problem was one that it happened domestically. And because it was not immediately known whether it was a terrorism incident there was a food fight between the FBI and the National Transportation Safety Board. Early on, key parts of the investigation suffered. For example, just the decision whether to x ray the bodies, or not. I think under those kinds of circumstances, the FBI should be in the lead. Because you're not always going to have someone showing up in advance saying this is a terrorism incident. That was one problem.

I think the latest anthrax scare is, in some respects, worthy of some real concern. It was an overreaction. There was no justification for the FBI to do what they did, in the way they did it. And by that I mean—when you have a Special Agent in charge who goes on television and says, "We have the chemical agent anthrax." It's not a chemical agent, it's a biological agent. Now, perhaps he misspoke, but I don't think so. It was more the desire to seize the public attention to say, "Hey, look at us." I don't know for myself whether or not it was designed in concert with the other discussions that were going on as to whether we need invade Iraq. But this much I do know, whenever an agency has a chance to try to thump its chest and say look at what we're doing and to say see we're doing the job really well. That thing could have been handled quietly. They could have kept American citizens safe by simply arresting the individuals. You don't need to hold a press conference. And if the questions are asked you say, we've arrested two individuals who may have a substance that could potentially harm American citizens, but we're going to find out first what it is before we go out and start alarming the American public. And the FBI, did not do that. And that, I think in my view, was unprofessional. That's not how professionals conduct themselves.

If you know for a fact that you have it, and that by alerting the public you can enable the public to take action to protect itself, then fine, go public with it. But that was not the case in this instance. So, I think, even though the fear and furor it created was as great as any possible threat of terrorism. The difference is, I think, the U.S. Government—and I get a little exercised about this because I've been in the situation where I had to brief the President and Members of Congress. And what you deserve is the truth. You don't deserve it packaged in some way.

Mr. BARR. If I could, Mr. Chairman, just ask one very quick followup question. Are you aware of any steps, at all, that have been taken to address that problem by the Department of Justice which overseas the FBI, or by the FBI.

Mr. JOHNSON. I am not.

Mr. BARR. Thank you.

Mr. SOUDER. Mr. Barrett. Do you have questions?

I wanted to ask just a couple of additional ones that were raised. We heard Mr. Johnson's response, and I don't want to mis-

characterize it, but I think you said the concept of a fifth chemical and biological and forensic lab was silly, or silliness, I think you said. Mr. Davis, do you agree that the FBI probably doesn't need an additional lab?

Mr. DAVIS. I don't have any basis for saying that. What I think needs to be done is we need to find out what the requirement is and why and explore all the options out there before we rush to the conclusion that we need a new lab.

Mr. SOUDER. Do you know whether there has been any study of existing labs to see what their capabilities are in comparison?

Mr. DAVIS. I'm not aware of that.

Mr. SOUDER. In other words, somebody sees a need and decides they want it inside their department. Is that how you think the structures currently function?

Mr. DAVIS. That's our understanding. We are not aware of any governmentwide look at this issue to make that decision.

Mr. SOUDER. Isn't that what OMB would logically be doing since they're over budget?

Mr. DAVIS. Well, we think that's what they should be doing. However, they don't have the tools today to do that because the validated assessment of what the requirement is hasn't been done. So, you don't know what's excess and what isn't excess. Because to say something is excess you have to say here is what I need. Well, what is the requirement today?

Mr. SOUDER. This could go two directions, because I understand you've been saying that somebody needs to do the assessment, but also had they studied the budget and found five labs wouldn't that beg to question. Couldn't they have gone to the National Security Council and say why do we have these overlaps, give us some guidance?

Mr. DAVIS. Mr. Chairman. They only had this information for the first time last month. Until last month, they did not have this information.

Mr. SOUDER. That in itself, is a very interesting comment.

One other thing I was intrigued by was the fivefold increase in the FBI agents. There are 2,500 of them, and three domestic incidents, five thwarted, but they've opened 900. What's going on here with that? Partly, it's when you have more people you find more things. Are most of these pending? Or, are they closed cases? Are they getting more false reports, just able to chase more things? I don't quite understand that.

Mr. DAVIS. Right. We understand that these are open cases and that they are dealing with them. At the present time the General Accounting Office is looking into the issue of the expenditures for the FBI, and Department of Justice, and people resources and trying to understand how they are being used. And when we have that work finished we would be happy to share it with this committee.

Mr. SOUDER. Because it was rather disturbing to hear even the possibility that we might be misallocating resources from what could be in organized crime and in the drug issue, where we may have greater and immediate risk for return if we just manage those dollars better. Nobody is wanting any repeat of Oklahoma City, or

Khobar Towers, or anything like that but we also have deaths going on in multiple other places and other kinds of problems.

One last question in reporting, about the international incidents, a lot of times Americans are considered, collateral damage. Do we have any distinction between international incidents? Do we have categories that separate America as a primary target, therefore we have this threat assessment versus what would be even harder to estimate which is when American citizens are collateral damage?

Mr. DAVIS. I'm not aware of that distinction and the agency may be tracking that and not including it in its public release figures. But to my knowledge that has never been done.

Mr. SOUDER. Mr. Barrett. Do you have any questions? Mr. Mica.

Mr. MICA. Just a couple of quick followups. Following TWA 800, it sounds like your hot button gets turned on, Mr. Johnson, with a couple of issues, and one that turns me on is that after TWA 800 they imposed all these airport restrictions. They tow your car if you park for a split second. Also, require you to show your identification. To me that's almost an infringement on your civil liberties.

Even in some of the existing terrorist states, they don't require that in those areas. Does that do any good, this showing identification?

Mr. JOHNSON. I think that if you're going to show it, you show it with your ticket when you got on the airline. You can check-in at a counter and go to the gate and give it to four different people before you've reached the gate. A terrorist with any brains, not that they necessarily have to have them, it doesn't seem to be that much of a deterrent. It's more of a inconvience for the traveling public.

Well, showing the ticket making sure that you have the right person getting on the plane, is an effective deterrent. If nothing else it's usually a more effective deterrent to fraud. Because you have issues of lots of stolen tickets.

Mr. MICA. But, that's not our job. And if I start doing that to people in other instances, I mean, I'd have the civil liberties union and everybody else on my tail.

Mr. JOHNSON. I would just note the experience we had during the Gulf war when we imposed the level of security that was somewhat even more severe than was in place after TWA 800.

Mr. MICA. That's still in place and it was mechanical. But again, I mean, if you're going to do something you want to do something that is effective. And that's to identify the person getting on the plane with the person with the ticket. How in the hell can anybody tell me that those folks that checked-in at the counter are the same ones that got on the plane. There is no way.

Mr. JOHNSON. Well, actually there are some ways out there with, there are some very, they are called smart cards where they can embed the photograph of the individual——

Mr. MICA. Oh, but I mean, that's not being done. I'm asking about what's being done. It is not in anyway, nor can you show me any incidence from a domestice airport where there has ever been an instance, can you?

Mr. JOHNSON. No. I agree with your general principle. Let me try to approach it this way. Right now we have a technology for preventing hijacking so we don't have to worry about the issue of ask-

ing people questions. And I agree with you. Asking those questions, "Did you pack your own bags?" etc. No one is going to say yes I'm a terrorist, I packed this or my brother-in-law is a terrorist and he gave it to me. [Laughter.]

Mr. MICA. I have to lie because sometimes my wife puts things in or my kids and I don't know about it.

Mr. JOHNSON. I think Congress and the President made a step in the right direction by approving money into increase the research into explosive detections.

Mr. MICA. But, they took a little bit more of our civil liberties away. I've travelled in the former Soviet Union and I never had to do that.

Mr. JOHNSON. Sir, that is, unfortunately, one of the costs of the threat of terrorism. And I agree with you that protecting our civil liberties——

Mr. MICA. But, never with an incident to my knowledge. Again, to me, and you testified. I'm going to pull your testimony up and send it to Miss Garvey over there. We finally have an FAA administrator. But that just irritates me in a free country. And you know, you take some of the other incidents. If they took down the World Trade Center, you know, we should have agents patrolling every entrance of the garage with a multi-story occupied building. That doesn't make much sense. This is a or has been, until late, a free society where people could freely travel without infringement on their civil liberties.

The other thing, too, they spend a lot of time and resources. In talking to people, there is a big enforcement mechanism they find agents that don't ask the question. They've got FAA personnel patrolling. Some of the folks did some airport security things where you could, actually, almost get access behind or on to the planes. And those avenues seem to present much more possibility for doing some serious terrorism damage and go unprotected, as opposes to doing this Mickey Mouse approach. No offense to part of the community that I respresent.

Mr. SOUDER. You're only flying into Orlando, tonight. [Laughter.]

Mr. MICA. Approach. But again, Mr. Davis what do you think.

Mr. DAVIS. I think that, Davi just told me that we are doing some work in this area and we would be happy to——

Mr. MICA. Well, then they appointed a commission and now they are going to this possible baggage matching. I don't know how much they spent on that. Which they'll institute over my dead body, but that may be sooner than later.

Mr. DAVIS. I just recently took a trip and as I put down ticket, and you check your bags, they ask you for identification. I felt comfortable that at least they know that the bags that are being checked came from me. They had my picture and they had my ticket. They don't know that I'm going to get on that plane, but they do know what bags that I had and I answered their questions.

Mr. MICA. And what good does it do?

Mr. SOUDER. Accountability.

Mr. DAVIS. Well, the person who's ticket they had, and I was that person, they had my identification. They showed——

Mr. MICA. Has there ever been an incident in the history of the country where somebody checked a bag and it——

Mr. JOHNSON. Not here. But there was one in Europe. I think the issue—I'm a firm believer on technology on this that I think can help both safeguard the civil liberties. I agree with you——

Mr. MICA. Well, we strip-search them and we stand them up on the tarmac and we put them with their luggage. We certainly could get a better guarantee. It's right along the same lines and methods. Why not?

Mr. JOHNSON. There's certain security measures though, such as positive passenger bag match that over the long run, they do have a deterrent effect, but more importantly they make sure that your bag is going to get there and be waiting for you at the end of the trip.

Mr. MICA. Yes. I'm still trying to get a bag from my vacation at Easter. [Laughter.]

Thanks, Mr. Chairman. And they didn't ask me when I left the other—or down in the Carribean, they never asked me any questions. They didn't even ask for my identification. And I still don't have the damn bag. Thanks.

Mr. SOUDER. Mr. Johnson, for the record, I wanted to combine into one other question. You mentioned that you felt that the Department of Energy could be reduced as one possibility, anybody, any agency that you feel could be stripped of some of the responsibility or others that might be reduced in your opinion.

Mr. JOHNSON. Yes, I was still working in the government when the World Trade Center bomb happened and they had the counterterrorism office. And frankly, ATF was in the way on that case. The FBI has the capability and the competence to do this.

Mr. SOUDER. So, you'd call them the lead domestic agency?

Mr. JOHNSON. They are the lead domestic agency. I think some of the capabilties the ATF could be stripped of and that could be shifted to the FBI.

Mr. SOUDER. Well, thank you, very much all of you for coming. This has been very informative and I look forward to working with you as the subcommittee develops this issue. Again, I want to thank you. And with that the hearing is adjourned.

[Whereupon, at 3:32 p.m., the subcommittee adjourned subject to the call of the Chair.]

○