

July 15, 2002

## Department of Homeland Security demands action

Successful implementation requires close partnership between public and private sectors

*“The United States will become increasingly vulnerable to hostile attack on the American homeland, and U.S. military superiority will not entirely protect us. . . . Foreign crises will be replete with atrocities and the deliberate terrorizing of civilian populations. . . . U.S. intelligence will face more challenging adversaries, and even excellent intelligence will not prevent all surprises.”* Chillingly prescient, these warnings were published in a federal report in February 2001, only seven months before they became reality.

In July 1998, U.S. Secretary of Defense William S. Cohen chartered the National Security Study Group to conduct the most comprehensive review of American security since the ratification of the National Security Act in 1947. Led by former senators Gary Hart (D-Colo.) and Warren B. Rudman (R-N.H.), the study group’s senior advisory board was renamed the U.S. Commission on National Security/21st Century (USCNS/21) to better reflect the scope and significance of its mission.

In the four years since the commission’s founding, the group has released its findings in three reports. The first examines how global trends in scientific, economic, technological, socio-political and military security will affect U.S. national security over the next quarter century. The second defines a national security strategy, based on key U.S. interests and objectives, while the third recommends an extensive governmental reorganization throughout the executive and legislative branches to meet security challenges through 2025.

As a result, many of the necessary elements to protect the United States from the growing terrorist threat were already identified; unfortunately, no one could have known that the dangers anticipated during the next quarter century would reach fruition on September 11, 2001.

Last month’s issue of *The Lipman Report* examined the benefits and challenges of President George W. Bush’s proposed reorganization of the federal government to increase homeland security. This edition analyzes the current plan for creating the Cabinet-level Department of Homeland Security and assesses the role of the private sector in the ultimate success of the reformation.

For years the editors of *The Lipman Report* have analyzed federal initiatives for improving homeland security. In February 1998, for instance, the publication commended the findings of The

President’s Commission on Critical Infrastructure Protection as necessary steps toward improving national cybersecurity as a whole, while correcting significant vulnerabilities in the U.S. infrastructure. More recently, the March 15, 2001, issue examined the recommendations issued by the USCNS/21 in its February 2001 report, *Roadmap for National Security: Imperative for Change*.

**“The Hart-Rudman commission says the protection of U.S. territory must be the primary national security mission. To carry out that mission, the report proposes several sweeping changes:**

- 1. Design a strategic plan that involves all U.S. security institutions.**
- 2. Alert the American people to the threat and what the government is doing about it.**
- 3. Create a new Cabinet-level agency to coordinate domestic security. Unify responsibility, eliminating wasteful duplication and overlap.**
- 4. Change the mission of the National Guard.**
- 5. Involve the private sector.”**

Most of these recommendations have been incorporated in President Bush’s proposal to create a Cabinet-level Department of Homeland Security. Although the president’s remarks of June 6, 2002, called for Congress to approve the plan swiftly, the vast scope of the reorganization will likely take years—and even decades—for full implementation. Unfortunately, the current state of war demands that such remediation begin immediately, forcing the nation’s leaders to develop an executable strategy quickly. Meanwhile, the private sector must unite to determine how cooperative efforts can help safeguard the nation from future attacks.

### Department of Homeland Security

At present, President Bush’s proposed department has four separate divisions reporting to a

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single Cabinet official: border and transportation security; emergency preparedness and response; chemical, biological, radiological and nuclear countermeasures; and information analysis and infrastructure protection. Each division would focus on a specific aspect of the department's ultimate mission—the prevention and mitigation of terrorist attacks within the United States.

**Border and transportation security.** The new department would centralize authority over major federal security operations related to U.S. borders, territorial waters and transportation systems. This single entity would govern entry into the United States, taking over the operational assets of the U.S. Coast Guard, Customs Service, Immigration and Naturalization Service (INS), the Transportation Security Administration and the Animal and Plant Health Inspection Service of the Department of Agriculture. As a result, all aspects of border control—including the issuance of visas—would be linked via a central information clearinghouse and compatible databases.

**Emergency preparedness and response.** The Department of Homeland Security would manage national disaster response efforts and supervise federal assistance in training first responders in domestic disaster preparedness. The Federal Emergency Management Agency (FEMA) would become a key component in the new department, which would coordinate grant programs for emergency responders currently administered by FEMA, the Department of Justice and the Department of Health and Human Services. In addition, the new organization would merge the existing patchwork of interagency emergency response plans into a single, cohesive plan, ensuring that all response personnel have the necessary equipment and ability to communicate with one another.

**Chemical, biological, radiological and nuclear countermeasures.** The proposed department would centralize the federal government's efforts

in preparing for and responding to terrorist threats that involve weapons of mass destruction. To achieve this end, the department not only would establish national policy, but also would create guidelines for state and local governments. This single entity would manage preparedness exercises and drills for chemical, biological, radiological and nuclear attack response teams and plans at all levels of government, thus consolidating and orchestrating the efforts of numerous federal agencies scattered across several departments.

**Information analysis and infrastructure protection.** The president's proposed organization would unify the nation's capability to identify and assess current and future threats to homeland security. With this information in hand, the department could then map those threats against existing vulnerabilities, release timely warnings to the public, and instantly take appropriate proactive action. The Department of Homeland Security would consolidate information and intelligence gathered by the nation's intelligence-generating agencies, brief the president on relevant information, and take necessary preventive and protective steps.

This entity would also manage national protection of critical infrastructure sectors, which include transportation, gas and oil, water, emergency services, banking and finance systems, government services, electrical power, and telecommunications. This aspect of homeland security relies upon close partnership with the private sector, which owns roughly 85 percent of the nation's critical infrastructure. The department would provide state and local governments and private organizations with a primary contact for coordinating defensive activities, including risk assessments, strategic planning and preparedness exercises.

### The role of the private sector

The massive reorganization will require unprecedented cooperation between the executive and legislative branches of government. Federal debate has already begun regarding the best way to integrate 170,000 employees into a single department

with a \$37.7 billion budget, which allocates to this critical cause only a fraction of the \$350 billion budget designated for the Department of Defense. Despite widespread, bipartisan support, successful integration will take many years.

Recent examples from U.S. history predict an arduous process fraught with growing pains for the foreseeable future. For instance, 35 years after its creation, the U.S. Department of Transportation continues to struggle with interagency cooperation and information sharing. The creation of the Department of Defense, often cited as the model for President Bush's current proposal, also teaches harsh lessons: almost four decades passed before the Goldwater-Nickles Act of 1986 addressed problems generated by the 1947 reorganization. The ongoing war on terrorism leaves the nation with little choice, however, but to proceed.

The rest of the country cannot sit by while the nation's leaders resolve the many conflicts involved in creating this new department. Public agencies at the state and local levels need to coordinate with one another, as well as with private corporations, to develop a network for identifying and responding to threats.

The Homeland Security Advisory System announced by the White House last spring can serve as a model for public-private partnerships. Under this system, which provides color-coded warnings about the risk of terrorist attack, agencies in the executive branch of government immediately respond to the current "Threat Condition." The Attorney General ensures that state and local government officials and law enforcement agencies receive relevant, timely information regarding the threat level. These agencies then disseminate the appropriate information to the private sector.

The proposed Department of Homeland Security will streamline this process by providing centralized guidance to ensure that local efforts in the Northeast, for example, are compatible with those in the Southwest, but organizations at the state and municipal levels will continue to hold

primary responsibility for alerting federal agencies of suspicious activities that could indicate an impending attack. Indeed, the fundamental success of the project will rely upon the formation of effective public-private partnerships in all of the areas addressed by the proposed reorganization.

***Border and transportation security.*** Presently, the U.S. Customs Service only has the personnel and resources to inspect approximately two to three percent of the 3,500 containers that daily arrive at Port Elizabeth and Port Newark, which combine to form the largest seaport on the East Coast. Similar rates of inspection plague the rest of the nation's ports. More than 95 percent of overseas commerce enters the United States through seaports, with approximately 7,500 foreign flag ships from 92 different nations making roughly 51,000 port calls each year. By increasing security at the nation's seaports and supplementing federal container inspections with mandatory self-inspections, U.S. maritime industries would significantly fortify one of America's key vulnerabilities. Extending similar security practices to U.S. airports and borders would reduce the risk that importers, exporters and carriers of freight or people might unwittingly transport terrorists or weapons into the United States.

***Emergency preparedness and response.*** Corporations must immediately begin strengthening their emergency response and disaster recovery plans and procedures to reflect the nation's heightened state of alert. Security directors and facility managers need to work together to evaluate and update existing programs, cultivating close relationships with local emergency response teams. Such partnerships can serve the public good, as a well-coordinated terrorist attack could overwhelm local fire and rescue teams and therefore require assistance from corporate response teams. An effective disaster-response network at the local and state levels will maximize the effectiveness of federal intervention, which will prove especially critical during the infant stages of the new

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Department of Homeland Security. At the same time, the centralized emergency-response division of the department will provide a single contact point and information source for state and local teams, offering focused guidance in developing a cohesive, nationally compatible response plan.

**Chemical, biological, radiological and nuclear countermeasures.** Private-sector organizations need to take precautions to safeguard dual-use chemicals and equipment that can be used as weapons of terror. Industrial chemicals like chlorine and hydrochloric acid are widely available and hold tremendous potential for producing mass casualties. Less obvious, but equally dangerous, targets include equipment and technology that could be used to disseminate or create a chemical, biological or nuclear weapon. Companies that manufacture or use such substances or devices need to communicate with federal, state and local authorities to alert them of suspicious activity that could represent a terrorist threat and to develop a response plan in the event of a security breach.

**Information analysis and infrastructure protection.** The proposed Department of Homeland Security will provide the public and private sectors a single source for intelligence, threat assessment and strategy. Local and state law enforcement agencies, as well as private security directors, will have access to a unified picture of national threats, enabling them to better fortify their respective constituents against those dangers. The new department in turn will benefit from information sharing. Corporations can have a direct impact on national security by reporting suspicious activities either to local or state authorities, or directly to federal agencies, which will share the information with the Department of Homeland Security for analysis within the larger context of national security. Giving the private sector an ongoing threat assessment, without revealing specific intelligence, will help protect private businesses and simultaneously encourage

continued sharing of information. This symbiotic partnership will prove especially vital with companies in industries comprising the nation's critical infrastructure, the disruption of which would bring the United States to a dangerous halt.

*The terrorist attacks of September 11 have galvanized the country into action. Security recommendations and programs that were previously shelved have been brought forward for immediate analysis and implementation. Naturally, President Bush's proposal to streamline homeland security under a single, Cabinet-level department—which incorporates many of the recommendations published by the Hart-Rudman commission in February 2001—has generated the most attention, as it represents the most significant reorganization of the U.S. government in the last half-century. History has demonstrated that such a massive undertaking will require years of planning and revision for successful execution.*

*Rather than waiting for the nation's leaders to resolve the many conflicts inherent in the proposed reorganization, the private sector needs to assess ways in which it can contribute to greater homeland security, whether through self-inspection, tighter facility security procedures or simply developing stronger partnerships with state and local law enforcement agencies than exist today. All too often, corporations view such precautions as unnecessary profit drains, but the terrorist threat confronting the nation has elevated these safety measures from mere prudence to a patriotic imperative. The federal government alone cannot safeguard the U.S. homeland and its critical infrastructure from those entities that seek to destroy them. True public-private partnerships offer the only hope for the continued survival of the United States and the American way of life.*



The Lipman Report Editors