

Summary of Meeting – Public Session

U.S. Department of Homeland Security Homeland Security Advisory Council U.S. Coast Guard Headquarters Washington, D.C. September 22, 2004

Meeting Summary:

This summary describes the discussions and actions of the sixth meeting of the U.S. Department of Homeland Security's Homeland Security Advisory Council (HSAC). The meeting was held from 9:30 a.m. to 11:00 a.m. on Wednesday, September 22, 2002, at the U.S. Coast Guard Headquarters in Washington, D.C.

The HSAC met in Washington, D.C., for the purposes of: 1) receiving reports from Senior Advisory Committees; 2) receiving briefings from DHS staff on Departmental initiatives; and 3) holding roundtable discussions with and among HSAC members.

Participants:

Council Members in Attendance:

Joseph J. Grano, Jr., Chair
Judge William Webster, Vice Chair
Duane Ackerman
Richard Andrews
Frank J. Cilluffo
Lt. Governor David Heineman
MG Bruce Lawlor, USA (ret.)
Herb Kelleher
Mayor Patrick McCrory
Lydia Thomas
Erle Nye
Governor Mitt Romney

U.S. Department of Homeland Security Representatives:

Secretary Tom Ridge
Daniel Ostergaard, Homeland Security Advisory Council, Executive Director
Jeff Gaynor, Homeland Security Advisory Council staff
Mike Miron, Homeland Security Advisory Council staff
Candy Stoltz, Homeland Security Advisory Council staff

Richard Davis, Homeland Security Advisory Council staff
Richard Russell, Homeland Security Advisory Council Staff
Erica Bomsey, Office of General Counsel
Howard Wright, U.S. Coast Guard

Public Attendance:

There were approximately 15 members of the public attending the meeting.

HSAC Meeting Called to Order at 9:30 a.m. (EST)

CHAIRMAN GRANO: Well, good morning everybody. I'd like to call the meeting of the Homeland Security Advisory Council to order. My name is Joe Grano. I am Chairman of this august group, more commonly known as the HSAC.

Seated next to me on my left is Judge William Webster, our Vice Chairman. I'd also like to introduce our new Executive Director, Dan Ostergaard. Dan's background comes from the Coast Guard and still maintains a reserve status with that fine organization. As a matter of fact, Dan's about to be promoted to a Lieutenant Commander. Congratulations Dan.

For public purposes this Council serves to provide recommendations to the Secretary of Homeland Security, Tom Ridge, on a range of issues. As most of you know, Secretary Ridge has attended every one of our meetings since HSAC's inception, and we're pleased that he will be joining us here today at the United States Coast Guard headquarters.

Vice Admiral Thad Allen welcomed us this morning, and we'd like to thank the Admiral and his staff, as well as Coast Guard Commandant Tom Collins, who is in a very serious meeting up in Canada as we speak. On behalf of everyone on our committee, I'd also like to thank our liaison to the Coast Guard, Lieutenant Commander-select Howard Wright, who has been very helpful arranging tours and briefings for us.

I'd like to remind the public that our deliberations and commentary during the sessions are limited to those who are briefing the Council and to Council members themselves. At the close of the public session, we'll provide information on how the public may provide commentary to the HSAC. We urge not only commentary but inquiry from you, so please feel free to contact us and we will give you those directions at the end.

We're going to start today dealing with some updates of what we call SAC's, or Senior Advisory Committee groups. They are subcommittees of members of society called upon to deliberate on very salient issues as they relate to homeland security. Those deliberations then come back to the HSAC for Council member review and commentary which results in final recommendations to the Secretary. That's how the process works.

Dick, I understand you're taking the homeland security position for the State of California. Congratulations, sir.

MR. ANDREWS: The Emergency Response Senior Advisory Committee met yesterday for the most part in a joint session with the state and local emergency senior advisory committee. Then we broke out into a separate session. I'll highlight the three to four issues that we discussed and then Governor Romney will also brief in detail on the issue of the information sharing.

Two of the items we discussed focused on the implementation of key elements that are part of the national strategy. One of those is the creation of a national response plan and the national incident management system, the standard structure by which emergency response organizations across the country will operate in responding to major events, be they small events or events of a national significance as outlined in the national response plan.

Part of the overall structure of that National Incident Management System (NIMS) is the National Incident Management System Integration Center. Essentially, this is the group that will monitor the implementation of the system and make sure the integrity of the system is kept intact. They will also make sure that the training requirements for all of those agencies at the Federal, State and local level and will make any necessary adjustments.

Bill Jameson of FEMA, who is the interim acting director of this integration center, outlined for the Emergency Response Senior Advisory Committee (ERSAC) the overall structure of the organization. We look forward to a long-term working relationship with Bill and with the monitoring center, as this instant management system comes into actual operation.

One of the items that has been a major focus of the ERSAC has been the whole issue of federal funding, funding that was provided to homeland security for grants to States and local jurisdictions (the urban area security initiative funding).

We want to let the Advisory Council know a special task force was established by Governor Romney last year in Akron, Ohio. Its purpose was to examine the process by which homeland security grants were made available, and to try to identify any issues in terms of how that money was flowing through the system.

We received a briefing yesterday from Josh Filler from the Office for Domestic Preparedness' (ODP's) State and local group on the status of the implementation and the recommendations that were contained in the task force report. Several of the recommendations in particular related to the Cash Management Act on issues of reimbursement and are a part of the FY05 budget process, and were included, I believe, in the Senate markup of the Department of Homeland Security Bill. Hopefully, those

numbers will continue and be part of the final budget for the Department of Homeland Security.

We feel that substantial progress is being made in terms of the rate at which money is being expended and more emphasis is being put on trying to find and make available across the country best practices. Jurisdictions that perhaps have not moved as aggressively as others can then learn some of the tricks of the trade, if you will, in terms of procurement processes and other things that enable the money to flow a little more rapidly.

A third area relates to the coordination between the Department of Homeland Security and the Department of Health and Human Services, which have separate grant programs. There's a lot of interest on the part of the members of the ERSAC on ways in which those grants need to be brought together. They received a briefing from the Senior Medical Advisor on Public Health and Emergency Preparedness from HHS. We will be working with her over the course of the next 30 days to try to define specifically some action items and ideas to try to get these programs together.

The final issue I wanted to highlight relates to the implementation of Homeland Security Presidential Directive Number 8 (HSPD-8). This one is to establish national preparedness standards. It's an issue that's a keen concern for Congress, and one that will have far-reaching consequences for a long period of time, for Federal agencies as well as for State and local agencies in terms of being able to measure the level of preparedness that's being achieved.

We've tried to assign some metrics to the process of preparedness and to gauge, against a set of scenarios, how we're doing in terms of increasing the overall national level of preparedness, both for terrorist events and natural disasters. This is a very complex undertaking. It's one about which there has been a lot of discussion for years. A lot of good work has been done by the staff of DHS in this area. The committee will continue to work very carefully with them and we'll schedule some meetings in November in order to talk more fully about this.

Secretary Ridge indicated that he wants to be an active participant in this session. The Homeland Security Presidential Directive in many ways is kind of the keystone document; in terms of trying to pull together all of the various homeland security efforts to try to bring structure to this and to try establish a general set of standards. Assessing and communicating the progress will be a major focus of our Committee.

CHAIRMAN GRANO: Thank you very much. Where will the Integration Center be domiciled?

MR. ANDREWS: I think it's going to be in FEMA and that's the plan right now to be part of emergency response, preparedness response.

CHAIRMAN GRANO: I'd just like to make a comment relative to improvements in coordination that your SAC and others have been working on. During the Convention in New York City, when 250,000 protestors from around the world gathered, you could see the collaboration between DHS, the Police Commissioner Ray Kelly, the Mayor, and the State. I thought they did a wonderful job. In a tangible sense we begin to see where this coordination is starting to pay off. Any other questions for Dick, please? Yes, sir.

LT. GOVERNOR HEINEMAN: Dick, a couple things. Number one, on those preparedness standards, everybody knows that timing is critical, and you've got to remember that there are a lot of small communities out there. The other thing is coordination between DHS and Health and Human Services (HHS) that's got to occur. I can tell you in Nebraska, for example, both of those places were approved. I think other states ought to think about doing something like that so they can implement that themselves. We have to come together because a lot of that funding can overlap.

MR. ANDREWS: I think a lot of it is making sure that, even if there's no joint decision being made, the two sections are in fact talking to each other about what they're doing. Yesterday there was some concern by the members of the ERSAC that that was not occurring. I think that partly due to the intervention of the Secretary.

The creation of the Department of Homeland Security and the integration of the Coast Guard, FEMA, and other operational agencies have really made a difference in response. Many of the complex, bureaucratic delays that characterized the way the federal response previously worked that's really been expedited. The complexity has been removed by having FEMA in the same agency with the Coast Guard and major operational federal resources. And so, I think the overall level of coordination, as evidenced on the ground really speak to the advantages of emergency services.

CHAIRMAN GRANO: For privileges of education and understanding one of the dilemmas that we have, not only as a council but as a nation, on one side our strength, the other side our weakness, Lieutenant Governor Dave Heineman just talked about the authority he has in his position in the state of Nebraska.

Varying constructs are in each state. Some lieutenant governors and governors have more authority than others. Legislative bodies have approached these issues of best practices differently. Some local communities need literally votes from their citizenry before they can fund the purchase of a fire truck. And there's so many disparate constructs across the country. It's very difficult, so the balancing act here is to try to get everyone to adopt best practices, at least minimum best practices and integrate them into their current construct.

Then our biggest job is to get coalition and integration on what we're trying to get done here as a nation. That's a very difficult task, and I commend you and your team for a job well done. Thank you very much, sir.

Good morning to you, sir. I don't know how much of Dick Andrews' report you heard, but he did talk about some of the progress made based, I'm sure, on the report that your team put together. He did a nice job of summarizing the cascading of budgets and allocations of funding for homeland security. Would you please give us a quick update on committee, sir?

GOVERNOR ROMNEY: Yes, I certainly will. Thank you for that opportunity and I appreciate the chance to report to you on the meeting held yesterday with the State and Local Officials Senior Advisory Committee. We had, I think, a series of productive meetings. I apologize for not being there today but I find it very difficult to be away from my state two days in a row, so I thought yesterday was one I should certainly spend the time in.

Let me give you a quick update. We began by being briefed on an information sharing technology which is being pursued and quite effectively promulgated by DHS. It consists of a demonstration of best practices in response capability, as well as prevention capabilities across the country. There is a website which allows law enforcement and other homeland security related individuals to receive access and to see best practices related to a whole series of homeland security areas that are being carried out throughout the entire country.

It was a very impressive demonstration. A private firm that pulls together the information and puts it on the website. I believe they were initially funded in part with money from Oklahoma City foundations and it is as good a tool as I have seen. And we're going to work very hard to make sure that law enforcement agencies and other homeland security related agencies, state, emergency management agencies and the like understand that the page is available and begin accessing it.

Secondly, we received a presentation of the department's crisis communication and media planning, which were quite helpful. The guide book that has been put together is really quite effective in helping states plan for communications in the event of any natural or terrorist-related crisis.

Then we had a Statewide Template Initiative discussion. This is an effort to see how effectively we are preparing our statewide security plans and whether they are being organized on a regional and highly operational oriented basis. The Statewide Template Initiative is being used by states to prepared their homeland security plans and bring them to the next level of completeness.

We had a pretty extensive discussion with regards to an effort which I had spoken with the HSAC about in our last meeting, which is considering the status of intelligence sharing efforts.

Following our last meeting there was a strong feeling that this was an appropriate effort for us to carry out and so the state and local SAC, as well as the emergency response SAC met together to hear a report that the Department of Homeland Security and our own staffs have worked on to take the next step as it relates to sharing of information in two directions. That's from the state to the federal government and from the federal back to the states.

Just as a perspective or some context, I think all of us over the last several decades have come to think of intelligence in terms of a Cold War and Second World War context, intelligence being what we gather out there so that we can carry out military operations out there.

Intelligence over the years involved more and more parties. I'm sure that we began by learning that embassy personnel would be good sources of intelligence, so we made them part of the effort and the Department of State, I'm sure, has been a major part of intelligence efforts over time.

We learned that the military can gather intelligence, so they established large intelligence networks which fed in. Of course, the CIA had agents apparently throughout the world gathering information.

So, all of these different groups and agencies gathered information, which was analyzed either in the field and brought back ultimately to the United States for evaluation, analysis and action. In that context, there was very little role for state and local governments to play, either in gathering intelligence or frankly to hear about it but obviously post-9/11 all of that changes.

Interestingly, as Washington at the legislative level thinks about intelligence it probably is still somewhat burdened by the old mind set that intelligence is what's going on out there in other countries, as opposed to recognizing that intelligence gathered in the United States by state and local sources is in some ways just as critical as intelligence gathered around the world.

That recognition is something which is, of course, well known within the Department of Homeland Security, something which state governors and homeland security advisors as well as municipal police officers, departments, mayors and the like are all increasingly considering and want to spend more time thinking about.

So, our effort is to determine what is being done, what's happening in terms of the gathering of information that is sharing to Washington, what's coming back to the states and localities. Are we getting what we need? Do we know what we want?

Then, secondly, to try and see if we can't organize the gathering of information from state and local governments in a way that's most helpful to Washington and, at the same time,

determine how we can learn what we need to know from Washington at the state local level.

So, we began this effort with an extensive series of interviews and evaluation of what's going on in Washington, what's been the extent of state and local participation in intelligence efforts? What's the extent of sharing?

Perhaps the real helpful information came out just from interviews but also with a survey that went out to all 50 states. We received responses from 26 states. Many of these spend a good deal of time with us talking about their responses but a very thorough review was carried out to assess effectively two major issues.

One is what kind of information is coming from Washington? What is being shared? Is it being used effectively? How could it be improved? So, what's coming from Washington?

Then, number two, what are we sending to Washington? How effective are we at the state and local level at gathering and sending information to the intelligence efforts in Washington. So, both questions or both areas were explored.

Now, what we found, not surprisingly, is that people are very anxious to do the right thing and that there is an enthusiasm in Washington to share information on anything that has previously been reported that department after department is working on finding ways to get information to state and local officials in ways that are helpful.

So, there's not a, if you will, a cultural resistance to sharing information. Instead, there's a desire to get information out. There are many times legal barriers about getting information out, people have different classifications in terms of security clearance and so forth but there is a desire to be helpful and to share information.

At the state and local level, we found that there is likewise a desire to provide information to Washington but a very different level of effort in doing so in terms of the extent of data gathering and intelligence work being done at the state and local level.

In fact, as we study it, I think we all recognize that there is no single comprehensive national system that links all the repositories of terrorist-related intelligence and information.

We have state and local officials receiving very different streams of information and that may seem strange to you but some states are accessing pipelines of information from many different federal agencies.

Others are accessing only one or two pipelines. Some are gathering information, for instance, from the Department of Defense through their National Guard and others are not. Some are getting information primarily from the Department of Homeland Security.

Others are finding a great deal of help is coming from their work with the Justice Department.

So, what we learned is that various states have established ways of gathering information from Washington but there's not a single comprehensive sharing mechanism of information from Washington to the states.

As a result, most states expressed some degree of desire to see the system changed and improved recognizing there's enthusiasm to share information but a lack of a comprehensive systematic way of doing so.

There was also a recognition that most of the states understand a need to gather information at the state and local level but they're not exactly sure what is wanted in Washington, what can be helpful in Washington.

The Department of Homeland Security has recently defined the types of information that it wants from state and local authorities. Now, state and local authorities are working to try and determine how they gather that information and how it should be processed.

We found, for instance, that many states, I'd say about half the states that have sent back surveys have established or are establishing something that they call a fusion center, a center which gathers information including information related to terrorist, potentially terrorist data and then passes that along to Washington.

But exactly how that data is gathered, what level of analysis should be carried out in the data before it goes to Washington, where it should be received, those kinds of issues were raised by states as questions of interest to them.

Further, in carrying out this analysis of where things are today, we found that multiple efforts are underway to define the role and responsibility, as well as the requirements of state and local governments in the collection, analysis and dissemination of terrorist-related intelligence.

But to date these efforts have really not been integrated. We have Justice worrying about this. We have Defense worrying about it. We have the Department of Homeland Security. We have the National Association of the Chiefs of Police.

I mean many different organizations are saying, okay, how do we make this work? And yet each seems to be doing it in an independent manner and so that was the conclusion, abbreviated conclusion of the as-is setting as it relates to sharing of information from Washington to the states and localities and from states and localities back to Washington.

A lot of positive effort, a lot of work going on not yet as integrated as we think it needs to be. Therefore, working with the Department of Homeland Security and the staff there

that's been extremely helpful in this process, you know, by the way the arms and legs, the foot troops making sure that we're proceeding with success here.

What we've decided to do is to bring together these various federal agencies, along with state and local authorities that have interest in this area for a series of meetings, which are going to attain the evaluation of where we are, combine that with their own thinking about how to improve our system and create a nationwide integrate system and reach conclusions and recommendations on a series of issues, such as what is the role and responsibility of a local police department and a state with regards to intelligence gathering?

That's an issue. How will intelligence from Washington, D.C. be gathered, centered and communicated to states? How will we deal with such issues as classifications? Who will receive what type of information? How do we make sure that the right information gets to the right place given our classification system in this country and the like?

So, all of these issues are going to be considered and it is my expectation that we will be able to present before the end of the year to you some initial recommendations from this group that's coming together. I would note it is not just the Department of Homeland Security group. It involves major agencies that are involved in the intelligence gathering and dissemination effort.

With that, Mr. Chairman, I would pause and be happy to respond to any questions or comments that you'd like to make.

CHAIRMAN GRANO: First of all, thank you governor and you should know that we're fortunate that Secretary Ridge has now joined us. One, I have a comment and that's for the public to know that Governor Romney has recently joined our Homeland Security Advisory Council and I'm sure you can ascertain the leadership role that he's taking on, not only as the governor of Massachusetts but as a member of this Council.

Without question, the state of Massachusetts and its homeland security advisor there have been very active in helping the council and DHS in our activities. As a matter of fact, there's another effort going on he did not mention and that is the coordination effort between DHS, municipal governments and the private sector because, as many of you know, 70 to 80 percent of all our infrastructure is owned or operated by the private sector.

We are attempting another template in terms of best practice and that we are testing actually a process. The state of Massachusetts, state of Connecticut, state of New York and the state of New Jersey are kind of the test case. Again, Governor, I'd like to thank you and your staff for the proactive work in that venture. So, thank you very much on behalf of our nation.

CHAIRMAN GRANO: So, if I could, let's open it up to questions for the Governor and then we'll turn it over to Secretary Ridge.

MAYOR MCCRORY: Governor, this is Pat McCrory from Charlotte and I appreciate your work. I was able to attend the tail end of your Committee meeting yesterday. You've got a great Committee there.

We kind of had a case study in Charlotte several months ago where a police officer apprehended a Pakistani national. He was doing some filming in the center of our city and after further interviews with him, they found some of his stories weren't matching up in regard to what he was saying and his status here in our city and they found other videotapes with him of other cities.

Two issues arose from that which might be an interesting case study and I think your Committee is hitting one of them and that is the communication from the top all the way up through the local, state and federal government. I think we went through Justice and Immigration. I'm not sure at what point in time that got to Homeland Security.

The other issue is how do we communicate externally? We were asked not to communicate publicly at the request of the federal government and we held that information until, three or four weeks, until it actually was taken through the court.

I also was informed and had to make decisions well do I tell anyone? We decided not to at that point in time because we wanted the investigation to proceed.

The other issue is not only communication to public officials but communication to the private sector who might be also asking the same questions. Some major people here represent the private sector but at what point in time do we allow an industry leader who may want to know what someone is doing in or around their building and how do we communicate with their security? That was another internal issue we had to deal with, communicating from the private sector.

The point I want to make is you're right in doing the bottom down or bottom up and top down approach as far as the process but also I'd love to get your recommendations on the process of external communication to the appropriate parties, when and how you do that.

By the way, we finally announced it three weeks later. We had some issues with the press at that point in time because it leaked to an Austin, Texas newspaper and so the minute that was in the newspaper I got phone calls from CNN, every national thing and we had to decide do we communicate it or not?

I think that would be helpful too because as governor, as mayors and the private sector leaders the issue is when do you communicate and how do you communicate, especially once an arrest is made not just during the investigation but maybe during the investigation an arrest is made but you still don't want to make that arrest public.

CHAIRMAN GRANO: Governor Romney, could you please comment, if you're in a position to do so, since your report on the task force on state and local homeland security funding have you seen some discernable changes in the approach or any improvements therein?

GOVERNOR ROMNEY: Well part of the Task Force was, of course, just very recently provided and we are working on Capitol Hill to review with them our recommendations and to encourage adoption of those measures that require legislative action and I think that's what we're going to do.

It's going to be a while before Congress makes changes, for instance, to the Cash Management Act and the like but we do believe that we're making progress on that front. I do believe it was also helpful for us in our Task Force to identify state by state where the blockages seem to occur and that's allowing us at the state and local level to focus on those areas.

There's nothing like a little sunshine to point out where the problems are to get activity and I cannot tell you state by state, for instance, which counties have been able to speed up their process but I think the recognition that county governments need to be subject to the same time frame requirements as states for getting monies down to localities is a major observation and I think you're going to see in legislation as well that's going to be adopted in the future when appropriations are directed from Homeland Security to go through to the localities.

So, my understanding is that we're making progress. There's recognition of the challenge and that future appropriations and legislation will conform with the majority of the recommendations.

SECRETARY RIDGE: Governor it's Tom speaking. Your Task Force recommendations also suggested we make some internal changes as well, some things we could do as we await legislative response to some of the recommendations, the development of the Office of the Comptroller in ODP. That's a work in progress. It's a sound recommendation. We're moving ahead as quickly as we can on that.

You recommended a grant management system so that people could plug in with that to see the status of their grants and gain other information basically through the Internet as to how they can access how it's being expended, how much it's running down, how much remains. That's certainly something we should ought to be pushing forward to hopefully be available to you.

So, there are a lot of things that you recommended, including overtime allowances for big cities with the Urban Area Security Initiative of dealing at the stage where we are at an elevated risk stage yellow is I guess where we are. We managed to get a change in that.

So, some of your recommendations have seen the light of day. Obviously, I know you're working the Hill but your Task Force did a phenomenal job and we very much appreciated the recommendations that they needed to know that we took them serious enough to start acting on them.

GOVERNOR ROMNEY: Thank you, Secretary Ridge. I appreciate the praise for the task force but I particularly appreciate the progress that you reported. We probably owe the HSAC as a team here an update perhaps at our next meeting on where various recommendations stand.

SECRETARY RIDGE: I'll tell you one of the things we decided to do. There are some states that still seem to be lagging behind others in terms of the dollars that they've drawn down and so what we've decided to do based on some discussions I had yesterday after you left.

I very much appreciated the provocative nature of the discussions. You got everybody thinking anew so that you could force us to act anew but we had put together some teams that we call cities that had been eligible for Urban Area Security Initiative money and didn't seem to be drawing it down because there seemed to be some tension between or some difficulty between the local and the state.

We're going to go back and take a look at the states that have drawn down the least, put together those conference calls to get our folks on from ODP, state and local, get the CFO, get other folks on and see if we can get more of this money out the door.

It's a very complicated challenge because of the nature of the federal government as you pointed out in your Task Force. There are some state laws and local ordinances and regulations, the combination of which slowed down the distribution of those dollars but we think if we take a look at some of these states that have drawn down the least amount of money, get the principals involved on a conference call, the conference call may last all day but we need those dollars flowing out there.

It's not doing anybody any good sitting in a bank account somewhere. We need the training, the exercise and the equipment, so we're going to, again, take your lead and a very aggressive approach toward getting those dollars out the door within the confines of the individual challenges posed by the individual states.

There's a Byzantine set of regs and laws out there. They vary from state to state but we're going to go back at it state by state so we can loosen some of these dollars.

GOVERNOR ROMNEY: That's very helpful and I'd note that our own example with regards to the flexibility and the support of the Department of Homeland Security, our example here when we had the Democratic National Convention, was one where DHS worked very closely with the Boston Police Department and our state police and our

homeland security folks to make sure that the normal kind of bureaucratic red tape that would prevent being able to access resources on a timely basis was cut and we were able to provide the needed security on a timely basis.

So, I have some evidence first hand that the processes and effort that is being carried out by the department are yielding fruits in the field.

MS. THOMAS: Good morning governor. This is Lydia. You mentioned that 26 of the states have responded to your most recent survey. Are you expecting to continue to get information or do you believe that you now have a sufficiently represented sample such that we'll feel comfortable with the results that you now have?

GOVERNOR ROMNEY: I believe with 26 states we have a very good appreciation that the states are approaching the gathering of information and the analysis of it in very different ways and that they're also receiving information from Washington through different pipelines and they are evaluating that in different ways.

So, had we seen that all 26 were doing the same thing we might say, well it looks like we got a systematic unified approach here but that wasn't the case. So, we have enough information to know that we need to make progress in defining amongst ourselves what information we should be gathering, how it should be processed and how it should be communicated in Washington.

Likewise, we have enough information to know that we need to do a better job in defining what our requirements are from Washington and that is something which we are going to spend some time doing over the next several weeks together with our colleagues at DHS and from other federal intelligence promulgating agencies.

So, I think we know what we need to know for the various states. This wasn't so much a report card on states as much as finding out are we doing things the same or are we doing things in different ways and it was clear that there was the absence of a pattern.

It was the pattern of no pattern and we would probably benefit by learning from one another and establishing benchmarks so that we can do a better and more effective job in gathering and providing intelligence information to Washington and, in turn, reacting to and responding to the information that we receive from Washington.

So, that's the effort which we're pursuing now. We, by the way, will continue to receive reports from the remainder of the states and I anticipate we'll hear from virtually all of them before the process is complete.

MR. CILLUFFO: Mr. Chairman, Governor, Frank Cilluffo and I do applaud your efforts. I think it's crucial that we start connecting the customers with the providers of information not only to define priority requirements but also with respect to deliverables we'll need in

the coming years.

With that in mind though I think we need to keep consideration as Congress, and I will point to the other end of Pennsylvania Avenue here, as they deliberate on their new national intelligence director that they remember our customers.

Our customer here at DHS, I know the administration's plan they set very seriously but I think it's incumbent upon all of us to remind the Congress that our customers are not just the traditional suspects, the Department of Defense, the intelligence community, law enforcement and the DHS constituency but include our state and local partners and the private sector who obviously also operated on the front line of this war.

So, I'd just bring that up to remind us as Congress plods through legislation to keep the customer in mind.

GOVERNOR ROMNEY: I couldn't agree more and we're both a customer and a supplier, if you will.

That is something which is, it's a mind set which is hard given the length of the Cold War era and, of course, the World War era as well before that where intelligence came from over there and it was processed and then sent back over there.

It was not something that was of a domestic source or it wasn't the domestic side of the customer. Now we recognize that some of our most critical sources of information has to be over here to protect the homeland and, of course, it has to be communicated over here to be able to be part of an effective prevention plan.

So, the over here is not just some appendage. Over here is where the action is when it comes to protecting the homeland in this war on terror and are absolutely right. We need to continue to remind Congress and all those associated with the work of rethinking our intelligence data gathering as well as dissemination that what is being done at the state and local level is now the front line and the front line of intelligence and that's an appreciation which comes hard to all of us who grew up in a different era.

CHAIRMAN GRANO: I thank you, governor. If I may I'd like to ask members of the council if they agree. I'd like to direct our attention to the next meeting which I assume will be in December that we've got a couple of great lessons here and first hand experiences here in terms of improved integration with DHS, state and local, private sector with two conventions, Boston and New York, and, of course, the tragedies in Florida which we heard.

And I think that there's been immense improvement and there are some very good examples that we should familiarize ourselves with on how things have progressed. But,

on the same token, I'd like to let that analysis show --relative to all three of those examples. So, governor, we'll be calling upon you to give us your experiences from the Democratic Convention. I encourage the Council to invite anyone from the state of New York and I happen to know that there was excellent coordination in both states with DHS and the local officials.

But let's get a briefing. Let's get the good, the bad and the ugly and let's take a look at a GAP analysis at our next meeting. Does everyone concur with that? Okay, we'll do that.

SECRETARY RIDGE: Just one final comment before we let the governor go unless he's going to stay on for the balance of the meeting. With regard to the information sharing, as part of our advisory group, governor, I hope that the discussions we have both internally as to how DHS can function better but also with our partners at the federal level, the task force does not ignore that we have begun to develop a network, a homeland security information network which is unit based.

It works with real time connectivity to the 50 states and the territories and the 50 largest urban areas and then in partnership we're running four pilots out there with the FBI so that Internet-based connectivity in communities reaches out to the private sector.

Those owning critical infrastructure will be identified as we build the national and critical infrastructure protection list. So, I think that's the first challenge we recognize.

The second, I think, and you highlighted it in your remarks because of the federal nature of our system, of our government, all those in the business of combating terrorism have finally figured out what DHS has been promoting for nearly two years is that homeland security isn't about what Washington can do. It's about what the nation can do together. And so, folks understand regardless whether in DOD, the intelligence community, the private investors or DHS that our partners in this effort are the governors, are the neighbors, are the leaders in the private sector, the owners of the critical infrastructure at the local level.

One of the challenges we have to avoid is everybody trying to cite out their own lines of communication with these individuals, so the segregation and responsibilities and the consolidation of the message I think is critically important to the future success and integration of information generated in sharing.

Thirdly, as we go forward, I'm very anxious to engage, we all are to engage the task force on this issue is that whatever structure, whatever conclusions we reach remember we are probably a couple of months away from the beginning of the development of a regional infrastructure within the Department of Homeland Security where there will be regional assets available, analysts available to work with.

You mentioned individual fusion centers and I know there are some regions that are

thinking about setting up their own regional intelligence sharing infusion centers and hopefully we can get the states and everybody to hold off so there would be some comparability between the regional centers that we set up in Homeland Security and the regional centers that the states set up.

I think you have highlighted the challenges we have as well as the opportunities we have because of the very aggressive involvement of the state and locals. It will be our responsibility to send them the requirements.

These are the things that we want you to be alert to. These are the kinds of -- this is the kind of information that we like to at least go up to the regional center, which we're going to have a lot of info. We have to figure out what the filters are.

So, we start with some technical requirements and the filtering requirements because you have noted information has got to go from the federal government down to the state and to the locals and back up in the other direction.

I'm absolutely convinced as you are, you and I have had private discussions, if we equip and arm the men and women in the local community with enough information, they will ultimately prevent in effect those that had operational plans either in their mind or actually in the making, as we just said before an incident.

So, I appreciate the strong, aggressive approach you're taking on this and I would like to work with you to frame it particularly to help us resolve the collaboration between the states and our regional infrastructure and what will be in good faith, I think potentially a counterproductive effort with everybody setting up their own communication channel at the state level.

That won't work. You'll end up having a bunch of stove pipes. The message will vary a little bit and our partners and our consumers and their producers, we're all partners, producers and consumers, we really need to have an integrated system. So, I appreciate your leadership on this.

CHAIRMAN GRANO: All right, governor, thank you very much. I'd like to now turn over the session to Secretary Ridge. Tom, thank you again for attending the meeting. We appreciate your support, sir, and I hope that we are responding in kind.

SECRETARY RIDGE: First of all, this has been a valuable partnership from day one. I apologize for being late. It never ceases to amaze me, I must tell you, when I'm on my way and got caught in a little traffic here between 9:30 and 10:00 and I hope those folks aren't going to work and, if they're going to work about 10:00 that is a good job to have.

But anyhow, everybody works hard around here. Certainly you do and I know the folks at Homeland Security do, so we value enormously your participation today.

If you just recount over the past year or so everything that's been done by the Advisory Council, the Lexicon project, the Award project, the education and training conference, the work you did with the Task Force on Funding, what you did on the review of the strategy, national response plan, the work you're doing on the information sharing, I mean you churn that list and all of a sudden you think on an anecdotal basis you're going to come up with a lengthy and substantive list and you've just begun.

This undertaking here with regard to prevention and information sharing those are the most important things we do because, as the president has said and we all agree, everybody agrees at the heart of combating terrorism is information sharing and how we do it in the most effective and efficient way given everybody's well-intentioned effort in Washington to share information, I still think we need to review the classification system, not so much do we need to change it from top secret to secret and everything else but what gets included and how much of it can be transmitted down to the state and local level.

We're moving pretty quickly to get folks, the governors and chief people within the state security clearances. There are ways I think we can share some of that information always protecting sources and methods and protecting potential investigations but we just have to do a better job getting more information down to the state and locals because there's no federal agency in the world that has 700,000 people in the streets and that's just the police.

There is something to be said for other people in the community in a confidential base having that information at the ready, so it's a great project trying to integrate public health community emergency services for the hospitals. They have more training and exercises and everything so we talked a little bit about that today.

These are invaluable contributions, to that end we had a great discussion with doctors in a private sector meeting out in Chicago. There is a lot of good things going on and this Homeland Security Advisory Council will want to celebrate the good news. We also need to see where there's gaps and weaknesses and whether there's need for innovation. You're doing all those things. I'm delighted to be here and anxious for me to conclude my monologue and hear the rest of you, so thank you.

CHAIRMAN GRANO: Well, we'll just engage the other two SACs at this time and open up for any questions on any topic you have for Secretary Ridge. So, let's move to the Private Sector SAC. The vice chair is here, Herb Kelleher, so Herb you have the floor, sir.

MR. KELLEHER: Thank you, Mr. Chairman. I'm the most pitiful and inadequate substitute for our very sophisticated and very energetic Chair - Kathleen Bader. She has an irrevocable commitment that prevented her from being here today.

First of all we have the process of trying to focus on a few important priorities in the private sector. We met in Chicago on August 30th and at that time we tried to decide what

our three most important priorities were and I think it's a very valuable disciplined exercise for us to go through and I have the top three recommendations to report to you.

The first one was, and I'm familiar with it because it was a status report with respect to the airline industry, and that is that industry could provide more significant contributions if they engaged with the Department of Homeland Security in the formulation of policy, the development of regulations and recommendations and implementation of the policies that had the best practices and regulations set.

The reason that we feel that way, Mr. Secretary, is that it's apparent after September 11th that you needed to meld the expertise of the security experts who really knew very little or nothing about the operational impact of the airline industry. And the question was how do we get there?

The combination of the interface between the private sector and the public sector, I think we see that in that respect. And so, basically I think that's what we're talking about here that the Private Sector Senior Advisory Committee participate and actively get involved earlier in the proposals that are entertained by the Department of Homeland Security.

Now that may involve providing security clearances to all members of the Private Sector Senior Advisory Committee. Some members have them and some would have to attain them. And there's one other cautionary note that I want to make and that is we tend to assume when we're talking about industry sectors that they are one and the same. There are vastly different methods of operation.

I think we need to be careful to include all sectors of an industry in making decisions, which we found very valuable in the airline industry.

Number two, this is a familiar refrain, you've heard already several different approaches to it, and that is the day to day exchanges or interfaces at least.

And, I don't think I need to spend too much time on this, although the subcommittee report was excellent and that is that we're all looking for, the same thing, some way to aggregate information and some way to access it.

You know the front line troops are on the local scene but it's not just the public groups. It's also the private groups where you're saying to an industry, hey, wait a second you need to be more alert and I don't know how you do that. I know that there are a lot of concerns, secrecy, classification and so on but I guess my basic point is that the private sector to the extent it's involved can't be in constant readiness.

There has to be some way to say, okay, now we have a threat that's directed at you like the rest of the financial institutions and so you better come up to Def-Con 4 and so having that sort of access to the day-to-day, including all the information from all the agencies, would

be very helpful we think.

If the private sector has some discreet access to that it would also be helpful, in other words these people coming in and out of the country. Some of them may be threats. Some are not threats. If you had access to that type of information on an integrated basis it would be helpful not only to state and locals but also the private sector.

The third one is that there seems to be an assumption, implicit assumption often, that the private sector is monolithic in terms of regulations which obviously it is not. We have all degrees of regulations with respect to the private sector.

For instance, transportation is directly regulated by the Department of Transportation, so that the agency every day is involved in what should be done with respect to making it more secure.

On the other hand, we have some industries that perhaps are regulated but very lightly monitored. In other words, they're already under the agency to some extent but perhaps the agency hasn't really focused on security with them and we were thinking an appropriate group, Mr. Secretary, might be the Department of Homeland Security to sit down with that industry association.

Then, you have the industries that are not regulated at all in any way, shape or form or the agencies are regulated but have no power to deal with compliance and there we wanted to suggest that it might be efficient and more effective to work with the trade associations.

We would be willing to add that the individual members of the Private Sector Senior Advisory Committee would be willing to act as facilitators in that respect.

The reason we make that recommendation is that all the industries are represented in the association. Many of the associations already have authority to deal with security issues and we could in effect be investing the whole sector through that association.

Now, some of them may cooperate more. Some of them may cooperate less. Some of them may be more interested. Some may be less interested but what we were volunteering was with respect to a number of these associations in getting these associations interested and dedicated to our cause is that many members of the Private Sector Senior Advisory Committee would have to be helpful in intervening and facilitating that industry's approach to and seriousness about security issues.

Then lastly, I want to say that as we provided our recommendations to the Secretary on the Visa issues and how it can be expedited, I think we've learned a lot and that there's more different pieces than I ever realized existed.

Furthermore, I didn't realize that there are about 21 different departments in the agency

that have some interest in one or more of these basic issues and processes and the Secretary was kind enough to supply the update at our meeting in Chicago and I was very heartened that the Department of Homeland Security is working energetically and vigorously and I think effectively on the visa issue and some of our recommendations are going to be adopted, is that fair to say?

SECRETARY RIDGE: It's fair to say that I think certainly between now and the December meeting final approval of the visa policy with the modifications and changes that have been made pursuant to your recommendations.

The agencies involved particularly in the area of the business visa and the academic visas will have a very positive effect on business travel but I think there's more to do particularly with regard to the private sector and the notion that we could use a test we thought through very carefully that somehow uses some of the overseas and some pre-screening and pre-clearances.

That's not going to happen in the near future, so what do we do given the existing environment to make it easier for them to do their job? So, I think we have been able to show you some demonstrable progress that it's worth your time to engage on issues such as this.

CHAIRMAN GRANO: Not that you've had a chance to comment on it but from what I read your efforts in expanding the coordination outside the United States to other countries obviously should lead to better cooperation regarding visas. It's been well received.

SECRETARY RIDGE: Well, visas and information exchange was at the heart of the discussion about terrorism. At the same time we believe it continues to facilitate accomplishing the U.S./E.U. connection.

CHAIRMAN GRANO: Any questions for Mr. Kelleher? I'm sure you know that the test efforts going on the best practices for the private sector at the 30,000-foot level and is now being integrated with your effort.

SECRETARY RIDGE: One question. Bob Liscouski was there, the Assistant Secretary for Critical Infrastructure. We engage in a fairly regular basis with the Information Sharing Advisory Council within the private sector. We use that to communicate information. Sometimes we send them over to the Information Sharing Advisory Committees, any recommendations with regard to how effectively information is not only shared and distributed down that chain to businesses or industries within that sector.

CHAIRMAN GRANO: The securities industry, I can tell you governor it may be going to my head of security but it is not coming into the CEO's office.

SECRETARY RIDGE: That's why I asked the question because it's good to contact the

folks that represent trade associations.

MR. CILLUFFO: One of the issues that I've seen sprout up recently within many of these firms between someone who has responsibility, the chief security officer, the ISAC, the information sharing analysis centers are normally not the chief security officers. They're actually more people at the IT level and they're playing I got a secret to their CEOs.

I'm getting calls from the same firm not knowing what the other person is telling one another and I think one of the really neat attributes to the Department of Homeland Security is that you recognize that the cyber with the physical and that there was a need to create that new line, the undersecretary for information analysis and infrastructure protection.

One of the best practices that maybe this group can look at is to actually throw one back to the private sector and that is to see how they can get organized because I've got to tell you, I recently visited some of the information from sharing analysis centers from a hospital and a healthcare perspective not only from data but to query to see if others had been seeing the same issues.

So, I don't think you can rate them all. There are certain groups that are further along than others but I think that when you look at the private sector there are also some lessons you can learn from.

CHAIRMAN GRANO: Frank, with all due respect, I think we're learning because of the disparate processes that are out there that we have to go to the governor to cascade a common message. You're going to find in the private sector that's no different. You've got to engage the CEO.

If the CEO buys in the collaboration will grow between IT and analysis and physical security.

MR. ACKERMAN: Just a comment I'd like to make on the telecommunications infrastructure. The presence of the NCC, which is a co-located group in the industry, really sets up some very rapid distribution with essential infrastructure providers in that industry.

I think that if that's a case where you've got an industry that is getting better information and a lot of it revolves around the instances and the co-location of the industry to be able to pick up earlier seen information.

MAYOR MCCRORY: There's also kind of a triangle effect here. So, it's kind of a dual communication on who gets it first and then do we even communicate with the right

person in the private sector? I think we're primarily working for your security, at least in our area.

CHAIRMAN GRANO: I understand. It travels up to the right levels. You actually brought this up earlier in your commentary.

MAYOR MCCRORY: I think protocols are required and hopefully best practices will come out of these test cases.

MR. KELLEHER: May I suggest something else simulation - where you have the public and private sectors involved. Have people who are actually called out and asked about their communications processes and we find that exceedingly helpful on both sides, our side and the public sector.

CHAIRMAN GRANO: A little bit of an unfair analogy. I think in the middle we're seeing a lot of improvement. It's just the two ends of the barbell that we have to make sure we engage.

The security guard at a private sector building they turn over 35 percent a year. If you don't have protocol in there to continually retrain and, by the way, outsource the discipline anyway. We hire some other company to come in and do it. We have no, literally no control over it. So, I think we have to deal with those two ends of the barbell.

LT. GOVERNOR HEINEMAN: Sunday afternoon I got a phone call from the head of investment banking association who called three major bank presidents in the field so they weren't caught off guard. So, part of this is incumbent upon us to effectively share the information we have.

CHAIRMAN GRANO: That's what communication is for. Okay, any further commentary. Well, if we may, we're going to move to the last report and that's the Academe and Policy Research Senior Advisory Committee.

Now, unfortunately the Chair, Jerry Cohen, and the Vice Chair Ruth David could not attend but we do have in their stead the Director from the HSAC staff assigned to that Committee. So please Mr. Gaynor.

MR. GAYNOR: Thank you, Mr. Chairman. Mr. Secretary, Mr. Chairman, and speaking on behalf of Dr. Cohen and Dr. David – The Academe and Policy Research Senior Advisory Committee met in Washington on the 16th of August and we've been involved with the Coast Guard in the creation of a National Forum on Homeland Security Education.

With your help, sir, and Mr. Secretary we're glad to see that is coming to fruition. It is on-

track for the November 16th to the 18th time frame and our members will be participating.

On the visa issue, Herb, thank you for the introduction to that one. We've been working with the Private Sector Senior Advisory Committee and what we're aiming towards is the mapping of the process. There are multiple legitimate stakeholders in the visa process. The information needs to flow through them. There's a reason for these people being in this system and what we're looking to do is try to synchronize the multiple, legitimate clocks involved in the system.

Looking at the complex and interdependent nature of our Nation's critical infrastructure -- the protection of which is the number one issue in the Department -- we are looking toward building recommendations for achieving critical infrastructure reliability. There are some things in this country that simply just have to work and we're going to take a look at that effort and see where we can go towards transforming current critical infrastructure protection into critical infrastructure reliability efforts.

And finally, Mr Secretary, in the research and development environment we're looking at the intersections between national policy, technology, and public acceptance. We've got a good example with perhaps unfortunate results of that intersection in the Defense Department's Total Information Awareness Program. It was an effort to improve information sharing -- an effort all agree is necessary, but in this case was apparently not squared with the Public's perception of the effort.

SECRETARY RIDGE: Could you elaborate a little bit on the homeland security initiative forum participants how that works?

MR. GAYNOR: Yes, sir. The forum will be held at the Coast Guard Academy in November. The forum is focused on the fact that education as it is really the foundation of all legitimate activity on the planet.

It's important that homeland security education be gotten right as soon as possible. We don't need a million weeds springing-up, offering instant courses, leaving people partially or inadequately trained but with a piece of paper that says yea, verily I have been. Homeland Security educated and an expert. So, what we're attempting to do is create a truly a national effort to ensure the quality Homeland Security Education.

We're bringing together educators or educational organizations throughout the country and throughout the federal government.

The Defense Department and its Naval Postgraduate School is participating in it as are many universities and national policy creators and functional experts. It's truly a national forum to get together and make sure that we get these standards right and it should produce a generation, succeeding generations of homeland security specialists.

MR. CILLUFFO: Mr. Secretary, we've been a sponsor of that as well and I think that there are two issues here that are critical. One is the career development side for the Department of Homeland Security so we can start to see what capacity and capabilities are out there.

Then within the academic institutions themselves, obviously there's a demand on the street to be able to try to educate students interested in homeland security issues. So, obviously this effort deserves to be fully supported and it is cognizant of the need within DHS and some of the universities.

CHAIRMAN GRANO: I'd like to go on record on one comment. I'm sure the Secretary will agree with this. This is not reciprocity for our host by the way. I must tell you that all the dealings in the last two years relative to homeland security the organization that I'm most impressed with in terms of what we take as an issue for granted but we never really properly fund this organization properly.

It hasn't been owned perhaps by the right organization in the past. The U.S. Coast Guard is doing such a phenomenal job improving the security of this country. I am more than impressed with the caliber of individuals in their service.

I had the privilege of visiting Admiral Collins recently and frankly we have to do something as a government in this society to enhance their infrastructure there, Mr. Secretary. I must tell you it was appalling to see World War II barracks with asbestos for an organization that's responding to the defense of this nation.

SECRETARY RIDGE: There's no comparison with the other three service academies.

MS. THOMAS: I wanted to ask Jeff or Frank whether or not we should attend because I think that just as the universities are now being perceived by students who want to be a part of addressing this issue in terms of being the new state homeland security director for whatever, we're also seeing a lot of students coming in and wanting to be more a part of the public health sector, another sector that's been labeled on the radar screen for a very long time. Is that a part of this curriculum or are we going to give another assignment?

I suspect that obviously they do recognize this. Every university, I mean you can't codify homeland security into a neat little black box within an existing school whether the school of international affairs or whether it's the medical school or the school of public health, the law school or the school of government. One of the challenges it is cross cutting and clearly public health has a role to play in this effort.

CHAIRMAN GRANO: While time permits, Jeff, why not send the potential agenda out, your commentary to members with an actual curriculum holding some examples.

We'll get some commentary from the staff on it, okay. Well, with that and as noted in the

Federal Register, we're going to conclude this open portion of today's meeting.

As I suggested in opening commentary, we not only invite your comments, we welcome it. We really would like commentary from the public. One is directly in writing to the Homeland Security Advisory Council, U.S. Department of Homeland Security, Washington, D.C. 20528. Or, more commonly used the medium of e-mail and that's to hsac@dhs.gov. We welcome any and all commentary. Ladies and gentlemen thank you very much for your attention today.