

DEPARTMENT OF HOMELAND SECURITY

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HOMELAND SECURITY ADVISORY COUNCIL

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MEETING

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THURSDAY,
JANUARY 11, 2007

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The Committee convened at 11:20 a.m. in the Regency Square Ballroom of the Hyatt Regency Washington, 400 New Jersey Avenue, N.W., Washington, D.C., William H. Webster, Chair, presiding.

HOMELAND SECURITY ADVISORY COUNCIL MEMBERS
PRESENT:

WILLIAM H. WEBSTER, Chair
DUANE ACKERMAN
KATHLEEN M. BADER
ELLIOTT BROIDY
FRANK J. CILLUFFO
LEE HAMILTON
HERB KELLEHER
JOHN MAGAW
PATRICK McCRORY
RICHARD D. STEPHENS
MITT ROMNEY

ACADEME, POLICY & RESEARCH SENIOR ADVISORY

COMMITTEE MEMBERS PRESENT:

STEVEN A. KERR
WILLIAM PARRISH
ROXANE L. COHEN SILVER

EMERGENCY RESPONSE SENIOR ADVISORY
COMMITTEE MEMBERS PRESENT:

PHILLIP E. KEITH
PAUL M. MANISCALCO
JUDITH M. MUELLER
EDWARD P. PLAUGHER
GARY C. SCOTT

PRIVATE SECTOR SENIOR ADVISORY COMMITTEE
MEMBERS PRESENT:

STEPHEN M. GROSS
JEAN SPENCE
WILLIAM C. WHITMORE JR.
HOUSTON L. WILLIAMS

STATE AND LOCAL OFFICIALS SENIOR ADVISORY
COMMITTEE MEMBERS PRESENT:

KAREN J. ANDERSON
MICHAEL BALBONI
JAMES R. DUNLAP
ROBERT A. ECKELS
KAREN M. MILLER
JOSEPH ZARELLI

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P-R-O-C-E-E-D-I-N-G-S

11:20 a.m.

CHAIRMAN WEBSTER: If those who are still standing would find places to sit down, we'll begin the meeting.

Well good morning ladies and gentlemen. And I'd like to call this meeting of the Homeland Security Advisory Council to order.

My name is William Webster. I'm the Chairman of the Homeland Security Advisory Council or as we call it HSAC. You will probably hear that reference. And I'd like to welcome our members and the guests that we have here in attendance.

For members of the public, back there, who are unfamiliar with the HSAC and its Charter, this council serves to provide independent recommendations to the Secretary of Homeland Security across the spectrum of Homeland Security efforts. On today's agenda, the leaders of our two recent Task Forces will present an overview of their findings.

We are glad to have with us within the department, and I will mention them without asking them to stand or be recognized, a number of the leaders from within the Department including Assistant Secretary Stewart Baker, who is not here at this

moment, but will be shortly. And then we have Commissioner Ralph Basham. Chief Human Capital Officer Marta Perez. And Secretary Chertoff is going to join us for discussions on our Task Force Recommendations in about half an hour. We are also pleased to see Charles Allen who heads our intelligence efforts across the board and we've had some earlier reports on activities there.

This afternoon, in our Executive Session we will continue our discussions with the Secretary and we'll also be joined by Senator Joseph Lieberman, Chairman of the Senate Committee on Homeland Security and Governmental Affairs, Deputy Secretary Michael Jackson and Under Secretary Paul Schneider.

Stewart Baker has just arrived, I have already recognized you Stewart.

MR. BAKER: Thanks.

CHAIRMAN WEBSTER: Glad that you're here.

We are going to begin today, today's discussion with the presentation of the Findings and Recommendations of the Special Task Force on the Future of Terrorism. We are going to have Frank Cilluffo, the Vice Chairman, deal with the details of the recommendations. And the Honorable Lee Hamilton is going to present the findings of the Task Force which we are highly interested in. And I have attended many of the, of the meetings,

both in person and by telephone conference, and it has been a lively discussion and I think you will find it interesting.

Lee would you like to begin the --

MR. HAMILTON: I will Judge. Thank you very much. First of all for your leadership on the Task Force which has been exceptional. And as always, it's a pleasure to work with you.

I want to say a word of appreciation to all of the members of the Task Force. It's a very busy bunch. Our biggest problem, in many ways, was finding time to get together to discuss these matters. But they were all very conscientious and we had a number of meetings, several of them by phone.

And it's been a very special pleasure for me to work with Frank Cilluffo. He's really, because of other responsibilities I've had, he's really had to carry the ball and I'm greatly indebted to Frank for his leadership.

We are going to divide this up and I'll make just a few comments on the threat of, the future threat of terrorism. Frank will comment about the recommendations and we may each interject a comment here or there.

So my comments begin then with regard to our findings, with regard to the future of terrorism. We were asked to kind of assess what terrorism will look like, five years from now. Our

conclusions run as follows.

First, about the threats. We think attacks on the United States, its interests and its allies will likely increase, in the years ahead. We see no indication that there will be a diminution. We know the intent of the adversary. We don't always know their capabilities but we certainly know their intent and it is likely that, we think, attacks will increase.

The most significant threat to the United States Homeland probably arises because of the growing radical movement within the Islamic world. The radicalization of Islam is a deeply disturbing phenomenon throughout the world and one that is really quite central to any thoughts about the future of terrorism and how you respond to it.

With respect to al-Qaeda, we looked at al-Qaeda as a diminished organization but its core is resilient and in some respects even resurgent. It benefits today from, what is in effect, a sanctuary in Pakistan and perhaps Iraq, as well. It benefits from its extraordinary use of the internet. So although it may, in some circles, be popular to discount the possibility of a threat from al-Qaeda, we did not agree with that. And we felt that al-Qaeda itself, the core al-Qaeda if you will, and not its allies and associates, represents a threat to the United States. It has, of course, franchised itself across the globe. It inspires individuals

and groups who can act locally and who can act independently of al-Qaeda.

We were impressed in several instances, as we listen to various experts, about their ability to use the internet. It has become a very powerful tool that enhances the range of the terrorist activities from target selection, to recruitment, to planning, to organization. You see the impact of their use and indeed, some respects, even mastery of the internet.

We do not discount the possibility, of course, that state sponsored terrorism will continue. A group like Hezbollah may become more of a direct threat to the United States, particularly if tensions with Iran, for example, continue to escalate.

One of the questions that we spent some time on, and this is a controversial matter, is what motivates the terrorist attack. And I guess most of us concluded, perhaps not everybody, that there are multiple motivations. They certainly have an extremist ideology. They don't like the fact that we have succeeded quite well as a country and as a civilization. They reject our culture, our freedom, our liberties here. They have the goal, of course, of overthrowing a number of the Muslim governments. They oppose a lot of U.S. Foreign Policies around the world. So I guess our conclusion is, is that they really have

multiple motivations for what drives them to do so many hostile acts and uncivilized acts.

It is, of course, impossible to predict the future of terrorism. One way you can get at the problem is to try to look at the conditions that will impact the future of terrorism in the years ahead. We identified several.

One of course, obviously, is the leadership of the terrorist networks. We try to remove, one way or the other, as many terrorist leaders as we possibly can. We have not removed them all and new ones keep popping up. The quality and dedication and energy of that leadership will make a huge difference as to the kind of the threat we face in the years ahead.

What we do in Homeland Security areas, our counter-terrorism efforts throughout the Government, will likely have a very major impact. The more effectively we do our job, the better protected the American people will be.

The status of political and economic reforms in the Muslim countries and nations will make a difference as well. If the countries are repressive and give their populations no opportunity for expression, that will probably increase the number of terrorists, if they do not give them some kind of an opportunity or hope to live a decent life, that will increase the likelihood of the development of terrorism. And as I hinted a moment ago, the

availability of safe havens will certainly impact the prospect of terrorism in the years ahead. One of the most worrisome, at the moment of course, is Western Pakistan, where you have, in effect, the kind of lawless area.

So to conclude, we face a very nimble and a very complex enemy. In order to defend ourselves against that enemy, there will have to be a seamless coordination amongst federal, state, and local authorities. Something that's quite easy to say and of course very difficult to do. And include in that, the private sector as well. The communications here, have to be integrated and smooth and seamless.

We face an enemy that acts globally. And therefore we cannot defend ourselves, as fully as we would like to, without seamless coordination with our friends abroad. We pick up, of course, an awful lot of information about terrorist activities through intelligence networks across the world and they can be extremely valuable to us.

We were impressed that there is not, in this country, a wide pool in the United States [of experts] on Islam, on Islamic cultures, certainly not on the key languages of the Islamic world. And we have found that we have done some things right in the Muslim communities in the United States. Our -- we don't want to brag too much here, but they are better assimilated than is the

case in Europe.

And we are impressed by the fact that a challenge to many, many local communities across this country today is the assimilation of the Muslim populations which are growing. And it's not an easy thing to do in American society. But they have been, in many cases, more successful, less alienated than Muslims in Europe. And these populations can be a hugely valuable resource, to us, as a country.

So those Judge are the findings, in a very quick summary sort of a way. And if it's okay with you, I will turn to Frank to begin on the recommendations.

Frank?

CHAIRMAN WEBSTER: Before Frank starts, I do want to take this opportunity Lee, I know how difficult with all of the responsibilities you have, it has been for you to be here. And you have contributed so much to the Task Force's work, not only leading this Task Force but also as Vice Chairman of the Baker-Hamilton Task Force and service to the President in the 9/11 Commission. I think that all of us are grateful, not only for your clear thinking, but also your ability to articulate the issues and conditions. I think that's been a great service to our country and I want to thank you for that.

MR. HAMILTON: Thank you Judge.

CHAIRMAN WEBSTER: Frank you have been very active in all our work and I'll turn it back to you.

MR. CILLUFFO: Thank you Chairman Webster. And let me also echo your comments. It is quite the privilege to serve with, in the Vice Chair capacity, I think, a public servant who always stands ready to serve and always addresses the easy issues.

So it has been quite a learning experience and I continue to learn from the Chairman, as well as from the rest of the committee.

And I might also note that we were fortunate to receive briefings from some of the top minds on some of these issues within the Government, beyond the Government and also to bring in folks from overseas. Since a lot of what we are seeing in the United States may or may not pass, in terms of what we are seeing overseas, but we want to be ready as much as we can.

Now let me also just echo one comment. It can be said that threat forecasting, like political forecasting and economic forecasting, can make astrology look respectable. So we are not trying to identify the when and the where. That is a very difficult task. But there are a number of trends, there are a number of issues we do need to be looking at. And the last thing we want to do is be the proverbial ostrich with its head in the sand and act surprised when we get kicked in the most obvious place.

So part of what we are doing and I think it's going back

to Abraham Lincoln who just as the Civil War had begun, had stated to Congress, our case is new, so we must think anew and act anew. That in part is what stems most of our findings, is not the idea of constantly reinventing what the Department's missions are, but rather the recognition that our institutions have to constantly be re-calibrated to reflect the changing threat environment. And that is something that is not easy to do. And I think a lot of progress has been made, but we do have a couple of areas, I thought, that are useful. And part of that requires, obviously, not marching into the future backwards and fighting yesterday's wars which is something, due to our successes, we want to do constantly -- sometimes our success can be greatest enemy, in terms of what's worked in the past. So we want to be able to -- to add to the 9/11 Commission's example -- keep our imagination intact, as well.

And much of this also stems from the reality that those charged with the awesome responsibilities of protecting Americans, they are all running, to some extent, out of their in-boxes. They don't have the luxury to be able to project out, to look ahead, since they've got the deluge of daily intelligence, and the deluge of all the crises that are popping up on a daily occurrence.

So with that in mind, we had a handful of

recommendations. The first are more structural. These are more policies, programs and procedures, a handful of issues that the Department of Homeland Security itself can try to tackle. Notably, creating an Office of Net Assessment. This would be somewhat akin to the Department of Defense's Office of Net Assessment, which was created in the 70's. And it would be, its primary focus would be to look to long-term assessments and strategy, to study existing threats, but also to project into the future. And to study trends in weapons, technologies, modalities, and targets to review our own capabilities, as well as, to identify any gaps and shortfalls. In essence, to conduct war games and to, so-called Red Team, to think the unthinkable, to ask the what-ifs and to try to get ahead if we can't prevent everything.

And I think that stems upon one of the findings that Chairman Hamilton brought up. And that is the reality, that our adversaries base their actions, in part, on our actions. And when we look at some of the defensive countermeasures we need to put in place, I think it requires us to add some uncertainty into our own defensive countermeasures, so the adversary can't simply game the system. In other words, we need to make disorder and unpredictability a strategy, not to have it unpredictable, but where we actually make that a strategy, to keep the adversary on edge, not knowing who, what, when, where, and if and how we will

respond.

Another finding we drew, which also has some analogies to the Department of Defense, is to conduct a Quadrennial Security Review. This, to some extent, would be akin to the Quadrennial Defense Review, but the reality is, it's a comprehensive systematic and regular examination of all Homeland threats, assets, plans and strategies. Also, with the view toward long-term planning and modernization, this would allow the Secretary to determine what tools are needed to meet the range of threats that exist and also those that may arise. Also, what core structure is needed at the Federal, state and local level. Ideally here, the Department of Homeland Security is not the Department of Defense, its real asset is pushing capabilities down to the front lines to the men and women, ultimately where the action is: at state and local government. And also obviously, this would give them the ability to make a budget case, which is ultimately the primary role QDR played to Congress.

Ideally, at some point, the Quadrennial Security Review and the Quadrennial Defense Review would be looked at, in total. And we would look to a National Security Review that could be comprehensive and not bifurcated in terms of some of the programs.

Another recommendation we made that is

tactical, is to undertake a comprehensive National Intelligence Estimate. And this would be something that the Secretary of the Department of Homeland Security in conjunction with the Director of National Intelligence would engage in, on a regular basis.

I understand there is such an NIE underway now.

We applaud that effort. The Deputy NIO is someone from the Federal Bureau of Investigation. I think that that is quite important. But I also think that the Department of Homeland Security, in the future, should, on a rotating basis with the FBI, have a permanent Deputy NIO to the National Intelligence Council.

And I think it stems from the fact and the reality that we can no longer look at the intelligence issue from the top down. To some extent we're hearing from multiple people that there is a little bit of Washingtonian Beltway Fever, that all the secrets are going to come from Washington. Well the reality is, as we look ahead, much of the most valuable information is not going to come from the top-down, but rather from the bottom-up. And I don't mean that pejoratively but rather from the men and women on the front lines of this war, at state and local governments.

So that will, in turn, drive the requirement-setting

process, for state and local, to play a role in driving what intelligence needs are at the Federal level and they will also be part of this ultimate snap shot in terms of the threat.

We also recommended that countering homegrown radicalization needs to be a top priority for the Department of Homeland Security. There is an awful lot of good work going on, notably out of Charlie Allen's shop, but also out of the Office for Strategic Planning.

And we recognize that we're not facing some of the same challenges Europe is, we also know we can't be complacent. Many of you are aware of the Toronto 18 Case. This took place in North America. And many are also aware of the New Folsom Prison Case where you had Kevin Lamar James radicalized there. I think that he actually is an individual who took the Koran and interpreted it in his own way, was able to recruit a couple of other members, who were in the process of engaging in some serious terrorist activity on U.S. soil. And was able to be prevented, in large part, because of alert officials at state and local levels.

We also recommended, and I think this is not only important within the Department, but within the U.S. counter-terrorism community writ large, we need to place emphasis on recruiting people with diversity, with diverse

perspectives, skills, languages, cultural expertise. This is something that I think the Federal Government, as a whole, is wanting. But I think the Department of Homeland Security, in particular, has an important role in recruiting these sorts of folks and making sure they are part of the solution set, as well.

MR. HAMILTON: Frank may I interrupt you? I met this week with Mayor Bloomberg. Some of you may know him from New York City. And he told me that on this diversity point, that he had just sworn-in 1,000 new police officers for the City of New York. And in that thousand there were 65 native languages, if I understood the Mayor correctly. And incidentally the counter-terrorism efforts in that city are really remarkable. And it's worth a close look by anybody interested and it's true and I'm sure you have done it. But that sets a kind of an example on the diversity point Frank, that I think is very important.

Excuse the interruption.

MR. CILLUFFO: No, please, I think that we do need to be looking toward best practices. And clearly, New York I think, is in many ways a country unto itself. The counter-terrorism efforts have been very successful. As have California, where you have seen some phenomenal approaches from Chief Bratton, from Sheriff Baca and others, they are quite forward in their approaches. And they do have the diversity.

And ultimately we recognize that while the Department of Homeland Security has a role in Muslim outreach and inreach programs, ultimately this is going to be a local set of issues. And that goes back to diversity.

But I also think, seek to understand before being understood, is a set of issues that is also important; there are a number of cultural and religious awareness and understanding actions. Part of which is the Department further reaching out to subject matter experts to ensure that the lexicon we all use is clear, precise, and ultimately doesn't play into the hands of the extremists themselves. Ultimately, whoever controls the war of words will influence the outcome of the battle of ideas. And I think that that is crucial because, both within Government and the media, our use of language is insufficiently nuanced to convey the multidimensional aspects of Islam.

And also as we discussed, identifying broader avenues of dialogue with the Muslim community to build mutual respect and understanding, and ultimately, trust, which underpins everything, is absolutely critical. I think we came out with the understanding and the belief that, only by challenging ideas with ideas, may hearts and minds, ultimately, not only change but open. And ideas ultimately. And again, we thought that local communities can identify some of the best practices that are out

there

We had a series of State and local activities that we looked to. And that is, it's further recognizing that this is not an inside-the-Beltway set of challenges. It's how Federal, State, and local interface. And ultimately how you can empower those at the State and local level to do their jobs. And part of the role that the Department can play, outside of the New Yorks and the LAs and some of the other cities that have very robust capacities themselves, are to identify some of the radicalization trends, what is the life-cycle of a terrorist, how does one go from sympathizer, to activist, to indiscriminate violence. What are those indicators along the way? Behavioral indicators. I'm not suggesting other sorts of profiling, but what are the behavioral indicators that would be helpful?

We also continue to enhance or suggest that we redouble many of the efforts that the HSAC has put forward, in the past, on information sharing. Governor Romney chaired, I think, a number of very successful programs that looked to, how to improve the capacity for information sharing at state and local [levels and] the creation of Fusion Centers. And we [need to] redouble those efforts in terms of the need for clearances.

And ultimately it's not only a resource issue, it's not toys, we need to make sure that some at the state and local level also

have the analytical capacity, to be able to absorb what it is we're looking at.

And that's a problem at the Federal level.

There's a small pool of very talented intelligence analysts that are looking at these issues. Everyone's in the intel business. We have so many more customers today but it's only exacerbated by so many more orders of magnitude at the state and local level.

And we did really zero in, a little bit, on prisoner radicalization. And the need, in addition to some of the good efforts that are going underway at the Federal level, with the Federal Bureau of Prisons and the FBI, the reality is, most of the people incarcerated in the United States are in the state and local prisons and county jails. So you need to make sure that there are awareness programs. And not only to look for intelligence indicators, but also, integration. Once they're reintegrated into society, that there need to be some of the focus on some of the programs.

Internationally, ideally we need to learn from our experiences elsewhere to better prevent, prepare for, and respond to attacks. And to recognize that some of the trends we're seeing overseas, in terms of target selection, modality and means of attack, could arise in the United States. So we want to make sure that we're always ahead of that curve, re-calibrating it. And that

is something that we can not only learn from some of our allies, but also, some of our military assets and others that are engaging in hostile activities that concern us. Good pre-indicators in the United States.

Finally public engagement. That was one of our other requirements, and I'm sure during the Q&A Roxy Silver, in particular, may have some additional comments here. But ideally, what we want to do is take some of the terror out of terrorism.

First and foremost, terrorism is a psychological weapon intended to erode trust and undermine confidence in our Government, in our institutions, in the values, of public officials, etc., etc. Other countries have had to deal with terrorism for a long time, so their population is not only being, not only are they part of the -- are we sharing the information better, but that they're actually participating in many of these public efforts. And we've got to do so, in advance of a crisis. As President Kennedy said, the time to fix your roof is when it's sunny, not when it's raining.

And here we're talking about partnering with the media and educational institutions, to engage the public in these efforts. And again, the need to develop consistent, accurate, realistic, persuasive and actionable messages. And all of which have to be evidence-based for the strategies and ways, to

communicate better. So the communicator itself matters, this can't be owned by the Department of Homeland Security, it's got to be something that's looked at truly, nationally.

And finally, we had an awful lot of discussion, and we recognize this is not something that the Secretary of the Department of Homeland Security can directly influence, but we truly need to look at how we can remove the artificial bifurcation between national security policy programs and homeland security policy programs. The two are inextricably intertwined. And we need to be able to make sure that national decision making, national security decision making factors in some of the homeland implications and vice versa.

Here, we did suggest that we should consider, that the Secretary should -- that the President consider naming him as a full member of the National Security Council. And we also had some discussion, but there was no agreement, on whether or not to mention we didn't have permission, on whether or not the Homeland Security Council and the National Security Council should be merged into one council, that factors in the entire national security process and have a deputy for national security policy and a deputy for homeland security policy. That is not something we had a consensus on. I'm not sharing my opinions on this but rather that was part of the discussion.

Thank you Mr. Chairman.

CHAIRMAN WEBSTER: Thank you very much Frank.

Both of you presented a really excellent summary of the findings and the recommendations of this important Task Force.

Now we have a second report. That is the Culture Task Force, Chaired by Herb Kelleher. A distinguished business executive. And Rick Stephens who is on the legal and human relations side, at the top of the Boeing organization, as Herb is founder of Southwest Air. On the subject of building, as the Secretary asked us to do, thoughts and ideas on reaching a more common culture among the 22 agencies of Homeland Security and a hundred and eighty thousand people who suddenly found themselves in a new department.

They have gone about this with considerable insight and experience and have a reputation for being able to deal with acquisitions, mergers, and so forth. And they have also done it with a fair sense of humor which has not been harmful at all.

Herb, I'll turn the floor over to you and to Rick.

MR. KELLEHER: Judge, on behalf of Rick and myself, thank you very much. And also, we would be remiss if we did not thank you for your splendid leadership of the

Homeland Security Advisory Council.

As you mentioned, Secretary Chertoff commissioned a Department of Homeland Security Advisory Task Force to make recommendations with respect to furthering an energetic, a dedicated and a mission-focused culture within the Department. On behalf of the Homeland Security Advisory Council, we present these recommendations today.

I am very grateful and indeed greatly indebted to the Vice Chairman of our Task Force, the truly indefatigable Rick Stephens. To all of the members of our Task Force who supplied a variable cornucopia of excellent ideas. And to Doug Hoelscher, at my left, and to Mike Miron for their very exemplary and very hard work in developing our final product for your review.

CHAIRMAN WEBSTER: Welcome Mr. Secretary, Herb Kelleher is presenting his conclusion of the reports of the work of the Committee --

MR. KELLEHER: Good morning Mr. Secretary.

CHAIRMAN WEBSTER: -- on Culture.

MR. KELLEHER: You should have stayed away a little longer, you wouldn't have to listen to me.

(Laughter.)

Before proceeding to the substance of our recommendations, I have two very brief preliminary comments.

First, is set forth in our Conclusion. We recognize that Congress charged the Department of Homeland Security with one of the most daunting, with one of the most Herculean tasks in the history of government, any government. The task of amalgamating and aligning 22 different agencies, from many departments, into one department, the Department of Homeland Security.

And further, to accomplish that task, under very emergent circumstances. We congratulate you Mr. Secretary and the Department of Homeland Security upon the tremendous progress that has been made and upon the tremendous results that have been achieved. Achieved for the safety and the security of our citizenry.

Second, our report is somewhat unusual Mr. Secretary, it does not contain an Executive Summary. Why? Simply because none is needed. The substance of our six recommendations and the rationale, for each, covers only eight pages. We concentrated solely upon what we deemed to be quintessentially important for your consideration.

These six recommendations are as follows:

Recommendation Number One: DHS Headquarters must further define and crystallize its role. A tight security role definition, in our opinion, breeds better understanding and better relationships with component organizations. We make many

specific suggestions under point number one, with respect to role definition and component and employee relationship building. I guess I attempted to somewhat paraphrase Robert Frost's, Good fences make good neighbors, Mr. Secretary, by saying, We believe good role definitions create good component relationships.

Recommendation Number Two: Implement homeland security management and leadership models. These management and leadership models have been proven to be valuable in achieving joint focus and joint collaboration on desired goals. The expectations of the management model are framed in terms of, involvement, of inspiration, of service and of innovation.

Recommendation Number Three: Establish an operational leadership position. The recommended Deputy Secretary for Operations, would be the equivalent, in our view, of a corporate chief operations officer. Not involved in the daily execution of the operational duties carried out by the component organizations. But instead, on a DHS basis, being responsible for the ongoing alignment and integration of the components.

Recommendation Number Four: Create leadership empowered teamwork in a blended culture. We do not believe that there should be a hierarchically imposed single common culture within the Department of Homeland Security.

Rather, we recommend an overarching and blended culture. As Kathleen Bader, one of our members put it, “In terms of the coexistence of cultural diversity in a single organization it can be expressed as one language, many accents.” We also recommend a permanent official to promote and also to sustain the overarching blended culture to which we refer.

Recommendation Number Five: Engage the state, local, tribal and private sector in an outside-the-Beltway focus collaborative process. Generally we recommend a more bottom-up, than top-down approach in dealing with the DHS components and also with the state, local, tribal and private sector partners. All of whom, in many instances, really are the executional first responders. In short, we are of the opinion, that strategies and policies are generally more effective, if they are delivered in consultation with their proposed effectuators.

Recommendation Number Six: Institutionalize the opportunity for innovation. I think we can all agree that focus on innovation is imperative, in a world that is changing kaleidoscopically. We propose institutionalizing the opportunity for innovation at the Headquarters level with respect to ideas that can make multiple -- that can really better, and impact, multiple component organizations and within the component organizations themselves. We also recommended an Innovation Official at

DHS Headquarters to serve as a single point of contact for innovative ideas and progress with respect to their development.

In conclusion, Mr. Secretary, those always welcome words, in conclusion, you will note that we have proposed a number of structural modifications to the Department of Homeland Security. But we also repeatedly emphasized, throughout our report, that these recommendations, as to structure, are only the means to an end. Not ends, in and of themselves. They instead are designed to help stimulate and designed to help produce and enhance culture at the Department of Homeland Security. Recognizing that, in the end, culture is about people, culture is about relationships, culture is about inspirations. And ultimately, how the people at the Department view its leaders at different levels, its purposes, and the importance and value of their individual roles within the Department.

Mr. Secretary, we hope that the work of our Task Force will prove of service to you and to the Department of Homeland Security. And I again thank and salute the members of the Culture Task Force. Boy you're good. (Especially for a former Marine.) The presenters to the Task Force and the staff of the Task Force.

Thank you.

CHAIRMAN WEBSTER: Thank you very

much, Herb. And thank you Rick Stephens for your work as Vice Chairman of this Task Force.

Mr. Secretary, we've had two good reports. You've heard the final end of Herb's. The full report will be available to you. And Lee Hamilton and Frank Cilluffo presented an excellent report on the future of terrorism which will also be ready for your consideration.

I'd like to welcome the Secretary officially. And turn the floor over to you, Mr. Secretary.

SECRETARY CHERTOFF: Thank you. Well first of all, I want to express my New Year's wishes. I'm delighted to see you all here. I'm about to also welcome several new members of the Homeland Security Advisory Council, Senior Advisory Committees, and the Council itself. So I'd like to take the opportunity to introduce and swear in three new members.

Would Mike Balboni, Joseph Zarelli, and Jean Spence please stand? You are standing.

(Laughter.)

Please raise your right hands and repeat after me.

I, state your name --

INDUCTEES: I, (their names) --

SECRETARY CHERTOFF: -- do solemnly swear --

INDUCTEES: -- do solemnly swear --

SECRETARY CHERTOFF: -- that I will
support and defend --

INDUCTEES: -- that I will support and defend --

SECRETARY CHERTOFF: -- the Constitution
of the United States --

INDUCTEES: -- the Constitution of the United
States --

SECRETARY CHERTOFF: -- against all
enemies, foreign and domestic.

INDUCTEES: -- against all enemies, foreign and
domestic.

SECRETARY CHERTOFF: That I will bear true
faith and allegiance to the same.

INDUCTEES: That I will bear true faith and
allegiance to the same.

SECRETARY CHERTOFF: That I take this
obligation freely --

INDUCTEES: That I take this obligation freely -
-

SECRETARY CHERTOFF: -- without any
mental reservation or purpose of evasion.

INDUCTEES: -- without any mental reservation

or purpose of evasion.

SECRETARY CHERTOFF: And that I will well
and faithfully --

INDUCTEES: And that I will well and faithfully
--

SECRETARY CHERTOFF: -- discharge the
duties --

INDUCTEES: -- discharge the duties --

SECRETARY CHERTOFF: -- of the office on
which I am about to enter.

INDUCTEES: -- of the office on which I am
about to enter.

SECRETARY CHERTOFF: So help me God.

INDUCTEES: So help me God.

SECRETARY CHERTOFF: Welcome aboard.

Thank you for joining us.

(Applause.)

Turning to the Task Force work. I had gotten,
dare I say Herb, an Executive Summary Review Report in my
book. As well as, an Executive Summary of the work done by
Lee Hamilton/Frank Cilluffo's group. And I'm eager to read the
reports themselves.

For the new members and also to remind

everybody else, about a year ago we sat down and thought about the Council, and what the best way to work with the Council was. And I think we concluded that, we are to focus on a lot of short term interaction, lunches and individual instances in which I can get the benefit of the accumulated advice and wisdom around the table.

But that to have -- we also would have a couple of more long term projects. And I was particularly concerned about having projects that had enduring value as opposed to things which might take several months to put together, in the meantime it was overtaken by events. And therefore, it was a little bit of a sense that perhaps the time was not well spent.

And I think these two topics on the future of terrorism and a common culture are precisely the kinds of enduring issues that we really need to be talking about. So I think that these reports and recommendations will have value, going forward, over the next couple of years.

I also have to remark that Lee Hamilton must be the most prolific producer of reports ever in the history of the city of Washington.

(Laughter.)

And I want to take a moment to thank you specially for all the outstanding work you've done across the

whole range of subjects related to our National and Homeland Security which continue to bear fruit as we go forward.

MR. HAMILTON: Mr. Secretary, I work cheap.

(Laughter.)

SECRETARY CHERTOFF: But in this case we get more, in this case we get more than what we paid for.

So I also wanted to recognize Governor Romney who is now, I guess, stepping in to the private sector, at least for awhile. And express my appreciation for his continued service, as well as, everybody else here.

If I just make a couple of remarks about the reports before we move on. I think the issue of the Future of Terrorism is fundamental to the substance of what this Department does. Obviously we all have still in the forefront of our mind, the events of September 11th as well as all of the attacks that have occurred overseas since then. And we're grateful and our dedication is renewed by the fact that we have avoided a successful attack in this country for the last five years.

But really the investment decisions that we make, now concerning what we do, must look ahead five years and ten years and fifteen years. The lesson of this Department, the lesson of our experience is that you can not begin to invest in what you need to avoid a problem, the day the problem occurs or even the

week before it occurs. So a proper appreciation or the full scope of what we face is important in making intelligent decisions, now, that will bear fruit in the future.

The Common Culture Task Force, of course, deals with one of what I've identified as the top five strategic challenges, that we have for the coming year. And that is completing the process of building the sinew and the muscle and the bone that comprises this Department.

In many ways when I arrived at the Department, I was -- it was what I would call a bio-form. It had the form of a department. And had the basic very general structure, but it didn't have all the arteries and the veins and the muscles and everything that makes a body work. And so we've tried to fill, fill that in. And we're continuing to work to fill that in.

And culture is a very important element of that. And you know, of course Herb Kelleher is a national leader in creating culture in an organization. So his group, what they have to say, is going to be very, very important.

So I look forward to discussing and following up on these observations and recommendations, to continue forward with this Department and to empower the people who serve within it.

Thank you.

CHAIRMAN WEBSTER: Thank you, Mr. Secretary.

Now in the time remaining, I'd like to open the floor to committee members, for any discussion of the Task Force recommendations which supports what you've heard this morning in discussion, with the Secretary. So if any of you have, have any thoughts or suggestions. There are some over here.

Ms. Miller.

MS. MILLER: Yes. Mr. Secretary, thank you for joining us today.

I wanted to share something. I want to thank the Culture Committee especially on Recommendation Number Five, working with the local governments and looking at the bottom-up.

And I want to share an experience that we had in our state. Jeff Gaynor and Mike Miron were in our state for the Fusion Center Conference. And the Department allowed them to stay an extra day. And they spent a day in my county. I set up meetings with all the different disciplines, within Homeland Security, within the county. And these two met with each group and independently had discussions about the frustrations and the positive things that have happened over the several years that the Department has been in existence. I think it was very valuable.

And just this week I had a meeting with our

Director of Homeland Security for the state. And he commented about how he now has a resource in Mike Miron that he contacts, when he has a question, or when he has a thought, or when he needs something, or needs to know where to go. And I think that kind of thing can pay dividends over and over again.

If you allow the Department staff to get out at the local level and meet with the disciplines and find out what their frustrations are, and what their concerns are, and what things they are doing well, that they can share with other jurisdictions. So it was just a thought I wanted to pass on. Thank you.

MR. ECKELS: Following up on what the President from our SAC, Karen Miller has talked about is, the issue of communications within the entities and how we deal with each other on a sustainable basis. The life blood if you will, the arteries, the veins of any organization is the communication between them to build that culture. And inherently, it's difficult for the Federal Government and the locals and the states to keep in the loop with each other, all the time. And so I want to encourage, in others, a group meeting with Secretary Foresman this afternoon on some of these issues that I think touched on the issue of how we build a sustainable system that provides for a county like mine, that is big, that has the resources as well as a county like Karen's, that may be smaller, that needs the assistance

and the grants to have a program that is training, information sharing, communication both ways back and forth.

And then additionally, the ability to stand up in an emergency if necessary, that has the resilience that can provide great service to everyone, no matter what the situation.

So we just keep that in mind as we're doing this, that the culture is great, but it has to get down to the folks, not just in New York or Houston or L.A. or Chicago or somewhere, but throughout the country. And that -- into the business and commercial sectors as well. And that I would encourage you to continue to work towards those, effective communication. Both the technology and the culture. I think you've got it now with your staff trying to really work with the state and local folks. And we're seeing that through these organizations. But just continue to build upon that.

MR. ROMNEY: Thank you. Given the fact that only a few days ago I ceased being the Governor of a State, I'm still thinking of the things I've learned from that experience. And before I lose it all, let me pass along some thoughts.

I want to, I want to thank you, Mr. Secretary, for your leadership. And Mr. Chairman, and the Chairs of the respective committees, and the Vice Chair. I appreciate the work that you've done.

The last several years, as we participated in this, in this HSAC together, I think we've seen a number of investments made by our country in providing for Homeland Security. And there are some places, where sitting as a Governor and working with local officials, one gets a sense that we've done really, really well and made a lot of progress. I'm not sure we get an A plus anywhere. But by and large there's been some remarkable areas of achievement.

One certainly, is in information sharing. There's a lot more information gathered at the local level and shared in the direction of the other states and the Federal Government and vice versa. I think we -- I don't think we feel that there are road blocks to getting information. It doesn't work as smoothly always as you'd like, but the sharing willingness on the part of state, and local, and federal officials seems quite high. And that's been an area of great progress.

There's also been investment made in response capability. And some communities in my state, and I'm sure other states have made more progress than others, but responses have made a very good step forward.

There's been progress in protection of assets, if you will. And by that I mean barricades, security cameras, protecting areas that might be, might be at risk. In particular,

airports. You know, having gone to the airport this morning and taken off my belt, my shoes, my jacket, and my, you know, my watch and so forth. Put all my liquids in a one quart plastic bag. These are -- there's been a real effort in that regard. And I think it's fair to say, that the focus of our nation on airlines has been well directed, particularly when the most recent foiled plot from Great Britain was revealed. Again people are targeting aircraft. And for that reason it makes a lot of sense to have a great deal of energy focused in that area.

There are -- there's also progress that's being made, although it's a daunting effort, in shipping and containers and so forth. But the Coast Guard has made real progress. And working with the Coast Guard in my city, which is a port city of course, the City of Boston, suggests not only homeland inspection, but also the port of embarkation inspection and that's making a difference. I'm sure there's a great deal more to be done there.

I wonder whether the Task Force looking at the future of terrorism, has the same concerns that I might, which is about the need dealing with mass transit and rail. And I'm not just talking about long rail lines and moving freight, important as those are. But in our city of, our center city of Boston, our capital city, we have a lot of people that come in and out of the city

through mass transit stations, rail stations, bus stations, intermodal stations. And we haven't made, I'm embarrassed to say as a, as a state and a city, we haven't made enormous progress there, of the same kind that we've made in the airports.

And we have recently instituted, thanks in part to New York's effort, and in pursuing a legal question about our ability to interdict and inspect people's bags. We've begun doing that now on a routine basis in Boston. So we, we inspect people coming on to our mass transit system on a random basis. We take swabs of their various belongings and put them through our system to determine if there may be some potential threat.

But the access to air -- to terminals, the large number of people, the ability to evacuate people, all these kinds of things, I don't think, have risen to the same level as that of airports. And don't know whether that's -- given what's happened in Europe and the attacks there, I wonder whether that's not an area where we should pay more attention.

And the other of course will be an ongoing effort which is, we're very good at response and protection. But intelligence and counter terrorism, of course, is really the, you know, it's 90 percent of the game. Finding the bad guys before they find us. And it does seem that our investment in that area continues to lag. Our potential there and the need.

And I would, I wonder whether as part of this review that the Threat Assessment Team has made, whether as part of that, there might be an effort to not only do a Quadrennial Review, but also do some bench marking of ourselves versus other nations that also care about terrorism. How do our train stations compare to Europe's train stations? How do our airports compare to Europe's and let's say Israel's? How does our, how does our counter terrorism on a per capita basis or whatever, compare with that of those other nations? And give ourselves a bench mark where we can really grade ourselves.

Because I think in some areas, we're pretty strong. We're pretty strong. But in others we may lag behind. And that kind of a measurement would perhaps give us the political will and the financial will to get behind some of those areas where we may be lagging behind.

Thank you.

SECRETARY CHERTOFF: Thank you,
Governor.

Let me just comment briefly on that because I think, I think you're exactly right. First of all, I think you're probably giving your state too little credit, in terms of what you've done on transit. I've had the opportunity to be up in Boston last year. And I did, you know, get down in to the T and

ride the T. And I think you have cameras. And I think putting in to effect this Random Searching Program actually is a very useful, a very useful Program.

The challenge of course with transit is the architecture is different so the solution has to be different. I think we all tolerate, maybe we're not happy, but we tolerate removing our articles of clothing getting on airplanes. I doubt anyone would want to get on the T --

(Laughter.)

-- and remove all their articles of clothing. So we have to adapt.

And one of the things I think we're talking about doing is putting more randomness in to it. The dogs are actually great, a great help in this respect. And it is an area which, in addition to putting some more money in to it, which I'm pleased to say we did, in our most recent round of grants including some additional money to Boston, we need to focus on the highest risk things.

The second thing I would say is, we should benchmark our self. And I think we should also look at other countries. In some respects we compare favorably. But there's some things we have to learn from other countries as well. And we're starting to put that into effect, for example, with our

behavioral training that we're giving some of the TSA people which really comes out of what they've done in Israel and in Europe, in terms of asking questions.

But I think the, you know, your perspective as a Governor has been of really tremendous importance. And your state has been an actual real leader in working with us in terms of elevating Homeland Security.

CHAIRMAN WEBSTER: Thank you, Mr. Secretary. One more question. Yes.

Mayor McCrory.

MR. McCRORY: Mr. Secretary, I would like to make a, just also one offer of assistance that I think this group of individuals can assist you within the coming year, as we try to evaluate next steps. And that is, with the current changes and the constant change in the political environment and especially in the legislative branches, and as they do more reviews and hearings, I think it would be very appropriate for you to use this, many of these resources in reviewing possible changes and legislation, funding, policy, strategy that they discuss with you and use this group of people.

Herb Kelleher would be a great feedback mechanism for any changes in the airline industry. Cities who run airports, who feel any impact of change in policy to airports, need

to be directly involved in that discussion. Many people in the private sector here are impacted by the private sector. Assets that must be protected in the resilience issue that we have discussed during the past year and a half which we can not forget, by the way.

But I just also -- we haven't discussed as a committee, but I do think the timing may be very appropriate to assist you and your Department, where not all the feedback, two other branches of government, is just coming from the people working directly for you. But also from those who are impacted by those policies have a great interest in the long term ramifications of policy and strategy and funding that could be impacted. So I just make that offer to you as more review and analysis, I'm sure, will come in the future.

SECRETARY CHERTOFF: Pat are you volunteering to testify?

MR. McCRORY: I volunteer Herb.

(Laughter.)

SECRETARY CHERTOFF: Well I appreciate, I appreciate the offer. And I do think there would be valuable actually, as there's a lot of, there's going to be a lot of legislative activity and other suggestions coming up. And I think it would be great for the committee to be available as a resource not just to me

but to the public as well. I mean, this is a bipartisan committee. It's drawn from people with experience in different type, different branches of government, different levels of government. I think that would be a real benefit for the country.

CHAIRMAN WEBSTER: Thank you very much, Mr. Secretary.

I think at this point we're going to bring the public session to a close. And I have a few announcements to make. Members of the public who would like to provide comment to the Homeland Security Advisory Council may do so in, by writing to Homeland Security Advisory Council, U.S. Department of Homeland Security, Washington D.C., 20528. That's 20528. In addition, the HSAC information, that's the Homeland Security Advisory Council, information and meeting minutes may be found on the www.dhs.gov website.

Additionally our meeting notices are published in the Federal Register in compliance with the Federal Advisory Committee Act Requirements.

Thank you very much for coming.

Now members we'll reconvene right next door in the Columbia foyer and we'll start back in our session, in about five minutes.

(Whereupon, the above entitled matter was

concluded at 12:22 p.m.)