

GOVERNMENTWIDE SPENDING TO COMBAT TERRORISM: GENERAL ACCOUNTING OFFICE VIEWS  
ON THE PRESIDENT'S ANNUAL REPORT

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HEARING

BEFORE THE

SUBCOMMITTEE ON NATIONAL SECURITY,  
VETERANS AFFAIRS, AND INTERNATIONAL  
RELATIONS

OF THE

COMMITTEE ON  
GOVERNMENT REFORM

HOUSE OF REPRESENTATIVES

ONE HUNDRED SIXTH CONGRESS

FIRST SESSION

MARCH 11, 1999

**Serial No. 106-6**

Printed for the use of the Committee on Government Reform



Available via the World Wide Web: <http://www.house.gov/reform>

U.S. GOVERNMENT PRINTING OFFICE

56-509 CC

WASHINGTON : 1999

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## **GOVERNMENTWIDE SPENDING TO COMBAT TERRORISM: GENERAL ACCOUNTING OF- FICE VIEWS ON THE PRESIDENT'S ANNUAL REPORT**

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**THURSDAY, MARCH 11, 1999**

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON NATIONAL SECURITY, VETERANS  
AFFAIRS, AND INTERNATIONAL RELATIONS,  
COMMITTEE ON GOVERNMENT REFORM,  
*Washington, DC.*

The subcommittee met, pursuant to notice, at 1 pm., in room 2247, Rayburn House Office Building, Hon. Christopher Shays, (chairman of the subcommittee) presiding.

Present: Representatives Shays, Blagojevich and Mica.

Also present: Lawrence J. Halloran, staff director and counsel; Michele Lang, professional staff member; Jonathan Wharton, clerk; Earley Green, minority staff assistant; and David Rapallo, minority counsel.

Mr. SHAYS. I'd like to call this hearing to order.

Events like the World Trade Center bombing and the release of poison gas in a Tokyo subway crystalize our fears and galvanize our determination to confront terrorism. In response to a threat that approaches our shores from many directions in many forms against many potential targets, more than 40 Federal departments, agencies and programs will spend \$9.2 billion this year to combat terrorism.

Today we examine those governmentwide efforts to detect, deter, prevent and respond to terrorist attacks, continuing work begun by this subcommittee's previous chairman, Speaker Hastert. We ask how a sprawling and growing anti-terrorism and counter-terrorism program is being coordinated across the notoriously previously bureaucratic barriers.

We ask how priorities are set, how risks are measured and how responses are designed to augment, not duplicate or replace existing local, State and Federal capabilities.

These are not easy questions. By its very nature terrorism is unpredictable, even irrational, and may confound standard methods of risk analysis. For example, current threat assessments conclude conventional weapons, guns and bombs, remain the terrorists most likely choice, but the most unlikely threat, the use of biological or chemical weapons to inflict mass casualties would have the most devastating consequences.

Our challenge as a Nation lies in reconciling those aspects of the terrorist threat, and calibrating the appropriate response.

How do we do that? According to a series of studies undertaken through the subcommittee by the General Accounting Office [GAO], the answer has to be better but not good enough. Fragmentation and duplication persist in a number of military and civilian response units, and in confusing and disjointed equipment programs and training efforts.

While some progress has been made in coordinating crisis management and consequent management missions, GAO still sees the need for a more risk-based strategy, defined program goals and governmentwide budget criteria to ensure the effectiveness and efficiency of the effort against terrorism.

Two years ago, to improve coordination and accountability, Congress directed the President and the Office of Management and Budget, OMB, to track terrorism-related spending governmentwide and report annually on priorities and duplication.

The second annual report issued March 3d describes a far-reaching and balanced program on which the administration proposes to spend \$10 billion next year, \$10 billion next year.

According to GAO, the report gives us the first strategic insight into the magnitude and direction of Federal funding for this priority nationally, security and law enforcement concerns. But the report says little about priorities guiding the effort, and says less about duplication.

Early today the subcommittee received a classified briefing from Mr. Richard Clark, the National Security Council's National Coordinator for Security Infrastructure, Protection and Counter-Terrorism. And from Michael Deish, the program Associate Director for General Government, Bob Kyle, program Associate Director for National Security, both with the Office of Management and Budget.

It was the first administration briefing on the March 3d report and offered us the opportunity to discuss both procedural and substantive issues candidly.

The battle against terrorism may be a major focus of this subcommittee's work over the next 2 years. Not may be, but will be.

Today and in future hearings we will say much about duplication, about the successes and failures of current programs, and about the need for clear priorities in meeting terrorist threats.

Mr. Hinton, Mr. Rabkin and Ms. D'Agostino, welcome. The subcommittee values your work on these important issues and looks forward to your testimony.

At this time, if you would stand, I'll administer the oath.

[Witnesses sworn.]

Mr. SHAYS. For the record, all three of our witnesses responded in the affirmative. I think Mr. Hinton, you have a statement and then all three of you respond to questions?

Mr. HINTON. Correct, Mr. Chairman.

Mr. SHAYS. Thank you. You have the floor.

Mr. HINTON. Thank you, sir.

Mr. SHAYS. And given that you are our only witness, just feel free to make your statements as you think you need to.

Mr. HINTON. Thank you very much.

**STATEMENT OF HENRY L. HINTON, JR., ASSISTANT COMPTROLLER, NATIONAL SECURITY AND INTERNAL AFFAIRS DIVISION, U.S. GENERAL ACCOUNTING OFFICE, ACCOMPANIED BY NORMAN J. RABKIN, DIRECTOR OF ADMINISTRATION OF JUSTICE ISSUES, GENERAL GOVERNMENT DIVISION, U.S. GENERAL ACCOUNTING OFFICE, AND MS. DAVI M. D'AGOSTINO, ASSISTANT DIRECTOR OF NATIONAL SECURITY ANALYSIS, NATIONAL SECURITY AND INTERNATIONAL AFFAIRS DIVISION, U.S. GENERAL ACCOUNTING OFFICE**

Mr. HINTON. Mr. Chairman, we're pleased to be here to discuss our past and ongoing work and observations on Federal funding to combat terrorism. To my right is Ms. Davi D'Agostino. She's a key person in leading all the work that we have been doing, looking across the government programs to combat terrorism. And to my left is Mr. Norm Rabkin who is the Director for our justice issues group at GAO.

As you know, over the past 3 years we have studied and reported on a number of issues concerning Federal agencies, programs and activities to combat terrorism for this subcommittee. We previously reported that key Federal agencies with responsibilities to combat terrorism spent about \$6.7 billion in fiscal year 1997 for unclassified activities and programs.

That report led to legislation requiring OMB to establish a system for collecting and reporting information on executive agencies' spending and budgets for combating terrorism. Legislation also required the President to annually report this information to Congress.

OMB's recent report identified \$10 billion requested for programs to combat terrorism in fiscal year 2000.

My testimony this afternoon, Mr. Chairman, will address three issues. First, I will briefly describe the threat as we understand it from intelligence analyses. Second, I will provide some of our overall observations based on our work. And finally I will discuss some steps the executive branch has taken for improving cross cutting management and coordination and our preliminary observations on OMB's reports to Congress.

Let me turn to the threat, Mr. Chairman. The U.S. intelligence community has continually assessed the foreign origin and domestic terrorist threats to the United States. 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, at least partly because they are more difficult to weaponize and the results are unpredictable. However, some groups and individuals of concern are showing interest in chemical and biological weapons.

With the elevated concerns about terrorism that you mentioned, Mr. Chairman, let me focus on the Federal response and our observations about it.

The Federal response has been significant and is evolving. As I mentioned earlier, we reported that certain Federal agencies spent about \$6.7 billion in 1997. For 1999, the Congress authorized \$9.7 billion, and for 2000, the President's budget proposes \$10 billion.

Among the major recipients of this money is the National Security community including DOD and intelligence agencies and the Departments of Justice, Treasury, Energy and State.

At the agency level, this growth in the budget has translated into rapid increases in funding for selected programs and activities to combat terrorism. For example, HHS has increased its spending from \$7 million in 1996 to about \$160 million for 1999, and has requested \$230 million for 2000 for its bio-terrorism initiative.

This initiative is intended to improve disease surveillance and communication systems, establish laboratories and continue to establish a national pharmaceutical stockpile, conduct research into new vaccines and drugs and expand the number of local emergency medical teams.

Justice has also experienced rapid growth in funds budgeted for its State and local domestic preparedness programs. Funds have increased from zero in 1997 to \$21 million in 1998 to \$120 million in 1999, to a fiscal year 2000 budget request of \$162 million to provide training and equipment to local first responders and to fund national training centers.

The FBI more than doubled its resources for combating terrorism from about \$256 million in 1995 to about \$581 million in 1998.

Mr. Chairman, one of our key observations is that the rapid program growth has occurred in the absence of, one, a government-wide strategy that includes a defined end-state; two, soundly established and prioritized program requirements; and three, cross-cutting analyses of agencies' budget proposals to ensure that unnecessary duplication and waste are avoided and existing Federal, State and local capabilities are fully leveraged.

In this connection, Mr. Chairman, threat and risk assessments are widely recognized as sound decision support tools to help define and prioritize requirements of a properly focused program of investments in combating terrorism.

Let me highlight the rapid growth in two program areas for you that has taken place in the absence of sound threat and risk assessment. They are domestic preparedness programs and public health initiatives.

Domestic preparedness funding increased from \$42 million in 1997 to about \$1.3 billion requested for a number of agencies' preparedness activities in fiscal year 2000. For example, the 2000 budget proposes an additional \$611 million for training, equipment and exercising cities' first responders in preparation for a potential terrorist attack and for strengthening public health infrastructure.

There are many similar program initiatives across several agencies to train and equip local emergency response personnel, such as those in fire, police and emergency medical services to deal with the consequences of an attack.

For example, Justice has sponsored training programs and implemented equipment programs for State and local responders. It is also establishing a center for domestic preparedness at Ft. McClellan, AL. FEMA and its National Fire Academy have longstanding resident and non-resident training programs in emergency management and hazardous materials. FEMA has requested about \$31 million for fiscal year 2000, a \$13 million increase over its 1999



funding; \$29 of the \$31 million in fiscal year 2000 is to train and equip State and local responders.

HHS has been establishing metropolitan medical response systems with trained and equipped local emergency teams in 27 cities that also participate in the domestic preparedness training and equipment program. HHS has requested 2000 funding to include 25 more cities in the program.

We have also noted growth and potential overlap in Federal agencies' response capabilities to support State or local incident management. The National Guard's Rapid Assessment and Initial Detection teams, also commonly known as RAIDs teams, are being created to supplement numerous local, State and Federal organizations that can perform similar functions.

For example, there are over 600 existing local and State hazardous materials response teams that can respond to terrorist events, including those involving highly toxic industrial chemicals.

Included in the fiscal year 1999 appropriations are \$52 million to establish, train and equip the first 10 of potentially 54 RAID teams. We are currently reviewing the roles and missions of these teams in response to a request from this subcommittee.

In the public health area, HHS has received about \$160 million in 1999 appropriations and a request of \$230 million in 2000 for a number of initiatives related to the possibility of a terrorist event using biological agents.

HHS expects that creating a national stockpile of millions of doses of vaccines for smallpox and anthrax, antidotes for chemical agents, antibiotics for other diseases and respirators will cost \$51 million in 1999 and \$52 million in 2000.

Our preliminary observations are that HHS did not perform a complete and formal risk assessment to derive and prioritize in accordance with the most likely threats the Nation will face, the specific items it plans to procure.

Several of the items HHS plans to procure do not match the intelligence community's judgments on the more likely chemical and biological agents a terrorist group or individual might use. For example, smallpox and plague are not among the intelligence community's list of biological agents that are most likely to be used by terrorists, but HHS plans to stockpile against these agents and threats.

Also we are currently reviewing the scientific and practical feasibility of a terrorist chemical/biological threat for this subcommittee, Senator Spector and Senator Rockefeller, and Congressman Skelton, and we will be reporting on the results of that review later this summer.

Last, Mr. Chairman, let me highlight some of the steps the administration is taking to address the management and coordination of these programs and activities.

We believe that the OMB reports on governmentwide spending and budgeting to combat terrorism are a significant step toward improved management and coordination for the complex and rapidly growing programs and activities. For the first time, the executive branch and Congress have strategic insight into the magnitude and direction of Federal funding for this priority national security and law enforcement concern.

The 1999 report provided additional analyses and more detailed information than the 1998 report on budgeting for programs that deal with weapons of mass destruction.

In discussing the reports, OMB officials told us that a critical piece of the budget and spending in this picture, threat and risk assessment—that would suggest priorities and appropriate counter-measures.

We have not fully evaluated the processes or the methodologies the executive branch agencies used to derive the information in these reports. As a result, we're not in a position to comment on whether or to what extent the reports reflect the best possible estimate of costs associated with programs and activities to combat terrorism.

However, notably absent from the report was any discussion about established priorities or efforts to reduce or eliminate duplicate programs or activities across government.

Another important step toward improving inter-agency management and coordination was the Attorney General's December 1998 classified 5-year inter-agency plan on counter-terrorism and technology crime.

The plan includes goals, objectives, performance indicators and recommends that specific actions be taken to resolve inter-agency problems and issues that are identified, and assigns relative priorities to the actions.

The classified plan represents a substantial inter-agency effort, and was developed and coordinated with 15 Federal agencies with counter-terrorism roles.

As with the OMB report, Mr. Chairman, the plan generally does not lead to recommended actions and priorities to budget resources, although the document states that the agencies hope to improve the link between the plan and resources and subsequent updates.

In May 1998, last year, the President designated a National Coordinator for Security Infrastructure Protection and Counter-Terrorism. We heard this morning, he was not to direct agencies' activities, but is to integrate the government's policies and programs on unconventional threats to the homeland and Americans abroad, including terrorism.

The National Coordinator is also to provide advice in the context of the annual budget process regarding the budgets for counter-terrorism. We understand he has established a number of working groups, Mr. Chairman, but we have been unable to obtain any further information about their roles.

In summary, the Federal agencies have been moving out with a variety of initiatives to create new Federal response elements, new training and equipment programs and facilities for State and local responders, and a number of the preparedness programs.

The Congress has been supporting these initiatives and activities to prepare for a possible terrorist incident with regular, supplemental and emergency authorizations and appropriations.

Our message today is not that the government should not be spending funds on programs that combat terrorism. Our message is that we see some very important things missing from the picture.

First, what is missing is a strategy with a vision of an end-state. What I mean is, how do all these individual agency initiatives fit together with each other, and importantly, with existing Federal, State and local capabilities and assets.

Is the vision of the end-state for the Nation that every city, town and rural community in American have its own organic capability to respond to a chemical and biological terrorist attack?

Second, we are missing sound threat and risk-based requirements for the many programs, activities and initiatives, and linked with those assessment requirements, governmentwide activities and programs being prioritized along the lines for more likely threats and high-risk incidents that the Nation may face.

Without such assessments, requirements and priorities, one cannot be confident that you're spending moneys on the right programs and in the right amounts.

Third, we would expect to see a comprehensive inventory of existing Federal, State and local assets and capabilities and assurances that they are being leveraged, and not excessively duplicated.

And finally, we would expect to see a process established and implemented to identify duplication and overlapping capabilities and programs.

We have made a number of recommendations, Mr. Chairman, that, if properly implemented, would result in a more focused approach to investing in combating terrorism from a governmentwide perspective than what we have observed.

For example, we have recommended that the National Security Council in consultation with the Director of OMB and the other executive branch agencies take steps to ensure that governmentwide priorities to combat terrorism are established.

We also recommended that OMB review on funds budgeted and spent by executive departments and agencies to among other things ensure that programs are based on analytically sound threat and risk assessment, and avoid unnecessary duplication.

Unfortunately the executive branch has not fully embraced those recommendations to date, Mr. Chairman. That concludes my statement. My colleagues and I will be prepared to answer your questions.

Mr. SHAYS. Thank you very much, Mr. Hinton. Before I recognize Mr. Blagojevich, who is the ranking member, I just would ask unanimous consent that all the members of the subcommittee be permitted to place an opening statement in the record, and that the record remain open for 3 days for that purpose. Without objection so ordered, and I'll also ask for the unanimous consent that our witnesses be permitted to include their written statements in the record. Without objection, so ordered.

Do you have any statement you would like to make before we—

Mr. BLAGOJEVICH. Just briefly, Mr. Chairman. I have a statement, and in the interest of time and brevity I will put it in the record.

[The prepared statement of Hon. Rod R. Blagojevich follows:]

**Opening Statement  
Representative Rod Blagojevich, Ranking Member  
Subcommittee on National Security,  
Veterans Affairs, and International Relations**

March 11, 1999

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GOOD MORNING, MR. CHAIRMAN. I WOULD LIKE TO WELCOME OUR DISTINGUISHED WITNESSES HERE TODAY FROM THE GENERAL ACCOUNTING OFFICE. WELCOME BACK MR. HINTON, AND WELCOME ALSO TO YOUR COLLEAGUES, MR. RABKIN AND MS. DAGOSTINO.

AS WE ALL KNOW, FIGHTING TERRORISM IN A GLOBAL ENVIRONMENT IS A COMPLEX TASK, ESPECIALLY FOR A COUNTRY SUCH AS OURS WITH IMPORTANT HUMANITARIAN, COMMERCIAL, AND POLITICAL INTERESTS WORLDWIDE. IN LIGHT OF THE INFORMATION WE RECEIVED FROM O.M.B. IN THIS MORNING'S BRIEFING, I WANT TO TAKE JUST A MINUTE TO COMMEND THE ADMINISTRATION ON THE PROGRESS IT'S MADE IN THIS AREA.

IN ADDITION TO INCREASING FUNDING FOR COUNTER-TERRORISM AND ANTI-TERRORISM PROGRAMS -- I BELIEVE THE FIGURE IS A \$4.3 BILLION INCREASE OVER THE LAST FOUR YEARS -- THE ADMINISTRATION, THROUGH SEVERAL PRESIDENTIAL DECISION DIRECTIVES, HAS RECRAFTED THE WAY THE FEDERAL GOVERNMENT CONDUCTS THE FIGHT AGAINST TERRORISM. GIVEN THE REALITY

OF THE INCREASING THREATS WE FACE DOMESTICALLY AND ABROAD, THESE ACTIONS ARE IMPERATIVE.

THE ADMINISTRATION HAS IMPLEMENTED SIGNIFICANT COOPERATIVE AND COORDINATING FUNCTIONS AMONG THE FEDERAL AGENCIES. FOR EXAMPLE, THROUGH PRESIDENTIAL DIRECTIVE DECISION (P.D.D.) 39, THE ADMINISTRATION HAS ASSIGNED AGENCY RESPONSIBILITY AND IMPLEMENTED INTERAGENCY WORKING GROUPS.

THE ADMINISTRATION HAS ALSO GIVEN DIRECTION TO THESE EFFORTS BY CREATING A NEW POSITION OF NATIONAL COORDINATOR FOR SECURITY, INFRASTRUCTURE PROTECTION, AND COUNTER TERRORISM THROUGH P.D.D. 62.

THE ADMINISTRATION HAS INCREASED THE FOCUS ON DOMESTIC CONCERNS BY IMPLEMENTING RECOMMENDATIONS BY THE PRESIDENT'S COMMISSION ON CRITICAL INFRASTRUCTURE. AND, IN A LANDMARK ACHIEVEMENT, THE ATTORNEY GENERAL RECENTLY SUBMITTED A CLASSIFIED FIVE-YEAR PLAN -- BASED ON THE COORDINATED EFFORTS OF TWO DOZEN AGENCIES -- THAT SETS FORTH SPECIFIC GOALS, OBJECTIVES, AND RECOMMENDATIONS FOR COUNTER-TERRORISM POLICY.

OF COURSE, ANY PROGRAM THAT HAS GROWN SO QUICKLY IS LIKELY TO FACE SIGNIFICANT CHALLENGES. IN FACT, O.M.B.'S

REPORT, WHICH WE WILL DISCUSS TODAY, IS THE RESULT OF CONGRESSIONAL AND G.A.O. CONCERNS ABOUT THE LACK OF DATA ON TERRORISM-RELATED PROGRAM FUNDING.

SO, LET ME CLOSE BY SAYING THAT I APPRECIATE THE ADMINISTRATION'S WILLINGNESS TO MEET THESE CHALLENGES. AND I NOTE THAT IN RESPONSE TO OUR REQUEST, O.M.B. HAS DEVELOPED CONSISTENT DEFINITIONS AND STANDARDS AMONG ALL DEPARTMENTS AND HAS NOW ISSUED ITS SECOND ANNUAL REPORT.

SINCE OUR JOB ON THIS SUBCOMMITTEE IS TO IMPROVE THESE EFFORTS EVEN FURTHER, I LOOK FORWARD TO HEARING GAO'S COMMENTS. I AM PARTICULARLY INTERESTED IN WAYS WE CAN IMPROVE THE MANNER IN WHICH PRIORITIES ARE DETERMINED, AS WELL AS STRATEGIES TO ELIMINATE WASTE AND DUPLICATION TO GET THE MOST SECURITY FOR OUR FEDERAL DOLLAR.

THANK YOU, MR. CHAIRMAN.

Mr. SHAYS. Mr. Hinton, maybe I could ask you, do you have any comment that you would want to put on the record based on the briefing that we had earlier in the day? Is there any statement that you think would make sense to put on the record?

Mr. HINTON. Yes, I would offer a few comments, Mr. Chairman. I think the OMB and NSC description that this whole area and the Federal response is evolving. I think that it's true, I think there have been some significant steps on the part of the administration based on the work that we have seen, and that is the OMB reports. I think that is offering tremendous insight in terms of the funding that is planned that we've seen in the 1998 and 1999 programs.

Second, I think the 5-year plan of the Attorney General—that's the classified plan I made reference to, I think in terms of what it's outlined as some recommendations for the inter-agency community. This is another important step.

What I haven't seen, Mr. Chairman, yet, is what a spending plan might look like across government outyears, and what the chief priorities may be within that spending plan. That would give us some insight as to where the dollars are going, and what these programs would really be going after in terms of the gaps that they're trying to fill.

Mr. SHAYS. Is it your view that the March 12, 1998 report from Mr. Rands and the March 3, 1999 report of Mr. Liu—they're both Directors at OMB, have been helpful documents?

Mr. HINTON. Yes, sir. In terms of bringing some insight into the spending. Notably absent is linkage to chief priorities that we would expect to see over time. There is a statement in the plan that they hope shortly to be making linkages from the dollars that we're seeing to some of the broader priorities for the effort. And I think as that evolves, that will be tremendously helpful to this committee and the other authorization and appropriations committees up here on the Hill.

Mr. SHAYS. The position that was established by the President, the National Security Council's National Coordinator for Security Infrastructure, Protection and Counter-Terrorism, occupied by Mr. Richard Clark—he's not a terrorist czar? He doesn't have the same powers and responsibilities that the drug czar has, for instance?

But he has the task of coordinating all the various Federal efforts. In a sense, he has the opportunity to cross interdisciplinary, he can go from one department to another.

Now, I had made an assumption that your division had that same unique characteristic, but really it relates to national security internal affairs division, your part of the puzzle.

Do you have the jurisdiction as an assistant controller to organize the rest of GAO to focus attention on terrorism?

Mr. HINTON. Yes, we've worked across, on units within GAO, and working with the Justice side. I work with Mr. Rabkin in working with those agencies who oversee HHS. I work with Mr. Hembra, my counterpart who handles those areas.

Mr. SHAYS. Is there any one person, though, that's responsible? Have you been given the authority to use the other resources at GAO? I think Ms. D'Agostino is—you work actually in the same division.

Mr. HINTON. Right.

Mr. SHAYS. But how many different divisions do you have to interact with? I want to get a handle on the territory.

Mr. HINTON. Within GAO, all of them. And we have a lead role, like a lead agency concept. Our division has the lead in terms of strategically thinking through the programs and bringing the other divisions to work with us on the issues as we see the need to do so.

For example, we recently issued a report in December of this past year on the FBI in terms of its role and its funding. Mr. Rabkin did that as part of a network that we had within GAO. And as we cut across the other issues, we'll do that. And when I look at our units, Mr. Chairman, the role that we have played in the division that I head up is looking across the entire spectrum, and where we've had issues. It might go down the HHS track or to Justice or the law enforcement community.

I've looked at the others, but take a vertical cut in doing that work for us so that we can have a complete picture.

Mr. SHAYS. Let me be really specific. Do you have the authority from the Comptroller to be the lead person? I mean ultimately are you the one held accountable for the whole issue of terrorism, or is that somewhat an unresolved issue?

Mr. HINTON. Within GAO I would probably say I have, at this point, the largest responsibility within the—

Mr. SHAYS. That's not the same, though. And it's something that I would want to talk to the Comptroller about, because ultimately there needs to be one person who is held accountable for this whole effort, I think, within GAO.

And that will be our responsibility, but you might express a concern to the Comptroller.

Mr. HINTON. In answer to that, there is not an express direction by anyone in GAO. What we have is a strategic planning process that builds the elements for that—

Mr. SHAYS. Now, this committee parallels GAO in the sense—I'm not talking about subcommittee, I'm talking about quorum committee—we have this 360 degrees jurisdiction of government programs, much like appropriations does. They have it for spending, we have it for looking at waste, fraud and abuse in government programs. So within your GAO there exists that 360 degrees jurisdiction.

What we did in this committee is we spun off some responsibilities that we had to Justice, we spun off to another committee, but we wanted to make sure that we focused on national security, intelligence, veteran's affairs, we thought they were all united. But the one thing we kept clear in the 360 degrees jurisdiction was terrorism.

So we have it for every element, and we intend to utilize I think that opportunity. And the more we have been trying to sort out what this committee is going to focus in on, the more convinced I am that our biggest opportunity is to do what Mr. Mica is doing on the drug side within every government agency in prevention, interdiction and so on, we're going to look at the terrorist side.

Let me conclude with this question: Do you concur, whether you concur, let me put it this way. I believe, and I believe many people who get involved in the terrorist issue believe that a terrorist attack or attacks will occur in the United States. And it's really a



question of when these attacks will occur, what kind of attack and where.

And is it your general opinion that we have made good progress in getting a handle in organizing both the anti-terrorist and counter-terrorist effort; do you feel that we are making significant headway in HHS and their role once a terrorist attack occurs, that we're bringing in the Justice Department and the FBI in terms of their responsibilities, FEMA and so on; do you think that we have made significant progress?

Mr. HINTON. I think there has been quite a bit of progress that has been made over the last couple of years on that score, Mr. Chairman. In fact, I think in setting up Mr. Clark's situation to oversee that, though he does not have an authority to direct the agencies. Nevertheless, he is in a coordination role.

But we have also seen money being made available to the individual agencies to enhance their efforts and get the initiatives going up. The questions that we have been raising from our work, though, is that where does it all take us; what is the end state, and how does the Federal game plan fit together in a comprehensive way, and what is the long-term spending initiative that we want to have.

And a key part of that is making some sound threat and risk assessments as part of the process. We haven't seen that done. Therefore the real question we have is where money is going right now, are we targeting the money in the absence of these risk assessments to the highest priority programs and activities that we as a Nation need to be funding? That is not clear yet.

Mr. SHAYS. Thank you. Let me ask Mr. Blagojevich, and see if he has any questions.

Mr. BLAGOJEVICH. Thank you, Mr. Chairman. Mr. Hinton, in your testimony you describe differences between conventional threats and threats of chemical or biological weapons.

Although you state that terrorists are less likely to use chemical and biological weapons, don't we also have to factor in the potential harm which in the case of chemical or biological weapons could be much, much greater?

Mr. HINTON. Yes. That's the concept that we work through, yes.

Mr. BLAGOJEVICH. Could you elaborate on that, please?

Mr. HINTON. Well, I think that's one of the threats that clearly we need to be cognizant of and try to plan how we will react as a Nation against that threat and how we would manage the consequences of an action that we did indeed have.

Mr. BLAGOJEVICH. The Attorney General also announced plans to move the NLB Domestic Preparedness Program from the Department of Defense to the Department of Justice. Somebody suggested that FEMA should take the program because of their traditional emergency response. Wouldn't it, moving it to Justice, call for even greater coordination with some of the training programs already operated by Justice?

Mr. HINTON. Sir, we haven't really done an assessment of the pros and cons of that decision. I think there are probably several alternatives available. FEMA could be one, EPA could be one, surely Justice could be one.

Key, I think, in terms of looking at the decision as it is made is to make sure that we understand the pros and cons of it, and when that decision is indeed made.

Mr. BLAGOJEVICH. Can you give us a timeframe on when you think you might have a decision on that?

Mr. HINTON. Right now we're not presently looking at that. As you know, the tentative decision is to move responsibility over in 2001. For the most part, I think that's where the administration is leaning to do it.

I have not looked at the analysis around that. If that's something that the committee would like, we'd certainly be happy to entertain doing that.

Mr. BLAGOJEVICH. One of the concerns with the domestic preparedness program that I've heard is that State and local first responders were confused about the number of different programs and resources that would be available to them. In a hearing before this subcommittee the last time, representatives of the Attorney General announced the creation of a new national domestic preparedness office at the FBI.

Will this office be able to reduce confusion and streamline equipment lists and personnel requirements?

Mr. HINTON. I think it's a step in the right direction, Congressman. Through the work we have done, we've heard the same concerns from people we have talked to. And I think setting that office up and providing the services that are planned for it to provide will offer a kind of one-stop shopping for many of the training programs and will probably help mitigate a lot of the confusion that is out there right now. And I think from that vantage point it will probably be viewed as a good step.

Mr. BLAGOJEVICH. Very good. Thank you, Mr. Hinton.

Mr. MICA. I thank the gentleman. I would like to spend a few minutes and ask a couple of general questions, and since I just joined the hearing, excuse me if I repeat anything that's been asked.

First of all, terrorist threats can be numerous. They can be domestic, or they can be overseas involving an embassy or our airlines. We've seen the World Trade Center, a commercial center at risk. We have hundreds of thousands if not millions of Americans around the world and American schools overseas that could have a problem.

I have become more and more convinced as we examine this whole problem area that you can't build a concrete wall or bomb-proof barrier or terrorist-proof facility around every individual facility.

What appears to be one of the wisest expenditures of funds is for intelligence. Is that a proper assumption, and what kind of emphasis is being placed in your opinion, your study, on the question of intelligence versus hardening?

Mr. HINTON. Mr. Mica, there is no question from where we sit that intelligence is a very, very important component of the Federal picture back there. And it is very key, and it is an enabler to help us prevent, help the government prevent any known or planned actions against it.

And I think when you look across the entire government plan, there has got to be balance in that, in the whole strategy. Intelligence is a big part of it.

Taking other actions around physical security and also consequence management, they are all components of the total government plan. And so I think it becomes one of balance and a funding decision.

Mr. MICA. Well, again, I'm wondering if you've done any examination. We talked about risk assessment, and how much money we were spending, again, on hardening versus intelligence. Are there any specific recommendations that you have for us? I haven't read through this report here, the statement.

Mr. HINTON. Right. We have made recommendations, Mr. Chairman, in terms of the threat risk assessments. We have not seen them yet, but they've been done. We think that is an important decision support tool that has been used in the private and public sectors. It helps you look at your threats, assess the vulnerabilities of those threats, prioritize efforts to mitigate against those threats and helps decide on where you want to put the funding.

Intelligence is a key part of that process too, the human intelligence aspects are important, too. But it's part of a process that helps you think through the risk that is involved and helps you establish a good process for weighing the resources that you're going to apply to assess risk.

Mr. MICA. I just left a closed briefing on the narcotics issue. One of the things that was brought to light was the resistance on the Senate side to spend adequate funds for intelligence.

Are you aware of requests that have been unmet in the area of, again, going after terrorist threats, anything that the Congress hasn't done that should be done? You know, I'm not asking you to point a finger, but I just was told that there is reluctance on the part not so much of Members, but of staff on the Senate side to not properly fund intelligence activities.

Mr. HINTON. Mr. Mica, I am not aware of that. It doesn't mean that is not a real situation, I am just not aware of that from the work that we have done.

Mr. MICA. And then the other question is the way the money is spent. I sat on this subcommittee early on and I had the unfortunate experience as a Member of Congress to speak at the graduation of a young man in my district who several months later, almost a year later, ended up serving in Saudi Arabia and was killed, murdered in the Khobar Towers incident.

Of course we took every measure possible after that, and I think we expended a third of a trillion dollars total in force protection. We then went back to Saudi Arabia and some of our other posts to look at how the money was spent.

I was sort of stunned at the array of gadgetry that had been acquired. Do we overreact when we—we intended to try to get in as much protection for the forces as possible, but I saw some of these gadgets that had been purchased that may or may not ever be used, may or may not be suitable to, say, desert conditions.

What is your assessment of, again, the equipment? The same thing happened after TWA 100, we spent a tremendous amount of

money. You go through the airport now and they've got these very expensive, I understand, detection equipment for explosives.

How cost-effective is this? Are we spending money that we don't need to be spending when people suddenly have their attention focused?

Mr. HINTON. Mr. Mica, you're raising a very good question that comes back to the issue of having good, sound threat and risk assessments. You go through and take those, you do it by facility, you can do it by location, you can do it by sites or whatever like that, and you ask a lot of key questions around those assessments to try to gauge what the threat might be, weigh the risk and if you have gaps in the known information out there, you can set forth a plan of action that might involve the type of equipment that you need to fill the gaps that you see.

Because we haven't seen those types of threat and risk assessments done in this area, we don't have the assurances that we're putting the right money, in your scenario there, maybe the right equipment, to fix some of the gaps that are out there. We haven't seen that.

So I think your point is right on the mark. I think it needs to be something that's asked constantly of the executive branch when they come before you, and to ask well, what is the request that you're asking for the funds truly based on, so that you can have a gauge. Are we targeting the money to the right programs and, is it the right level of the resources?

Mr. MICA. Again, with some of this equipment, I just couldn't see the practical application. We fund the money, and then it looks like a lot of the purchases of equipment that should be utilized to minimize a threat, the purchases are based on vendor promotion and vendor grabbing for the Federal dollar that's been made available.

Do you focus on any of that or are you directed to that problem?

Mr. HINTON. We haven't looked into it in depth, Mr. Mica. We are aware of how the money has been allocated. Some of the contracting that has been done. But we have not looked into the economies and efficiencies around the individual actions.

Mr. MICA. Well, again, I strongly believe in risk assessment, cost benefit analysis, and what makes sense to you. Look at where the risk is, you go after it. That's why we come back to intelligence.

If we had just a little bit more intelligence in Khobar Towers, we wouldn't have had a Khobar Towers. And then you look at practical solutions. I think we lost 19 young men there. Things like mylar on some of the windows, a lot of people died from glass shards. And just simple things.

I asked the State Department, I think it was last week, based on the experience we had, about some of these simple cost-effective measures, the cautionary things, programs to enlighten personnel that are again, all over the planet at risk 1,000 different ways, 1,000 times a week, and I've been trying to get a handle on what is cost effective.

To your knowledge are we taking what you consider cost-effective steps to deal with the terrorism problem?

You know, again, specifically I pointed to the State Department, the other agencies with proposals in here that may cost us more

money for equipment or personnel, but what about cost effective approaches?

Mr. HINTON. Mr. Mica, I'm going to come back again and tell you to see that analysis around the threat and assessment, threat assessments that need to be done. You're not going to know whether or not we're targeting that money to the right programs and in the right amounts.

In terms of recommendations were made, were they all implemented, the answer to that is we reported a couple of years ago it was no, not fully. And I think we've got a lot of history from those instances that we've got to learn from. At the same time, as we think about making our investments to deal with this issue of terrorism, I think it's very helpful to weigh it through risk assessment, because that kind of sorts it out for you, and you can look and say OK, even if I assess something to be a low threat, you can also through doing the proper assessments be able to prioritize certain types of funding that you may want to place against those low threats.

And we have not seen that level of analysis as we've look at this issue over the last few years, and that's been the focus of the recommendations we've been making to the administration.

Mr. MICA. One of the things that has been done by the administration was this Presidential Directive last May to designate a National Coordinator for Security Infrastructure and Protection, and Counter-Terrorism. And you say you understand some working groups have been established, but you haven't obtained any information.

What's the problem? Is this not being followed through or are they not cooperating in giving you the information you need?

Mr. HINTON. Well, we have tried to establish a working relationship with Mr. Clark's team at the NSC. To date we haven't been successful in establishing that relationship so we can understand where the work groups are going, to look behind some of the work that they've done in terms of types of analysis and those things, and we have not been able to get access to it yet.

It's one of these things that——

Mr. MICA. Is that both domestic and international?

Mr. HINTON. Yes.

Mr. MICA. It is?

Mr. HINTON. Yes, sir.

Mr. MICA. And on the domestic front do you know if there are any working groups at State and local law enforcement agencies?

Mr. HINTON. Yes, sir. There are some.

Mr. MICA. But you don't have enough information to evaluate——

Mr. HINTON. Not just on that one part. I think what we wanted to do, sir, was to establish at our level from GAO over to the NSC team there, and try to look at what they were doing, and then we would follow that down to the State and local levels and see how the responses are being included in their——

Mr. MICA. Are you asking for a report on that?

Mr. HINTON. Yes, Mr. Mica, I can assure you that it's not going to go off the radar screen. I had a conversation with Mr. Clark this morning as part of this, and we're moving forward to try to make

an arrangement to talk about some of the acute security issues. And we'll just have to work that and see if we can work this out.

Mr. MICA. Well, it seems to be a key, I mean it's a key initiative. The question is whether the results—is it effectively being executed.

Mr. HINTON. Right, and we would agree with you on that point.

Mr. MICA. Let me ask you, in addition to some of the things I've mentioned about politics and the steps that have taken about the cost effectiveness of the steps and also the coordination of this. You can also do a risk assessment and a threat assessment relating to the type of terrorist activity we're going to see.

They are either going to use explosives or they are going to use some form of chemical weapon maybe a little bit further down the pike, getting a hold of some type of military equipment. How do you think these should be ranked, and how do we rank them as far as threats? Then I have a followup question: what progress are we making in each of the areas? Maybe you can elaborate.

Ms. D'AGOSTINO. What we've been told by the intelligence community is that there are a number of types of threats, and I think we point out in our statement, that the weapon of choice for terrorists is a conventional bomb. And further down the list of likely weapons, are—and people aren't in total agreement or consensus on this yet—certain chemicals and certain biological agents.

We have seen various analyses in our threat briefings from different parts of the intelligence community, on both the foreign origin threats and the domestic threats. What the FBI has seen in cases, et cetera.

In terms of whether the resources are completely aligned or misaligned, I don't think we've done the kind of analysis that would allow us to say, one way or the other. But these threat and risk assessment processes would get you of the answers you are looking for.

The threat and risk assessment model we have highlighted in one of our reports incorporates methodology to get at the appropriate countermeasures to deal with the higher risk and more severe consequence scenarios that get generated by a multidisciplinary team of experts.

And that is the way you get to targeted countermeasures—through the threats that are the most likely to be faced.

Mr. MICA. Mr. Chairman, did you have anything?

Mr. SHAYS. No, sir.

Mr. MICA. I yield to Mr. Blagojevich. He's going to have to leave.

Mr. BLAGOJEVICH. Thank you. I was a little concerned with your discussion about the vaccination stock-piling program. You mentioned that the HHS is dealing with this threat of risk assessment.

Has GAO talked with anyone at HHS or CDC about the process they are using for determining vaccines to stockpile, and if so, who have you spoken with?

Ms. D'AGOSTINO. We have spoken with HHS and we plan to visit CDC, but the Office of Emergency Preparedness at HHS, Dr. Bob Knouss, a Public Health Service official who is basically responsible for this initiative under Dr. Margaret Hamburg, Assistant Secretary. And the process they used is very unclear that they have followed. To our understanding, according to Dr. Knouss, there is

no documented assessment, and it makes it difficult to understand the process and methodology in how the players in their process derived a list of items that they have presented in their operating plan.

Mr. BLAGOJEVICH. Thank you.

Mr. MICA. I'm a pretty strong proponent, as you've heard, of risk assessment and targeting, and I notice that toward the conclusion of your comments to the subcommittee you said the National Security Council has not fully embraced or implemented all the recommendations as far as this type of an approach. What's the problem?

Mr. HINTON. It's not fully clear to us yet, Mr. Mica. We have been making that recommendation for the last 2 years, I believe it has been, and I don't know what the reluctance is, because I think that as you look at a threat and risk assessment, that's really an assistance, support tool. And I would agree with the administration that they really put a lot into this over the last 2 years, but this has not been a priority with them as they've gone through it.

The second part of that is, throughout the reporting by OMB, we really haven't seen how they have sorted out the priorities for the program. And we too think that relates directly back to the threat and risk assessments, and until you have those established linkages it's difficult to determine what the priority is going to be in the spending and whether or not, as I mentioned earlier, we've got the moneys going to the right programs or not.

Mr. MICA. Well, since we're spending an incredible amount of money on this effort, my other concern becomes a question about duplication of effort and some of the information we've been provided sounds a little bit like the Keystone Kops, where you have agencies that are only duplicating activities or are tripping over each other and involved in some of the threat where there is an investigation or something of that nature.

Can you describe to the subcommittee what you see as far as duplication, as far as this scenario out there of utilization of agency resources?

Mr. HINTON. Right. As I alluded to in my opening statement, what we've seen is a rapid growth in a lot of the Federal programs and activities across a large amount of the programs, and they all have similar focuses. And at the State and local level we might be scratching our head and saying well, are they all helping me or hurting me, because we've got so many coming at us at one time.

We've seen efforts on the part of the Department of Justice to set up an office, for example, to help sort through the number of training programs that are being made available, and in effect putting a one-stop shopping for those people at the State and local levels to come to the Federal Government.

I think that would help in terms of mitigating a lot of the confusion that is out there right now, but as we have watched the dollars grow, and looked at the number of Federal agencies, the objectives of the programs, we've seen a lot of overlap, and it's been in the areas of training, equipment and those type of things that would be what the first responders would be using in the event of an incident.

Mr. MICA. What about equipment?

Ms. D'AGOSTINO. The number of equipment programs have also been growing, notwithstanding the new National Domestic Preparedness Office. I think they are trying to do some good things in that office. It's a very new office. The Attorney General just announced it in November 1998.

I think they need to get underway. But it's not clear how far that office can go in terms of eliminating or reducing duplication going on. They can be the store front, as it were, for the one-stop shop. But it's still not clear to us how they're going to proceed to actually reduce the number and rationalize the various programs for training and equipment.

Mr. MICA. So it's sort of—

Ms. D'AGOSTINO. It's just not clear yet how far it's been—

Mr. MICA. They spend whatever they want without rationalization and without any coordination, and this is sort of an agency by agency spin?

Mr. HINTON. Well, we have a lot of agencies working this issue right now, Mr. Mica.

Mr. MICA. What about programs, to get back to my question relating to coordination efforts from the May edict of last year insofar as the counter-terrorism, the National Coordinator and their efforts to assist local governments?

You said you don't have much information on that, and you don't have that?

Mr. HINTON. Right, we have not gotten to that point. That will be one of the areas we'll be pursuing.

Mr. MICA. Do you know if this coordinator is looking at the sort of questions that are raised, that of Mr. Clark, relating to duplication? Is his charter, and not that committee, to look at many of these overlaps in jurisdiction, equipment?

Mr. HINTON. He's in a very integral role there as a coordinator. This morning when we received the briefing, there was a process described to us of how they work together as a team, OMB and Mr. Clark, to look at potential duplication of effort, and weed it out.

We have not seen any of that process. We have not seen examples of that process—of where they have identified the duplication and how they have constructively dealt with it.

Also, while it's a requirement that that be identified in the reports that OMB provides up to the Congress annually, that's one of the areas that we have not seen a discussion of in the OMB reports as to how they went about it or some of the areas that they've identified, and how they have dealt with it.

Mr. MICA. But because you have multi-agency jurisdiction, and jealousies and just the difficulty of getting the things done, do you think it would be wise to have someone with say, the equivalent of the drug czar or terrorism czar? I'm not sure of this National Coordinator has any of those abilities to coordinate under the Presidential edict.

Do you think there should be something legislative to consolidate and give some authority and oversight?

Mr. HINTON. I'm not at that point that I think I would suggest that legislation is needed yet, Mr. Mica. I heard this morning of how they have been working this issue. It was clear to me that in



dealing with it, it's a leadership issue. I don't know that legislation is a complete answer.

If you had the right leadership, the right goals, the right strategy and the teamwork, and if you can set out the priorities for the program, and I think if you could get the team working together you can help sort through some of the duplication.

Our difficulty is we haven't seen how it's worked, yet. We know there's been a lot of program growth. We've heard this morning that they've been dealing with some instances of duplication. We're not sure how that process is working the way it is currently structured.

Mr. MICA. To your knowledge are there any inter-agency working agreements in this regard, and if so, where and how effective do you think they are?

Mr. HINTON. It was described to us this morning that the inter-agency process is working well.

Mr. MICA. Do they have written formal agreements to that?

Mr. HINTON. They're working on them, and I need to mention something. We have a report that we delivered to this committee in December. It's restricted. It deals with that issue. And not all of the key agreements have been worked out.

Mr. MICA. Is it possible to reveal to the subcommittee publicly which agencies we're having difficulty with?

Mr. HINTON. No, some of the key areas of this agreement which have not been resolved involve Justice, FBI, State and Secret Service.

Mr. MICA. So we really don't have in place effective working agreements, inter-agency agreements?

Mr. HINTON. On the ones that are cited in our report, they are some of the key points. But I really can't go into those in open session.

Mr. MICA. And do you believe that we could do a better job, and probably some pressure needs to be brought to it?

Mr. HINTON. In the areas that we have reported on, I think it is critical that they get resolved.

Mr. MICA. Did you have something that you wanted to add?

Ms. D'AGOSTINO. No, I was just going to say that really in the counter-terrorism area they have done a lot in terms of putting together operating guidelines. They're still working on finalizing those, since PDD 39 was issued in 1995. But they have really done quite a bit of impressive work, and they should get credit for that. But there are still areas where they need to work out some rough spots. And it's a big challenge, it's a huge challenge.

Mr. MICA. Well, I think this hearing reveals that that is in fact the case, and I don't think anyone in the Congress, particularly the members of this subcommittee, would hesitate for a minute to expend whatever funds, provide whatever resources are necessary to see that we combat terrorism.

I think our major concern is that the dollars that are expended are expended in a wise, coordinated fashion, and that we conduct some basic assessment, and that we expend those moneys in a cost-effective manner.

I think that's the purpose of this whole exercise. I do thank each of you for your testimony and for providing me with answers to my questions.

Mr. Chairman, can I yield back to you?

Mr. SHAYS. Thank you. I just have one last question that hasn't been asked, and that would be, what would you want to see in next year's report that you don't see in this year's report? Has that been asked?

Mr. HINTON. The one that would be coming up from OMB?

Mr. SHAYS. Yes.

Mr. HINTON. I think what I would like to see is some establishment of a process that yields a defined parties with spending that's going to happen in the program, so that that would give the Congress and its authorization and incorporation rules some sense of where the future priorities are going to be.

What you have right now is an accumulation, which I think is very important, that's an important first step to get a handle on where the money has been going. What it does not show is what the future is going to hold.

And Mr. Chairman, why I think that is important is that as you go through and set up programs, when those moneys are made available, they in effect start an infrastructure, they start building programs. And once you start them it's sometimes difficult to turn them off, as we've seen with weapons systems and those type of things, and we're at some of the critical junctures in this program right now. And I think that it's important to make sure we understand what the future holds for the spending priorities so that you can get a sense of how they change from year to year.

And that's not in that report right now, and I think it would be fairly constructive to have that.

Mr. SHAYS. Mr. Rabkin, did you have anything that you wanted to share with the committee that you think we should put on the record?

Mr. RABKIN. It's interesting that the analogy has been drawn a number of times this morning and this afternoon about the relationship between the counter-terrorism effort and the executive branch and Congress and the drug war, and acknowledging the differences there.

Mr. Mica asked about legislation to require or to set up mandates and activities for the counter-terrorism czar, if that's what you want to call Mr. Clark in his position.

The models that have been established for dealing with the counter-terrorism effort and the drug effort are two different models. I don't think either one is more effective than the other, although there are advantages and disadvantages. And I'd just like to suggest that one of the advantages of the legislative route that was used by the Congress to establish the drug czar is specifically defining the responsibilities in one individual for the oversight, for the coordination of the activities, for the preparation of the plan, for the reporting of the budget, and more recently for the establishment of performance measures.

Right now the counter-terrorism effort is split between the National Security Coordinator and OMB. I think there would be some advantage to combine responsibilities to get a strategy that's typed

in the budget and is also tied to performance measures. They, the agencies, especially at the State and local level, and the Congress can then understand where they're going and whether they're making adequate progress with the resources that would be invested.

Mr. SHAYS. Thank you. Ms. D'Agostino, do you have any comments before we close?

Ms. D'AGOSTINO. I think another important thing to think about when you try to think about solutions or whether a czar is better than a National Security Council Coordinator is accountability and the insight that Congress gets into where we're going.

Mr. SHAYS. Thank you. Mr. Mica, you have an advantage with the drug czar that he basically has to report to Congress, he's works out of the White House, but is he accountable to the Congress?

Mr. MICA. That's true, but we can also call Mr. Clark in. The problem is, without legislative authority you sort of just suggest, how about you guys go out and work on this? He doesn't have any clout. The problem that I have picked up here is that we have inter-agency jealousies, and you have everybody going after as many Federal bucks as you can to buy every gadget they can. It's not being evaluated on a cost-effective basis or a risk assessment basis, because that way there is, should we be spending the bucks there.

It is sort of a grab bag, everybody trying to get what they can. And if we go out there and see what they're buying, what stuns me is a lot of the equipment, almost all the equipment I saw like in Saudi Arabia, is foreign manufactured, and I just went bananas when I saw a quarter of a trillion dollars being spent.

Now, some of it may help. Some of it, I don't even know if it was adaptable in that context to desert use. But I think if you look at the Department of State with their terrorism program, and then look at the FBI, the whole thing doesn't sound like it's coordinated, like we're spending dollars effectively, like we're targeting—what's most disturbing is you have their testimony today that OMB is not using a risk assessment approach, that they target different—and they're a partner with Clark in this whole decision of what's going on and where the bucks go.

So it needs some very thorough further examination in my estimation, and I would hope to get Clark in here. There are great questions about what has been done as far as his hard actions to work with the agencies, and then I just heard there are inter-agency agreements that are critical to this whole thing that have not come together. I think DOD, Department of Justice, FBI are a few that are more disturbing, and I think at the Department of State, we have a lack of not only cooperation, but direction, and a lack of financial responsibility, lack of accountability, lack of using standards that are appropriate for the expenditures of targeting taxpayer dollars.

Other than that, everything looks fine!

Mr. HINTON. Actually, the irony is that we have made some progress, so that tells you the state of affairs.

Mr. MICA. If you spend enough money you can make progress.

Mr. HINTON. Mr. Chairman I think it is very important to recognize the accomplishments on two fronts. And Congress was instru-

mental in having OMB do the annual reporting, what we're spending, that was a key first step. I think the Attorney General's 5-year report, where the agencies are going in terms of combatting terrorism is another significant step that has come, that's a very significant effort.

When you look across the universe of agencies that have been involved in that, and thinking out a broad strategy, it's bogged right now, but there's going to be something that is going to evolve as we heard this morning as they fine-tune it.

And I think and even designating Mr. Clark, even though he doesn't have a lot of authority to direct the agencies, that too was a step. It's a step, Mr. Mica, that we took in the case of the drug area, too, many years ago, and to where we've got now, where we have a strategy, we've got measurable goals.

We're seeing some of that come out in the Attorney General's report, too.

Mr. SHAYS. So you would argue that the drug czar model may be a model that we might want to suggest for this position?

Mr. HINTON. Mr. Chairman, I think it's one model that's out there. There may be others, and as we do our work and we can look at what works and what doesn't work, I think that that's something we can continue to discuss. And I think as we look over this area that's very important, because right now, as I mentioned earlier, while there have been significant steps that have been taken by the executive branch to deal with this issue, there are some key agreements that have not been fully resolved.

It's the subject of a report that was delivered to this committee in December that's restricted. And I think that's very important in this very significant area.

Mr. SHAYS. I thank you. If there is no further business to come before this subcommittee, I want to thank the witnesses again for their participation, for their assistance and testimony today.

This meeting is adjourned.

[Whereupon, at 2:38 p.m., the subcommittee was adjourned.]

