

DEPARTMENT OF HOMELAND SECURITY

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A Review of the Top Officials 3 Exercise



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Preface

The Department of Homeland Security (DHS) Office of Inspector General (OIG) was established by the Homeland Security Act of 2002 (*Public Law 107-296*) by amendment to the Inspector General Act of 1978. This is one of a series of audit, inspection, and special reports prepared by our office as part of our DHS oversight responsibilities to promote economy, effectiveness, and efficiency within the department.

This report assesses efforts undertaken by the Office of State and Local Government Coordination and Preparedness to develop, plan, coordinate, and conduct the Top Officials 3 (TOPOFF 3) homeland security readiness and response exercise and highlights potential areas that may affect the program's overall effectiveness. It is based on interviews with employees and officials of relevant agencies and institutions, direct observations of the TOPOFF 3 Full Scale Exercise and Large Scale Game, and a review of applicable documents.

The recommendations herein have been developed to the best knowledge available to our office, and have been discussed in draft with those responsible for implementation. It is our hope that this report will result in more effective, efficient, and economical operations. We express our appreciation to all of those who contributed to the preparation of this report.

A handwritten signature in cursive script that reads "Richard L. Skinner".

Richard L. Skinner
Inspector General

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Abbreviations

CBRNE	Chemical, Biological, Radiological, Nuclear, Explosive
DEST	Domestic Emergency Support Team
DHS	Department of Homeland Security
DoD	Department of Defense
DOJ	Department of Justice
EST	Exercise Support Team
FBI	Federal Bureau of Investigation
FCO	Federal Coordinating Officer
FEMA	Federal Emergency Management Agency
HHS	Department of Health and Human Services
HSAS	Homeland Security Advisory System
HSEEP	Homeland Security Exercise and Evaluation Program
FRP	Federal Response Plan
FY	Fiscal Year
HSAS	Homeland Security Advisory System
HSC	Homeland Security Council
HSOC	Homeland Security Operations Center
HSPD	Homeland Security Presidential Directive
IIMG	Interagency Incident Management Group
JOC	Joint Operations Center
JFO	Joint Field Office
JTF	Joint Task Force
MSEL	Master Scenario Events List
ISAC	Information Analysis Sharing Center
NICC	National Infrastructure Coordination Center
NIMS	National Incident Management System
NRP	National Response Plan
OIG	Office of Inspector General
PFO	Principal Federal Official
SHSP	State Homeland Security Program
SLGCP	Office of State and Local Government Coordination and Preparedness
TCL	Target Capabilities List
TOPOFF	Top Officials Exercise
UASI	Urban Area Security Initiative
VNN	Virtual News Network
UTL	Universal Task List
WMD	Weapons of Mass Destruction

Executive Summary

The Top Officials Exercise (TOPOFF) is a congressionally mandated biennial cycle of seminars, planning events, and national exercises designed to strengthen the United States' capacity to prevent, prepare for, respond to, and recover from large scale terrorist attacks. Every two years, the cycle culminates in an exercise that simulates a coordinated terrorist attack involving biological, chemical, radiological, or weapons of mass destruction (WMD). The exercises seek to draw the participation of top officials and key personnel from all levels of government who have domestic response and consequence management roles and responsibilities in actual terrorist events. The Department of Homeland Security's (DHS) Office of State and Local Government Coordination and Preparedness (SLGCP) sponsors the TOPOFF series plus manages the design, planning, conduct, and evaluation of the exercises.

The TOPOFF 3 full scale exercise, conducted from April 4–8, 2005, was the third in the series, and by any measure the most ambitious civilian terrorism response exercise ever conducted. The design incorporated many more elements, roles, and participants than in previous exercises and the extent of play involved new challenges. For example, the recently released National Response Plan (NRP) and National Incident Management System (NIMS) were used as both the framework and approach for response and incident management. For the first time, pre-exercise intelligence play was also added. In addition, the exercise sought to synchronize national goals and objectives, improve international coordination and cooperation during a linked terrorist incident response, and assess as well as strengthen government, non-government, and private sector partnerships in response to WMD incidents.

The efforts of SLGCP in undertaking many complex and cross cutting issues within the context of TOPOFF 3 should be noted. It successfully engaged and partnered with 27 federal, 30 state, and 44 local departments and agencies in addition to 156 private sector organizations in a yearlong development and planning process to coordinate and stage TOPOFF 3 events.

The exercise focused on four functional areas to test national preparedness goals and objectives: Incident Management, Intelligence and Investigation, Public Information, and Evaluation. Overall, objectives were addressed and met. However, there is room for improved coordination to enhance the effectiveness of the exercise series. For example, there were opportunities for the private sector and federal, state, and local governments to work together in responding to and recovering from simultaneous terrorist events, but the exercise highlighted - at all levels of government - a fundamental lack of understanding for the principles and protocols set forth in the NRP and NIMS. Further, although private sector and Department of Defense (DoD) engagement was for the most part successful, there are integration issues that require more discussion and analysis.

Also, we have highlighted three principal issues that might affect the overall effectiveness of the series. The first concerns the high investment and cost required of participating states and whether or how the federal government should provide funding assistance. States voiced concerns about having to use funding from their DHS grants as a prerequisite for selection and that their in-kind expenses were not reimbursed. Further, federal departments and agencies said they must use funds from their base operating budgets to plan and participate, which may have resulted in limiting the resources they could commit. The second issue concerns DHS' reliance on contractor expertise and support. Institutional knowledge of great value to SLGCP would be lost if the current contractor was no longer actively engaged. Finally, TOPOFF 3 highlighted unresolved issues from previous exercises that continue to affect and inhibit the ability of organizations at all levels to effectively coordinate an integrated response. SLGCP is responsible for the mitigation of issues related to exercise planning, development, management, and execution. However, it is recognized that actions required in correcting unresolved policy issues fall beyond the scope and authority of SLGCP.

Our report contains recommendations for more emphasis on training and exercising NRP and NIMS; developing standard operating procedures to define roles; clarifying Incident of National Significance designations; developing systems to track and share information more openly and efficiently; improving private sector information sharing and understanding of federal roles in response to various declarations; engaging participants early in exercise development; creating more realistic and plausible scenarios; soliciting federal costs associated with planning and participation; and developing systematic processes to document issues and create avenues for resolution.

Background

TOPOFF exercises are constructed to examine the relationships among federal, state, and local jurisdictions in response to simulated terrorist threats and acts. A solicitation for hosts is sent to all states and territories. Of those applying, two are selected for each exercise cycle. As a prerequisite, states must agree to use grant funding from DHS' Urban Area Security Initiative (UASI) program and the State Homeland Security Program (SHSP) to pay for their associated costs.¹ SLGCP works with DHS to evaluate applications. For TOPOFF 3, eight states and one territory responded; Connecticut and New Jersey were selected.

TOPOFF 3 was the third exercise in the national series of exercises designated to strengthen the United States' capacity to combat terrorist attacks. The first, TOPOFF 2000, was conducted in May 2000 as an unannounced exercise. The scenario involved simultaneous simulated incidents in Denver, Colorado (pneumonic plague) and in Portsmouth, New Hampshire (mustard gas). TOPOFF 2000 was sponsored and executed by the Department of Justice (DOJ). The second exercise, TOPOFF 2, was conducted in May 2003 as an announced exercise. Its scenario involved simulated incidents occurring in Seattle, Washington (a radiological dispersal device) and in Chicago, Illinois (pneumonic plague). The DOJ and the Federal Emergency Management Agency (FEMA) jointly sponsored TOPOFF 2. TOPOFF 3 was the first opportunity for DHS to sponsor and execute an entire exercise cycle.

Play for TOPOFF 3 began on March 4, 2005, 30 days prior to the start of the exercise, with simulated activities involving the intelligence community. The design of pre-exercise intelligence play was unique to TOPOFF 3. The opponent was fictionalized but based upon real world terrorist groups to influence player actions, create decision-making avenues, and provide participants with an opportunity to exercise against a realistic and adaptive adversary.² The scope of play was designed to test U.S. law enforcement and

¹ The UASI program addresses the distinct equipment, training, planning, and exercise needs of large high threat urban areas. Funds are disbursed to states, which in turn distribute the funds to identified high threat urban areas. There is no cost share requirement for this program. The SHSP provides financial assistance directly to each state and territory to prevent, respond to, and recover from acts of terrorism. SHSP addresses identified planning, equipment, training, and exercise needs. There is no cost share requirement for this program.

² For the TOPOFF 3, the opponent is generically referred to as the Universal Adversary. The Universal Adversary is a data source used by SLGCP in TOPOFF 3 that replicates actual terrorist networks in extreme detail and includes dossiers down to names, photos, and drivers' license numbers. The data enabled exercise participants to simulate intelligence gathering and analysis.

intelligence capabilities to detect and disrupt a terrorist plot as early as possible and to react to ambiguous and changing information. The prevention aspect was intentionally down played to afford law enforcement and the intelligence community an opportunity to fully employ their operational procedures, engage their analysts, and provide vital information to exercise participants during the exercise that commenced on April 4, 2005.

TOPOFF 3 was conducted from April 4–8, 2005, as an announced exercise. It was designed to evaluate decision-making by federal, state, and local top officials in response to a series of integrated and geographically dispersed terrorist threats and acts. It included simulated incidents of a biological agent (pneumonic plague) attack in Union and Middlesex counties, New Jersey, and a chemical agent release (mustard gas) and high-yield explosive in the City of New London, Connecticut. In addition, there were linked exercise activities conducted in the United Kingdom and Canada as part of a partnership to strengthen security, communication, and information sharing among the three nations. The concurrent exercises were ATLANTIC BLUE in the United Kingdom and TRIPLE PLAY in Canada.³

In addition to the international play and internationally linked intelligence community play, there were other elements unique to TOPOFF 3. The exercise was two days longer than TOPOFF 2 and it included the private sector as well as long-term recovery and remediation issues. Further, scenario and Master Scenario Events List (MSEL) development was intentionally controlled by SLGCP, with definitive deliverable dates, and employed a dedicated core design and working group.⁴

Other activities in the TOPOFF 3 cycle included a Command Post Exercise⁵ to test coordination among federal departments and agencies, a series of building-block seminars, conferences, a cyber exercise, an Advanced Distance Learning Exercise⁶ that involved a nationwide audience, and a Large Scale

³ The scope of our review did not include an assessment of the United Kingdom or Canada's participation in the TOPOFF 3 exercise, nor the concurrent ATLANTIC BLUE and TRIPLE PLAY exercises.

⁴ The MSEL is the primary exercise control document. It is a chronological list of exercise messages and events used to stimulate and guide player action. Each MSEL specifies when, by whom, to whom, and what is to be introduced into play.

⁵ A Command Post Exercise is designed to test and evaluate individual capabilities, multiple functions, or activities within a function or interdependent groups of functions. It is usually focused on exercising the plans, policies, procedures, and staffs of the direction and control element of Incident Command and Unified Command. Generally, events are projected through an exercise scenario with event updates that drive activity at the management level. Movement of personnel and equipment is simulated.

⁶ The Advanced Distance Learning Exercise was a three day event that used satellite broadcasts and a secure website to disseminate information and provide education and training opportunities for first responders, emergency managers, and

Game for federal, state, local, international, and private sector participants to play and address long term recovery and remediation issues.⁷

Twenty-seven federal departments and agencies were represented in the exercise and 30 state, 44 local, and 156 private sector organizations participated.⁸ TOPOFF 3 provided DHS and other federal participants with an opportunity to exercise decision making within the framework of the newly implemented NRP, NIMS, and the operating procedures of the Interagency Incident Management Group (IIMG) and the Homeland Security Operations Center (HSOC). The scope of play involved establishing incident scenes and required first responders to perform actions usually associated with an initial response to a terrorist incident. Those actions included victim rescue, triage, treatment, decontamination, hazard identification, site security, crowd control, render-safe procedures on devices or weapons, monitoring for contamination, contamination control, and device recovery and packaging.

Legislation and Policy Provide Structure and Context

When developing an exercise within the TOPOFF series, SLGCP relies upon existing legislation and policy as a framework for overseeing and managing the design, planning, conduct, and evaluation. For example, the *Homeland Security Act of 2002* makes SLGCP responsible for building and sustaining the preparedness of the United States and the National Strategy for Homeland Security establishes a National Exercise Program.⁹ Homeland Security Presidential Directive (HSPD)–8 sets forth policy to develop a national domestic all hazards preparedness goal and DHS’ Secretary charged SLGCP with leading the effort to develop and implement the National Preparedness Goal. Further, HSPD–5 enhances the ability of the United States to manage domestic incidents by establishing a single, comprehensive NRP. The NRP is predicated on NIMS, which provides a consistent doctrinal framework for incident management at all jurisdictional levels, regardless of the cause, size, or complexity of the incident. Finally, SLGCP is charged with leading the effort to develop and implement the adoption of quantifiable performance measurements in the areas of training, planning, equipment, and exercises.¹⁰

top officials from federal, state, and local governments and United States territories to improve domestic incident management capabilities in response to a WMD terrorist attack.

⁷ The TOPOFF3 Large Scale Game was conducted May 3–5, 2005, in Lansdowne, Virginia.

⁸ See Appendix C for a list of federal departments and agencies represented during TOPOFF 3.

⁹ See Appendix D for a description of the Homeland Security Act, P.L. 107-296, the National Strategy for Homeland Security, HSPD-8, the National Preparedness Goal and National Preparedness System, and HSPD–5.

¹⁰ See Appendix E for additional national requirements and authorizations prior to the creation of DHS.

Scenario Developed Based on Established All Hazard Planning Scenarios

When developing scenarios, SLGCP receives direction from the Homeland Security Council (HSC). The HSC has worked with DHS, federal interagency, and state and local homeland security organizations in developing 15 all hazards planning scenarios for use in national, federal, state, and local homeland security preparedness activities. The National Planning Scenarios are designed to serve as a foundation and structure for developing national preparedness standards, from which homeland security capabilities may be measured. The scenario developed and played for TOPOFF 3 included elements of National Planning Scenarios 4, 5, and 12.

The 15 scenarios are:

- Scenario 1: Nuclear Detonation – 10-Kiloton Improvised Nuclear Device
- Scenario 2: Biological Attack – Aerosol Anthrax
- Scenario 3: Biological Disease Outbreak – Pandemic Influenza
- Scenario 4: Biological Attack – Plague
- Scenario 5: Chemical Attack – Blister Agent
- Scenario 6: Chemical Attack – Toxic Industrial Chemicals
- Scenario 7: Chemical Attack – Nerve Agent
- Scenario 8: Chemical Attack – Chlorine Tank Explosion
- Scenario 9: Natural Disaster – Major Earthquake
- Scenario 10: Natural Disaster – Major Hurricane
- Scenario 11: Radiological Attack – Radiological Dispersal Devices
- Scenario 12: Explosives Attack – Bombing Using Improvised Explosive Device
- Scenario 13: Biological Attack – Food Contamination
- Scenario 14: Biological Attack – Foreign Animal Disease (Foot and Mouth Disease)
- Scenario 15: Cyber Attack

SLCGP used a contracted Exercise Support Team (EST) to develop a realistic and plausible scenario that would include credible situations.

Exercise Objectives and Conduct Were Determined Through Coordinated Planning

SLGCP officials said planning for TOPOFF 3 started approximately 70 days after the culmination of TOPOFF 2. A primary objective of this initial period was the TOPOFF 3 state venue solicitation and selection process.

Participating states were chosen by using a standardized selection process, which included sending out a written letter to each state and the Territorial Homeland Security Advisors, which announced the opportunity to participate in the exercise. The letter specifically stated that any state or territory

interested in participating in TOPOFF must meet criteria specified in the solicitation and respond in writing from the governor's office. Upon receipt of the applications, SLGCP planners then met with and briefed applicants on the specifics of the exercise process and federal, state, and local responsibilities. States were provided a set timeframe to decide if they were interested in participating. Once this list was refined, in March 2004 DHS' Secretary made a decision to select Connecticut and New Jersey. This process also included the selection of TOPOFF 4 state venues. These participants were selected so that their representatives could observe the various TOPOFF 3 phases and events to better prepare them for TOPOFF 4.

During the period of June 2003 to November 2003, SLGCP worked to determine TOPOFF 3 criteria based upon lessons learned from TOPOFF 2000, TOPOFF 2, various seminars, Senior Officials Exercises, and the Advanced Distance Learning Exercise. SLGCP solicited input from federal departments and agencies, state and local government officials, and the public sector in planning exercise objectives and conduct.

From November 2003 to June 2004, SLGCP worked with the EST and formed the following five working groups: (1) the Scenario Working Group conducted threat assessments, developed the Universal Adversary, and drafted the scenario;¹¹ (2) the Control and Evaluation Working Group developed plans to support the evaluation process, collection of data, reconstruction, and analysis; (3) the Intelligence Working Group developed the architecture, flow, and sequencing of intelligence play that would begin 30 days prior to start of the exercise and continue through the end of the exercise; (4) the Public Affairs Working Group planned and conducted the Public Affairs Seminar and drafted the public affairs, real world media, and VIP/Observer plans; and, (5) the Private Sector Working Group integrated private sector participation and evaluated information sharing, coordination, and dissemination between the private sector and federal, state, and local organizations.

From June 2004 to March 2005, SLGCP, the EST, and the five working groups conducted planning sessions at all venue locations. In addition, they conducted three major planning conferences to coordinate the state venues, international, federal, state, and local interagency efforts: the Initial Planning Conference (June 22–23, 2004), the Midterm Planning Conference (November 3–4, 2004), and the Final Planning Conference (March 2–3,

¹¹ The EST supported the Scenario Working Group by providing professional writers, research assistants, and select subject matter experts.

2004). The coordinated planning efforts culminated in the conduct of the TOPOFF 3 full scale exercise.

TOPOFF 3 Goals and Overarching Objectives

The goals were to: improve the nation's capacity to prevent, respond to, and recover from terrorist attacks in accordance with DHS protocols by using the NRP and NIMS;¹² identify baseline capabilities and derive consensus performance standards to measure proficiency against a range of probable threats; synchronize the series with national goals and objectives; improve international coordination and cooperation during a WMD terrorist incident response; and, assess and strengthen government and private sector partnerships to prevent, respond to, and recover from WMD incidents. SLGCP selected the following four functional areas as objectives to achieve exercise goals and further advance the development and testing of the National Preparedness Goal.

- **Incident Management:** To test the full range of existing procedures for domestic incident management of a WMD terrorist event and improve, through evaluation and practice, top officials' capabilities in affected countries to respond in partnership.
- **Intelligence/Investigation:** To test the handling and flow of operational and time critical intelligence between the United States, the United Kingdom, and Canadian agencies in response to linked terrorist incidents occurring in all three countries.
- **Public Information:** To practice the strategic coordination of media relations and public information issues between the United States, the United Kingdom, and Canada in the context of WMD terrorist incidents affecting all three countries.
- **Evaluation:** To identify lessons learned and promote best practices.

¹² The *Homeland Security Act of 2002* and HSPD-5 mandated the development of the NRP. The NRP superseded the Federal Response Plan (FRP), Domestic Terrorism Concept of Operations Plan, Federal Radiological Emergency Response Plan, and the Interim NRP. Many of the concepts and mechanisms associated with those plans were carried over in the NRP, such as the Emergency Support Function process of the FRP and elements such as Homeland Security Operations Center, Interagency Incident Management Group, Principal Federal Official, and Joint Field Office that were introduced in the Interim National Response Plan. The NRP was also designed to link various national level hazard specific contingency plans, such as the National Oil and Hazardous Substances Pollution Contingency Plan that can be implemented independently during localized incidents, or concurrently with the NRP during Incidents of National Significance.

Evaluation Process Based On Methodology

The evaluation process is based on an approach and methodology outlined in the Homeland Security Exercise and Evaluation Program (HSEEP).¹³ The overall evaluation is intended to document what occurred during the exercise, explain why it occurred, and provide participants with useful information to improve response and recovery efforts. There are three steps in this process: (1) Observation – the collection of data; (2) Reconstruction – determining what occurred and when it occurred; and, (3) Analysis – determining why specific actions or events occurred.

From March 3, 2005, to September 30, 2005, evaluation efforts focused on high-level federal, state, and local coordination, support plans, policies, and procedures. SLGCP also encouraged all departments, agencies, and organizations to conduct internal evaluations based upon their specific objectives.

Our Role as Observer

During planning meetings and interviews conducted between October 2004 and November 2004, several interagency planners and participants involved in the TOPOFF 3 development process brought to our attention issues that might significantly affect achieving several objectives. Rather than wait until the conclusion of the exercise to issue one report assessing TOPOFF 3, we initiated early communications that, in our opinion, could assist in furthering exercise preparation. We provided three observation papers to SLGCP on FEMA's engagement in initial planning meetings, the integration and participation of the private sector, and the development of the scenario to facilitate and integrate DoD's participation.

Our first paper focused on FEMA's level of participation in planning meetings because by early October 2004, it appeared from interviews with various planners that the agency was not actively engaged in exercise preparation. We noted that during the early exercise planning stages, there were some development and communication difficulties that might have limited FEMA's initial engagement in the process. However, by late October 2004 the majority of these issues were resolved and FEMA had made significant

¹³ The HSEEP provides an overview of national exercise management and planning. It establishes both doctrine and policy for designing, developing, conducting, and evaluating exercises. The HSEEP is threat and performance based and includes a cycle and range of exercise activities that vary in complexity and interaction. The HSEEP was developed as a reference tool to assist states and local jurisdictions with establishing exercise programs and to design, develop, conduct, and evaluate exercises.

progress in planning for TOPOFF 3 and meeting its committed level of participation.

Our second paper concerned the integration and participation of the private sector. TOPOFF 3 was to provide private sector organizations and associations an opportunity to test their emergency response and business continuity plans in conjunction with federal, state, and local response departments and agencies. Historically, the majority of federal efforts to develop a national strategy for response and recovery from acts of terrorism have not embraced a private sector component. After September 11, 2001, and the creation of DHS, coordination and exercise efforts were viewed as lacking a critical component, the private sector, in achieving a unified approach. To address this shortfall, TOPOFF 3 was to integrate the private sector into the exercise.

However, based on discussions with Private Sector Working Group members, our attendance at working group meetings, and the TOPOFF 3 National Planning Conference, communication among SLGCP planners, interagency partners, and the private sector needed additional attention. Further, the private sector sought a better understanding of the NRP and NIMS if it was to be effectively integrated. We noted that additional training would allow the private sector a more realistic opportunity to integrate into the planning process and participate in the exercise.

Our final paper focused on DoD's participation. We observed that DoD and SLGCP planners were struggling with developing the scenario to facilitate and integrate DoD's participation in the exercise. TOPOFF 3 was to provide DoD with an opportunity, in conjunction with civil authorities under the newly implemented NRP, to test its role in the national strategy for domestic emergency preparedness and response. Historically, DoD had asserted that civil agencies should lead domestic emergency preparedness and response efforts. DoD considered its domestic emergency response role as providing only supplemental support or assistance only following the exhaustion of federal, state, and local resources. Under US Code, Title 32, a state's Governor may call upon National Guard capabilities to augment response and recovery efforts, but additional DoD assets would not be provided. In addition, concerns about the *Posse Comitatus Act* and possible misunderstandings of its scope also tended to restrict deployment of DoD forces.¹⁴

¹⁴ Congress passed the *Posse Comitatus Act*, 18 U.S. Code, Section 1385, after the Civil War to prohibit the use of the Army in civilian law enforcement. The Act embodies the traditional American principle of separating civilian and military authority and currently forbids the use of the Army, Air Force, Navy, and Marine Corps to enforce civilian laws.

After September 11, 2001, the war on terrorism required a rethinking of domestic emergency preparedness and response efforts. DoD's role in securing our nation evolved from the department of last resort to one in which DoD could play a pivotal role in domestic emergency preparedness and response. TOPOFF 3 was to provide DoD an opportunity to engage and prepare for its emerging homeland defense mission.¹⁵ We encouraged SLGCP, as a part of its planning process for future exercises, to survey federal departments and agencies and their components to identify the events and mechanisms necessary for DoD activation and the operating procedures that govern its participation. By working in partnership with other federal departments and agencies, SLGCP could facilitate interagency cooperation and integration into the TOPOFF exercise series better. Further, we emphasized the need for DoD participation in NRP and NIMS training to solidify its role and responsibilities for homeland security and to facilitate an enhanced understanding among federal, state and local agencies of DoD's role.

Results of Review

The four principal objectives established for the exercise were addressed and met. However, there is room for improved coordination to enhance effectiveness. There were opportunities for the private sector and government agencies to work together but the exercise highlighted, at all levels, a fundamental lack of understanding of the principles and protocols set forth in the NRP and NIMS. Although private sector and DoD engagement was for the most part successful, there were integration issues that require further discussion and analysis.

See 10 U.S. Code, Section 375. The prohibitions do not apply to the U.S. Coast Guard in peacetime. Generally supportive and technical assistance (e.g., use of facilities, vessels, aircraft, intelligence, technical aid, surveillance, etc.) is permitted while direct participation of military personnel in law enforcement (e.g., search, seizure, and arrests) is prohibited.

¹⁵ The United States Northern Command is the DoD unified combatant command assigned full time responsibility for homeland defense and military assistance to civilian authorities. Its specific mission is to conduct operations to deter, prevent, and defeat threats and aggression aimed at the United States, its territories and interests within the command's assigned area of responsibility. Also, as directed by the President of the United States or Secretary of DoD, it provides support to U.S. civil authorities, including military assistance to civil authorities, military support to civilian law enforcement agencies, military assistance for civil disturbances, and incident management operations in response to a WMD attack.

Exercise Objectives Were Generally Met But Challenges Remain

The NRP establishes a single, comprehensive framework for managing domestic incidents and provides structure and mechanisms for how federal resources, in concert with state and local governments as well as the private sector function in response to Incidents of National Significance.¹⁶ The NRP is predicated on NIMS and together they form a national template for preventing and responding to threats and incidents regardless of cause, size, or complexity. During the exercise, an objective established by SLGCP was to use both the NRP and NIMS as the framework and approach for response and incident management.

Incident Management, NRP, and NIMS Implementation Requires Additional Coordination and Training

From initial planning meetings through the conduct of the exercise, federal, state, and local departments and agencies worked together to overcome differences and to achieve consensus on issues relevant to their respective domestic preparedness roles and responsibilities under the NRP and NIMS. However, as events unfolded and intensified, the response and coordination efforts of some participants could have been more effective had they possessed a better understanding of NRP and NIMS protocols. For example, there was confusion over the different roles and responsibilities performed by the Principal Federal Official (PFO) and the Federal Coordinating Officer (FCO).

The PFO is designated by DHS' Secretary to act as the Secretary's local representative in overseeing and executing the incident management responsibilities under HSPD-5 for Incidents of National Significance. The role of the PFO is to provide the Secretary with pertinent information, but the PFO does not direct or replace the Incident Command System and structure, and does not have direct authority over the senior law enforcement official, the FCO, or other federal and state officials.¹⁷

¹⁶ All incidents are handled at the lowest possible organizational and jurisdictional level. Police, fire, public health and medical, emergency management, and other personnel are responsible for incident management at the local level. For those events that rise to the level of an Incident of National Significance, DHS provides operational and resource coordination for federal support to the on scene Incident Command System and structure.

¹⁷ The Incident Command System is a standardized on scene emergency management construct specifically designed to provide for the adoption of an integrated organizational structure that reflects the complexity and demands of single or multiple incidents, without being hindered by jurisdictional boundaries. It combines facilities, equipment, personnel, procedures, and communications operating with a common organizational structure, and is designed to aid in the management of resources during incidents.

The FCO is designated by the President and manages federal resources and support activities in response to disasters and emergencies declared by the President. The FCO has the authority under the Stafford Act to request and direct federal departments and agencies to use their authorities and resources (including personnel, equipment, supplies, and managerial, technical, and advisory services) in support of state and local response and recovery efforts.¹⁸ The FCO is responsible for coordinating the timely delivery of federal disaster assistance and programs to the affected state, the private sector, and individual victims. Developing a better understanding of the roles and responsibilities performed by the PFO and FCO should enhance implementing the NRP and NIMS within established protocols.

In addition to confusion over the respective roles and authority of the PFO and FCO, the exercise highlighted problems regarding the designation of a PFO and the lack of guidance on training and certification standards for PFO support personnel. The NRP speaks to having a PFO support cell but does not address any structure or training requirements. A potential conflict occurred in one of the venues when the PFO pulled personnel from his agency to perform PFO support cell functions. The support cell staff responded to the PFO as an “agency head” rather than a PFO and provided support that was agency focused.

Participants said the early deployment of large-scale federal assets was unrealistic. For example, had the incident been real, FEMA would have initially deployed Emergency Response Teams to the State Emergency Operations Centers to supplement and assist local response and recovery efforts but in this exercise it did not.¹⁹ Also, the Joint Field Offices would not have been established until six or seven days into the incident.

Further, as the exercise intensified and transitioned from the Incident Command System to the Unified Command Post, the changeover did not function as anticipated.²⁰ There was confusion among the participants

¹⁸ The Stafford Act is the short title for *The Robert T. Stafford Disaster Relief and Emergency Assistance Act*, P.L. 93-288, as amended.

¹⁹ FEMA can activate and deploy an Emergency Response Team in preparation for or response to an event that has the potential to be declared an emergency or major disaster. This team assists the FCO in executing responsibilities under the Stafford Act and the FEMA–State agreement. The team consists of key members from the FCO’s staff and lead representatives from each federal department or agency assigned primary responsibility for an Emergency Support Function.

²⁰ A Unified Command Post is an application of the Incident Command System and is used when there is more than one agency with incident jurisdiction or when incidents cross over political jurisdictions.

because some departments and agencies that would normally function within the post structure were not represented. Adding to the confusion, some participants reverted to the Federal Response Plan (FRP) and the Domestic Terrorism Concept of Operations Plan rather than follow the NRP and NIMS.

Efforts to implement the NRP may have been hampered by several institutional and procedural factors. The institutional factors stem from an inability of several departments and agencies to fully comprehend their roles and responsibilities within the limited timeframe between release of the NRP and the exercise. There was confusion over the phase-in period and NIMS,²¹ or there was an inability to implement requirements because they lacked sufficient education and training.²² SLGCP officials acknowledged that the NRP and NIMS were not fully executed as originally envisioned because the NRP was officially released just prior to the exercise. Progress is being made however. Federal and state departments and agencies have been working in concert with DHS' Operations and Integration Staff (I-Staff²³) and FEMA's National Integration Management System (NIMS) Center to obtain a better understanding of the NRP and NIMS key concepts and elements and how best to integrate those concepts into their institutional and operational policies.²⁴

Procedural factors can be linked to the complexity of the exercise and may have discouraged some participating departments and agencies from engaging early in the development and planning process. For example, during the nearly yearlong process some participants did not determine their roles and level of participation until just a few months before the exercise. These delays placed additional stress on the planning process. To its credit, SLGCP responded with outreach efforts that included one on one meetings and mobile training teams to bring participants to a level where their anticipated play could be integrated.

²¹ DHS' Secretary released the NRP on January 6, 2005. It is effective upon issuance with a phased implementation process during the first year. For the first 120 days, the Interim National Response Plan, FRP, U.S. Government Domestic Terrorism Concept of Operations Plan, and Federal Radiological Emergency Response Plan remain in effect. Please see Appendix F for more information regarding NRP implementation effective dates.

²² To facilitate awareness and implementation of the NRP, FEMA began a national rollout in April 2005 that included a series of briefings for federal departments and agencies and one-day training seminars in Washington, DC; Miami, Florida; New York City, New York, Chicago, Illinois; Seattle, Washington; and Los Angeles, California.

²³ The Operations and Integration Staff (I-Staff) is responsible for supporting NRP implementation within DHS and providing oversight to track task accomplishment by other federal departments and agencies. The I-Staff, in conjunction with FEMA, established an interagency working group to track NRP implementation progress, identify problems, and assist in problem resolution.

²⁴ The NIMS Integration Center was established to provide strategic direction for and oversight of the NRP and NIMS. It is a multi-jurisdictional, multidisciplinary entity of incident management and first responder organizations.

Recommendation

We recommend that the Executive Director of the Office of State and Local Government Coordination and Preparedness:

1. Work with federal entities to ensure realistic response times for federal assets during exercise play.

Clarification of HSOC and IIMG Roles

The roles and responsibilities of the HSOC and the IIMG should be clarified. The HSOC, along with the IIMG, played a central role by monitoring ongoing events and reporting information to top officials across federal, state, and local departments and agencies. One of the primary roles performed by the HSOC is to maintain an accurate picture of events as an incident unfolds by gathering and integrating information from multiple sources. Under the NRP, a key role of the IIMG is to provide decision-making support to top and senior officials during an incident. However, rather than provide policy advice to top officials during the exercise, the IIMG was under pressure from senior federal officials to provide situational information and address lower level coordination issues that should have been part of HSOC's role. This further demonstrates a need for more emphasis on NRP and NIMS training at all levels of government.

Recommendation

We recommend that the Executive Director of the Office of State and Local Government Coordination and Preparedness:

2. Continue to exercise NRP and NIMS with all levels of government.

Training and exercising alone will not resolve issues over specific roles and responsibilities performed by individuals, departments, and agencies. Upon our review and understanding of the NRP, guidance and procedures to define how each function interrelates within the NRP appear absent. Developing effective operating procedures and defined roles is essential to establishing accountability, preventing duplication of efforts, satisfying appropriate NRP and NIMS standards, strengthening operations, and providing the foundation for a cohesive national preparedness, response, and recovery strategy. Without standards, specific duties and functions will remain unclear and the relationship between specific roles and responsibilities will remain undefined.

Under the NRP, there is a requirement that within one year of plan's effective date DHS' Secretary will conduct an interagency review to assess effectiveness, identify improvements, and provide recommendations regarding plan modifications and reissuance, if necessary. In May 2005 FEMA assumed full responsibility for NRP management and maintenance, including the evaluation process necessary for the one-year review.²⁵

Recommendations

We recommend that the Director of the Federal Emergency Management Agency:

3. Consult with federal departments and agencies to develop operating procedures that clearly define individual and organizational roles and responsibilities under the NRP, and
4. Continue to train NRP and NIMS with all levels of government.

Incident of National Significance and State Declarations Were Unclear

Under the NRP, DHS' Secretary has the authority to declare an Incident of National Significance. What is not currently provided in the NRP is a procedure for how such a declaration is disseminated throughout federal, state, and local levels of government. More importantly, it remains unclear what new resources and authorities are available to states when an event is designated an Incident of National Significance.

In addition, states have their own authority to declare an emergency. During the exercise, the Governor of New Jersey declared an emergency, which allowed the governor to activate the National Guard and other state departments and agencies in response to the event. The declaration establishes, if necessary, the foundation for making a request of the President to declare an emergency or major disaster to receive federal assistance.

At the federal level, there was a lack of understanding as to what the state emergency declaration meant in New Jersey. DHS must be better informed of the resources and applications available when state authorities are invoked so that federal resources and assets may be more effectively coordinated.

²⁵ The NRP rollout was conducted April 13, 2005, to May 26, 2005.

Recommendations

We recommend that the Executive Director of the Office of State and Local Government Coordination and Preparedness:

5. Work and coordinate with the Department of Homeland Security, Office of the Secretary to clarify the designation process for an Incident of National Significance and define the resources and assets that thereby become available to state and local governments; and
6. Work with the Department of Homeland Security, Office of the Secretary to develop a disaster and emergency powers compendium for all states so that federal resources and assets may be more effectively coordinated during national exercise play.

Future Compliance with NIMS Should Reduce Conflicts

The NIMS Integration Center is tasked with providing mechanisms for implementing NIMS across federal, state, and local organizations. The Integration Center is developing first responder training and certification standards, a national credentialing system, incident management technologies, and mechanisms for ensuring compliance with NIMS. Compliance requirements will be phased in over several years.²⁶ For fiscal year (FY) 2005, full compliance is not required to obtain a grant, but by the end FY 2006, full compliance will be a condition for receipt of preparedness grants. NIMS compliance includes qualification and certification requirements so that all activities conform to the structures, process, and protocols detailed in the NRP. These efforts should reduce possible confusion in future exercises.

Intelligence Operations Not Fully Observed

The intelligence and information-sharing objective was designed to test the handling and flow of operational and time critical intelligence within the intelligence community. Federal, state, and local law enforcement and intelligence departments and agencies participated as well as their Canadian and United Kingdom counterparts. The objective was to assess agency analysis and distribution of exercise intelligence through existing intelligence

²⁶ As mandated by HSPD-5, beginning in FY 2005, adoption of NIMS was a requirement for receipt of grants funds from SLGCP. As such, DHS encouraged sub-grantees to begin using NIMS concepts, principles, terminology, and technologies, as they are made available by DHS. If agencies are not already using the Incident Command System as taught by DHS, sub-grantees are required to institutionalize the use of it across their entire response system by the end of a two-year performance period, which ends November 31, 2005.

channels. Intelligence play began on March 4, 2005, and continued to the end of the exercise. Information was disseminated to intelligence analysts via message traffic and intelligence reports. The information provided the analysts with an opportunity to identify and prevent the threat. Additionally, participating intelligence agencies passed critical intelligence information to top officials involved in making key decisions and provided information to exercise participants through the HSOC to the FBI. The FBI used the Joint Terrorism Task Force to disseminate this information to state and local departments and agencies via telephone or secured fax.

The Intelligence Working Group planning meetings were generally not included on exercise timelines and meeting schedules available to agency and department planners. Intelligence members did attend TOPOFF 3 planning conferences, but held their meetings separately. Three weeks prior to the exercise, we contacted the lead intelligence planner and requested access to one of the group's meetings. One week later, we were not provided access but did receive an unclassified briefing from senior planners to afford us an overview of the group's yearlong activities. We were told the working group had made significant progress in engaging the participation of federal intelligence agencies in the exercise. More importantly, intelligence agencies were able to solidify their working relationships and identify new counterparts, which allowed for an examination and updating of their operating procedures. Other tangible results were that exercise intelligence was not mistaken for real intelligence, the intelligence community had been able to identify preventable acts within the 30 day pre-exercise period, and the national intelligence architecture was mapped for the first time.²⁷ During the exercise we decided not to observe interagency intelligence operations.²⁸ However, after the exercise we requested, but were unable to obtain access to the intelligence Hotwash and other post intelligence exercise debriefings.²⁹ We did not press for greater access because we wanted to avoid having any potentially disruptive effect on the exercise and because other demands were placed upon our review team as the exercise unfolded.

²⁷ Because of the desire to use existing channels to circulate information that was intended to be as realistic as possible, great care was taken to ensure the synthetic intelligence did not become inadvertently commingled with real intelligence.

²⁸ Intelligence play was not part of our originally planned scope and the briefings we received met our minimum needs for the exercise. However, this subject will be a principal element of our review of the next TOPOFF cycle.

²⁹ A Hotwash is a debriefing opportunity for participants, shortly after the end of an exercise, to discuss issues and areas that need improvement and best practices learned.

Information Collection and Dissemination Needs Standardization

TOPOFF 3 presented participants with formidable challenges in the treatment and sharing of key information. The secured messaging system and information collection and reporting structure in place for exercise participants was insufficient to process, prioritize, and track the volume of information flowing among participants. Also, there was no standardized format for information collection and reporting. For example, some state requests for assistance were processed without the knowledge of either the PFO or FCO, which placed both at a disadvantage. Also, it was unclear how or when requests were initiated or whether requirements or mission assignments were being processed. Finally, mission assignments often were cancelled without proper notification to state and local authorities. A common information management system would have facilitated a more open and efficient exchange of operational information for use in the decision-making process as in addition to clarifying issues of accountability.

The exercise highlighted the need for participating responders as well as coordinating departments and agencies to have a common operational picture, which is essential to an efficient and effective command and control structure. Also, a common operational picture provides decision makers with the ability to accurately tailor the response and resources to the incident as events unfold.

Recommendation

We recommend that the Executive Director of the Office of State and Local Government Coordination and Preparedness:

7. Design an information management system for use in future exercises that allows participants to track and share information more openly and efficiently; and, standardize the format and methodology for collecting and reporting information.

Public Information and Media Relations Were Effective

Another objective was to coordinate media relations and public information issues by allowing participants to test communication plans, develop media management and communication skills, coordinate information, and communicate across participating departments as well as with the public. Participants were provided an opportunity to employ the information collection process and to use various information dissemination techniques. The format allowed for structure and coordination, (for example, message

development through Joint Information Centers) and for practicing specific approaches (such as interviews, press briefings, and status updates).³⁰

Efforts were both external and internal. Externally, real world media and VIPs were able to observe TOPOFF 3, obtain status briefings, and interact with SLGCP staff to gain a better understanding of federal, state, and local preparedness and response capabilities and the goals and objectives of the exercise. In addition, SLGCP was effective in conveying to media and the public that events were simulated.

Internal efforts to coordinate media relations and public information were deliberately scripted. SLGCP used a contractor to create a news organization, the Virtual News Network (VNN), to simulate real world media coverage in all venues. VNN aired four to eight hours each day during the exercise and covered domestic and international venues. In addition to live television broadcasts, an internet media component was accessible to participants through a secured website. The VNN viewing audience included all domestic and international exercise participants and their supporting departments and agencies, as well as federal, state, and international officials from the United Kingdom and Canada. Footage aired on VNN was not available to real media organizations.

VNN contractors simulated media and reported events as they unfolded. In all venues, participants were able to view exercise activities live on closed circuit television. In addition, exercise control staff used VNN to inject information that affected participant actions and play. Many participants said the role of VNN media and public information was realistic and educational and it provided an opportunity to exercise their communication objectives through a dynamic and challenging sequence of dialogues and role-play.

Participation of Top Officials Occurred at All Levels

SLGCP was successful in engaging top official participation at all levels of government, including U.S. senators and representatives, the Secretaries of DHS and Health and Human Services (HHS), the Governors of Connecticut and New Jersey, key federal and state department and agency heads, and local officials. While their participation was not continuous, top officials were involved in key decision-making processes throughout the exercise. Department and agency components instrumental to implementing the NRP,

³⁰ A Joint Information Center is a facility established to coordinate all incident related public information activities and is the central point of contact for all news media at the scene of an incident.

such as the HSOC, the IIMG, and the HSC were actively engaged in incident management activities during the exercise. As in a real event, much of the decision-making activities at the highest levels of government were not apparent to participants and some were unaware of the level to which top officials were actually actively engaged.

The exercise emphasized, however, a difficulty in establishing a coordinated federal and state response. Top officials and their advisors must be more aware of the need to coordinate support efforts across all levels of government. For example, exercise participants said that federal departments and agencies provided assets and resources that they did not request; in New Jersey there was a federal deployment of a mobile 10,000-bed hospital facility with prophylaxes. The State of New Jersey and its local governments were unprepared to use the asset and were unclear as to what financial and staffing support responsibilities would be required.

Exercise Evaluation Continues

Specific roles and responsibilities were established to support the evaluation process, collection of data, reconstruction, and analysis. During TOPOFF 3, data collectors, controllers, and analysts were used to perform those functions at all venues. Most data collectors were provided by participating departments and agencies and were knowledgeable of participant policies and procedures. They recorded observations as the exercise unfolded and some were also responsible for supporting the internal evaluation of their organization. Controllers were responsible for managing the conduct, the sequence of events, the pace and intensity of play, and assuring and maintaining the security of participants, equipment, and resources.

SLGCP's contractor provided analysts to oversee and coordinate all aspects of data collection. At the end of the exercise, analysts began reconstruction for analysis to identify areas needing improvement and to replicate best practices. Immediately following the exercise, a Hotwash was conducted in each venue to obtain additional participant feedback and to capture critical aspects. In addition, an After Action Conference was held June 1–2, 2005, to develop operational issues and identify and recommend corrective actions relative to the exercise. At the conference participants were organized in working groups (Command and Control, Operations, Logistics, Finance, and Planning) to review critical issues that were raised during venue Hotwashes. The feedback and analysis from the conference will be incorporated into a more formal After Action Report to document and highlight significant findings on special topics and multiple areas of analysis. From March 3, 2005, to September 30,

2005, evaluation efforts focused on high-level coordination, support plans, policies, and procedures among the participants.

Integration and Participation of Private Sector and Department of Defense

A major undertaking for SLGCP was integrating the private sector and DoD participation in TOPOFF 3, as both have not traditionally played an active role in domestic responses to acts of terrorism. Although engagement of the private sector and DoD was for the most part successful, the exercise identified integration issues that require further discussion and analysis at both federal and state levels of government. The lack of effective information sharing protocols for the private sector remains an impediment to establishing a functional partnership with the federal government. Also, state planners said the TOPOFF 3 scenario “created an artificiality” to facilitate DoD participation as the simulated attacks in New Jersey and Connecticut would not have exhausted state resources, a prerequisite for DoD involvement under present law.

However, there were intangible benefits gained from DoD’s participation. For example, DoD’s United States Northern Command’s Interagency Coordination Group placed a representative in the National Infrastructure Coordination Center (NICC) with private sector participants during the exercise to improve its’ understanding of private sector and nongovernmental operations during a crisis event. As a result, both gained a mutual understanding of their respective roles and responsibilities under the NRP and identified potential redundant areas and a duplication of efforts.

Private Sector Needs Improved Information Sharing and Understanding of Federal Roles and Responsibilities

Since September 11, 2001, the private sector has been eager to work in concert with departments and agencies to define its role in domestic preparedness planning, response, and recovery. Even with the establishment of the NICC, which has the primary federal responsibility for coordinating communications with private critical infrastructure sectors during crisis events, there remains an overall disconnect in the information sharing process.

For example, during the exercise planning process, private sector representatives expressed a lack of understanding for the various functions within DHS and their respective roles and responsibilities during a crisis event. Some planners were confused as to whether the HSOC or the NICC

would be the primary federal contact and source for guidance or information. To further complicate matters, much of the private sector has an *ad hoc* network of associations and business and trade groups for sharing information on a peer-to-peer level. These organizations may be limited, however, by concerns regarding possible misuse of sensitive or commercial proprietary information.

Institutional, privacy concern, and financial barriers also play a role in inhibiting the successful exchange of information with the private sector. For example, InfraGard³¹ is a secured network sponsored by the FBI that is dedicated to sharing information and intelligence with industry security managers and academic professionals. Membership is free, but access to the network requires that applicants pass an FBI brief records check.³² Some potential applicants may hesitate to join because of privacy concerns.

The Information Sharing and Analysis Center (ISAC) is a private sector repository of cyber and physical security risk information for sharing and exchange among critical infrastructure sectors.³³ Membership is fee based but there is no background check requirement. The cost to join a specific critical infrastructure sector may be prohibitive, especially to smaller and medium size businesses. For example, the Financial Services ISAC provides five levels of service according to member needs that range from basic membership, which is free, to annual fees of \$750 to \$50,000.³⁴ Further, the current information sharing networks are not geared towards supporting nongovernmental organizations or small business owners.

Since September 11, 2001, representatives from the private sector have stated a need for involvement in domestic disaster planning and for improved communication with the federal government. To some extent, these issues were highlighted during TOPOFF 3. Private sector participants pointed out an asynchronous sharing of information between the federal government and the

³¹ InfraGard is an FBI program developed as a partnership with the information technology industry and academia to support the exchange of information related to cyber security. Since its inception in 1996, InfraGard has expanded membership to include private sector physical security and risk managers.

³² This is a criminal history check of various electronic databases used as a screening process to determine whether an applicant will be allowed to have access to sensitive information.

³³ An ISAC is a private sector coalition where members submit either anonymous or attributed reports about information security threats, vulnerabilities, incidents, and solutions on a secure database. Currently, 13 member councils represent the chemical, electrical, energy, emergency management and response, financial, health, highway, information technology, multi-state, telecommunications, public transit, surface transportation, and water industries.

³⁴ The Financial Services ISAC is a nonprofit organization serving the needs of the financial services industry to disseminate physical and cyber security threat, vulnerability, incident, and solution information, <http://www.fsisac.com/benefits/index.htm>.

private sector during the exercise. “Notwithstanding the benefits provided by co-locating a private sector cell prototype at the NICC, the private sector participants concluded that the information they received from the NICC, the IIMG, and other federal organizations was slow and of insufficient quantity.”³⁵ The lack of a well-defined process for two-way information sharing means that the private sector is not receiving information it may need to make strategic decisions and is not providing federal authorities with critical intelligence and information developed at the state and local level. The ideal format would be an integrated information-sharing model that provides for a seamless, two-way flow of information between the government and the private sector. In actual crisis events, this model could prove beneficial to facilitate the marshaling and use of industry resources in support of domestic incidents, and in return, the private sector would be provided access to accurate and timely information to make informed business decisions.

Overall, SLGCP made progress in elevating private sector visibility in national preparedness, response, and recovery planning. However, during the early development stages of TOPOFF 3, SLGCP and the EST did not adequately solicit private sector views on exercise planning and incident management.³⁶ As a result, exercise planners at all levels encountered ambiguity regarding which critical and non-critical sectors would participate and be tested during the exercise. TOPOFF 3 underscored the need to engage the private sector early in the planning and decision-making process.

If the partnership between the federal government and private sector is to be successful, another key requirement is establishing a permanent physical location or forum so that critical and non-critical sectors can interface with one another and their federal counterparts. This is essential to developing and maintaining long-term collaborative relationships. During the exercise, the EST along with DHS’ Infrastructure Coordination Division and Private Sector Office piloted a private sector advisory working group, which was located at NICC. Additionally, DHS’ Citizens Corps placed a representative with FEMA at the National Resource Coordination Center, which facilitated better coordination of volunteers and donation management among federal, state, and local organizations. These federal efforts were mirrored at the state level. In both Connecticut and New Jersey, a private sector liaison position was piloted in their respective Emergency Operations Centers. Connecticut went

³⁵ Department of Homeland Security, Top Officials 3 Full-Scale Exercise, Quick-Look Report, May 26, 2005.

³⁶ Office of Inspector General, Top Officials 3 Observation Paper #2: Private Sector Integration and Participation, January 18, 2005.

one step further and also piloted an emergency communication network to enhance information sharing with the private sector.

Recommendations

We recommend that the Executive Director of the Office of State and Local Government Coordination and Preparedness:

8. Offer additional training, accompanied by exercise opportunities, to the private sector on how federal departments and agencies operate in response to an Incident of National Significance and Presidential disaster declarations so that the private sector obtains a better understanding of their roles and responsibilities under the NRP and of DHS functions;
9. Work and coordinate with the Department of Homeland Security, Private Sector Office to create a central repository for best practices and lessons learned from private industry to facilitate information sharing among critical and non-critical sectors; and
10. Work and coordinate with DHS' Private Sector Office and with private sector entities throughout the exercise planning process to design and implement an effective two-way communication strategy for future exercise participation.

DoD Integration was Not Easily Achieved

As DoD's role and responsibility for homeland defense emerges, the ability to coordinate and work effectively with it will become increasingly important for realizing the National Strategy and Preparedness Goal and responding to scenarios developed for exercise or to real events. However, in TOPOFF 3 DoD's Joint Task Force (JTF³⁷) deployments to both states would most likely not have occurred in a real event because state National Guard WMD Civil Support Teams are the first "military" asset used in response to domestic WMD events.³⁸ The WMD Civil Support Teams are state assets and perform

³⁷ A JTF is a multi-service command comprised of approximately 160 soldiers, sailors, marines, airmen, and DoD civilian specialists. The JTF provides DoD counter-drug support to federal, regional, state and local law enforcement agencies throughout the continental United States. It synchronizes and integrates DoD operational, training, and intelligence support to domestic law enforcement agencies and when directed, the JTF provides operational, training, and intelligence support to domestic departments and agencies in efforts to combat terrorism.

³⁸ WMD Civil Support Teams are unique because of their federal/state relationship. They are federally resourced, trained, evaluated, and they operate under federal doctrine. In addition, WMD Civil Support Teams are not connected with counterterrorism activities and are involved exclusively in crisis and consequence management activities.

their mission primarily under their governor's command and control. As a result, they are available to states in response to incidents well before federal resources and assets, such as DoD's, would be called upon. When situations overwhelm state and local response capabilities and assets, the governor could then make a request of the President to declare an emergency or major disaster to receive federal assistance. Paradoxically, the availability of grant funds has increased the capabilities of state and local governments to respond to an emergency and therefore renders them less likely to request DoD assistance and intervention.

Some participants said the scenario reduced their ability to achieve goals and objectives because it did not present a realistic or plausible sequence of events. When developing future TOPOFF exercises, SLGCP should embrace the concept that states and local governments possess an enhanced capability for responding to all hazard crisis events. It should also balance scenario development with a better understanding of DoD's emerging homeland defense role.

In June 2005, DoD released its *Strategy for Homeland Defense and Civil Support*, which reshapes its approach to homeland defense. DoD will support civil authorities in minimizing the damage and recovering from domestic chemical, biological, radiological, nuclear, or high yield explosive (CBRNE) mass casualty attacks. It will be prepared to provide forces and capabilities in support of domestic CBRNE consequence management, with an emphasis on preparing for multiple, simultaneous mass casualty incidents. DoD's responses will be planned, practiced, and carefully integrated into the national response.

Recommendations

We recommend that the Executive Director of the Office of State and Local Government Coordination and Preparedness:

11. Place greater emphasis on creating more realistic and plausible scenarios that provide states and local governments an opportunity to achieve desired goals and objectives for future TOPOFF exercises; and
12. Engage DoD early in the scenario development process so that its goals and objectives are known and realized to determine whether the exercise facilitates its actual or simulated participation.

Additional Issues Which May Affect TOPOFF Exercise Effectiveness

During the course of our interviews and observations, we encountered three other issues that warrant discussion. The first concerns the high investment and cost required of participating states and whether or how the federal government should provide funding assistance. The second concerns DHS' dependency on contractor expertise and support to accomplish what is a continuing and increasingly important function. The third concern highlights unresolved issues from previous TOPOFF exercises that continue to affect and inhibit the ability of organizations at all levels to effectively coordinate an integrated response. Finally, we make two additional observations to improve the efficiency of future TOPOFF exercises: to integrate mission essential tasks and targeted capabilities requirements into the exercise; and, to develop mechanisms for top officials and key personnel from other jurisdictions to observe or participate.

Funding Issues

Connecticut officials said they received approximately \$60 million in SHSP and UASI program funds for FY 2003 and FY 2004. Approximately \$1 million was spent on TOPOFF 3 related expenses from the FY 2003 SHSP exercise budget to support the series in lieu of conducting their own exercises with the same funding. State officials said their choice to participate in TOPOFF would not affect any FY 2005 funding. While almost all of Connecticut's out-of-pocket costs were covered through federal funds, the state contributed approximately 15,000 hours of in-kind salaries during the planning process and exercise play, at an estimated value of approximately \$1 million. When in-kind contributions are considered, Connecticut's resource match was 100 percent of the federal grant funds they spent.

New Jersey officials said they budgeted \$1.6 million for TOPOFF related expenses and spent \$937,264 from a combination of FY 2002, 2003, and 2004 SHSP and FY 2004 and 2005 UASI program grant funding. Additionally, \$500,000 in Health Resources and Services Administration and Centers for Disease Control and Prevention grant funds was used to support the TOPOFF exercise series. Also, state officials estimate they spent approximately \$450,000 in workforce salaries for their departments of Law & Public Safety, Health & Senior Services, Corrections, Environmental Protection, and the Governor's Office for the week of exercise. When in-kind contributions are considered, New Jersey's match of state resources was 48 percent of the

federal grant funds it spent. The state and its partners' expenditure of time was well over one year, and more intensely for the three months immediately preceding the event, planning, organizing, and training for the exercise. Although New Jersey officials are not sure how this fits into reimbursement planning, they believe the overall resource and commitment for an event of this magnitude cannot be underestimated.

The requirement to use SHSP and UASI program funds as a prerequisite for hosting and participating in TOPOFF exercises is prudent, desired, and provides an enhanced degree of commitment when making application and determining selection. We do not believe additional funding should be provided to states for this effort. We do suggest that SLGCP take under consideration reimbursing some of the in-kind costs associated with a state's overall participation because the commitment of such resources appears to be significant.

Quantifying Federal Funding Associated with Participation

SLGCP spent approximately \$21 million to develop, plan, coordinate, conduct, and evaluate the exercise (see Appendix G for a breakdown of SLGCP's TOPOFF 3 expenditures as of July 2005).

During planning and development meetings at various venue locations, both the exercise and the Large Scale Game planners from various federal departments and agencies stated that planning efforts and participation required they commit funds from their base operating budgets for overtime and other incidentals. Some planners believed this might have resulted in several departments and agencies limiting the resources they could commit to the exercise. Although we solicited funding estimates from at least five departments and agencies, only two provided us with their estimated costs.

Currently, SLGCP does not collect information from federal departments and agencies to quantify funding and resources committed to plan and participate in TOPOFF exercises. For example, FEMA estimates it spent approximately \$500,000 to plan and participate in TOPOFF 3 and the Department of Veterans Affairs spent approximately \$18,500. Without this information from all participants, it is difficult to obtain a realistic picture of federal expenses for the series. Doing so would provide a more reasonable estimate of costs. It would also benefit other departments and agencies as an opportunity to document costs incurred for use in their current base operating budgets and for future exercise planning considerations and commitments.

The TOPOFF series is congressionally mandated and participation in the exercises will continue to engage top officials and key personnel who have response and consequence management roles and responsibilities in actual domestic terrorist events. It will become increasingly important that federal departments and agencies institutionalize their participation; account for the costs associated with participation; and, undertake planning and the commitment of resources for future exercises.

Recommendation

We recommend that the Executive Director of the Office of State and Local Government Coordination and Preparedness:

13. Solicit from each federal department and agency participating in TOPOFF exercises an estimated cost associated with planning and participation. After the completion of the exercise, document the costs and institutionalize the reporting of such costs.

Reliance on Contractor Support Creates Potential Vulnerability

Since the inception of TOPOFF, there has been a heavy reliance by the federal government on contractor support to manage, design, plan, conduct, and evaluate the exercise series. The current contractor has worked on the series since TOPOFF 2 and has amassed an extensive knowledge of the process and procedures necessary to conduct the exercise. SLGCP's current staff is not able to sustain the management of the series without significant contractor subject matter expertise and resources. Institutional knowledge of great value to SLGCP would be lost if the current contractor was no longer actively engaged. SLGCP officials said they were satisfied with the overall performance of the current contractor and would not have been able to execute the exercise without its support and resources. However, SLGCP also has concerns about the potential loss of institutional knowledge when a reliance on contractor support is employed over a length of time. Although there has been reliance by the federal government on contractor support to manage, design, plan, conduct, and evaluate the exercise series, SLGCP said it would be cost prohibitive to hire short-term employees to supplement the National Exercise Program staff. It believes institutional knowledge is imbedded with its federal staff responsible for directing contract support teams.

To obtain and maintain institutional knowledge and minimize vulnerability, we suggest SLGCP work towards building additional capability and staff

resources to manage and direct the series itself and reduce its reliance on outside contractor provided expertise.

Issues Identified in Previous Exercises Remain Unresolved

During the After Action Conference, participants said the same issues identified for resolution in previous TOPOFF exercises were repeated. Some of the issues that require resolution are: (1) amending the definition of a major disaster in the Stafford Act to include WMD events; (2) reconciling federal, state, and local plans and procedures within the framework of the Homeland Security Advisory System (HSAS);³⁹ and (3) enhancing the capability of the Domestic Emergency Support Team (DEST).⁴⁰

In TOPOFF 2, both states requested federal assistance under the Stafford Act. However, the simulated events in Illinois did not qualify as a major disaster because biological disasters are not cited in the Act and are interpreted as ineligible by FEMA. The Secretary of HHS declared a public health emergency under authorities in the Public Health Service Act, which permitted HHS to authorize only specific federal assets in response to the biological event. HHS was responsible for costs associated with the response. Under a major disaster declaration, additional federal resources are available and federal costs associated with response can be reimbursed. Between TOPOFF 2 and TOPOFF 3, there has been no amendment to the Stafford Act to include biological events and FEMA has not changed its interpretation. Further, confusion still exists between the federal resources available under Stafford Act emergency declarations and those available under a public health emergency. The After Action Summary Report for TOPOFF 2 states the need to reconcile federal, state, and local plans and procedures within the framework of HSAS. It found “(u)ncertainty among participants regarding specific protective actions to be taken by specific agencies under a HSAS Severe Threat Condition Red, and many agencies lacked an understanding of the protective actions that might be taken by other agencies or jurisdictions under various threat levels.” The same issue was encountered in TOPOFF 3.

³⁹ The Homeland Security Advisory System uses five colors: Red=Severe, Orange=High, Yellow=Elevated, Blue=Guarded, and Green=Low, to alert the public and governmental organizations to the risk of terrorist activities.

⁴⁰ A DEST is a rapidly deployable team of trained experts sent to assist the FBI’s investigation at the site of a WMD incident. Members are chosen according to the nature of the incident from HHS, FEMA, the Department of Energy, the Environmental Protection Agency, DoD, and other agencies capable of addressing chemical/biological and nuclear/radiological incidents. The classified version of Presidential Decision Directive 39 explains the roles of the team in detail.

Finally, the DEST provides key subject matter expertise in response to chemical/biological and nuclear/radiological incidents. There is only one deployable DEST and the need for additional personnel to staff a second team when simultaneous events warrant deployment was identified in TOPOFF 2. The issue was encountered again in TOPOFF 3.

Unresolved issues continue to affect and inhibit the ability of departments and agencies at all levels to effectively coordinate. Systematic and deliberate processes need to be developed that document issues and create avenues for resolution. With the availability of lessons learned, After Action Reports, and best practices from previous exercises, SLGCP should be able to identify and document, with minimal effort, reoccurring issues for tracking until resolved.

Recommendation

We recommend that the Executive Director of the Office of State and Local Government Coordination and Preparedness:

14. Develop an action-tracking program that identifies and documents issues and recommendations made in TOPOFF exercises that can be used as a means for issue resolution.

Incorporate the Universal Task List and Target Capabilities List

In planning for TOPOFF 3, SLGCP was developing a Universal Task List (UTL⁴¹) and Target Capabilities List (TCL⁴²) to define homeland security tasks required to prevent, respond to, and recover from major terrorist attacks, natural disasters, and other emergencies. The UTL and TCL are derived from the 15 National Planning Scenarios and are building block tools and a foundation for developing training and exercise programs as required by HSPD-8. The UTL and TCL provide officials a framework for assessing their level of preparedness and targeting resources to address their greatest needs. Both supplement the NRP and NIMS goals of presenting an integrated approach for preventing and responding to threats and incidents regardless of cause, size or complexity. When developing the scenario, SLGCP planners did not include mission essential tasks and targeted capabilities requirements into the exercise. We encourage the integration of the UTL and TCL into

⁴¹ The UTL provides a common language and common reference for homeland security authorities at all levels of government and the private sector. It describes what tasks are to be performed in terms common to incident management.

⁴² The TCL is a set of 36 essential capabilities that should be developed and maintained, in whole or in part, by various levels of government to prevent, protect against, respond to, and recover from terrorist attacks and major disasters.

future TOPOFF exercises. SLPCP said the UTL and TCL were in the developmental stages during the planning process for TOPOFF 3 and could not be included in the exercise. However, the lists will be integrated into future exercises.

Incorporate Additional Opportunities for Observation

Efforts to plan future exercises should explore new and innovative ways to share learning opportunities with top officials and key personnel from other jurisdictions. For example, the design of TOPOFF 3 did not provide adjacent states with an opportunity to observe or participate. Had the exercise been a real event, adjacent states would likely have had a response or recovery role. Emphasis should be placed on providing state and local governments with additional opportunities to observe exercise play in either a notional or virtual environment. We encourage SLGCP to cultivate and explore mechanisms that afford additional observation. Doing so would increase the benefits of the series to additional state and local governments.

SLGCP responded they would continue to incorporate additional opportunities for observation from surrounding states and jurisdictions. For example, during TOPOFF 3, Connecticut engaged Massachusetts and New Jersey Urban Search and Rescue teams to participate. Additionally, representatives from Rhode Island participated in planning session and MSEL development and the New Jersey venue hosted observers from New York and Pennsylvania.

Management Comments and OIG Analysis

We evaluated SLGCP's written comments and have made changes to the report where we deemed appropriate. Below are a summary of the written response to the report and our analysis of the response.

On October 12, 2005, SLGCP officials provided written comments that, in our opinion, did not address the findings and recommendations we made in the report but rather served as a commentary on how the report should be restructured to accommodate what SLGCP believed to be areas that fall inside and outside their control.

SLGCP proposed substantive changes to the text and reorganized the report into two distinct sections. It did not disagree with the findings and 14 recommendations made in the report. However, it redirected four

recommendations to other DHS components, one to the Government Accountability Office, the Office of Management and Budget, or Congress, and proposed four additional recommendations.

SLGCP commented that the first section of the report should cover an assessment of the exercise planning process and execution of the full-scale exercise and that the second section should cover an analysis and discussion of policy issues related to the national preparedness plan, the NRP, and NIMS. We believe SLGCP separated the topics in this manner to highlight unresolved policy issues it could not address given its scope and authority. A stated objective of TOPOFF 3 was to “improve the nation’s capacity to prevent, respond to, and recover from terrorist attacks in accordance with DHS protocols by using the NRP and NIMS.” As such, our discussions of whether the NRP and NIMS protocols were successfully executed within the framework of TOPOFF 3 were relevant and appropriate and we disagreed with SLGCP’s comment that the report be separated.

Where appropriate, we included SLGCP’s comments that added pertinent information to the report. We included (1) a more descriptive narrative to clarify discussions on the venue solicitation and selection process; (2) a discussion that it may be cost prohibitive for SLGCP to hire short term employees to supplement the National Exercise Program staff; (3) a clarification that the UTL and TCL were in developmental stages during the exercise and could not be included in the exercise; and, (4) a discussion of SLGCP’s efforts to incorporate additional opportunities for states and local jurisdictions to participate in exercise planning and observation.

SLGCP redirected four recommendations to other DHS components such as the Office of the Secretary, Chief Information Officer, and the Interagency Incident Management Group. We do not agree with redirecting the recommendations. We did, however, modify the report to reflect that some actions required to correct unresolved policy issues fall beyond SLGCP’s scope and authority. We emphasized the need for SLGCP to work and coordinate with other DHS components in correcting issues that inhibited exercise participants from achieving an effective, coordinated, and integrated response within TOPOFF 3. Further, we revised one of our recommendations to clarify that SLGCP should work with private sector entities to design and implement an effective two-way communication system for use in future TOPOFF exercises.

In its written response, SLGCP added four recommendations. We agreed with two as proposed, (1) that SLGCP incorporate realistic response times for

federal assets into future exercise scenarios; and (2) that FEMA train all levels government on the NRP and NIMS. However, we did not include SLGCP's additional recommendations.

With our inclusion of SLGCP's two recommendations, an additional recommendation has been directed to FEMA for response and action. In our draft report, only one recommendation was directed to FEMA's Director for response and action. FEMA officials said it was unable to provide comments due to their Hurricane Katrina response and recovery efforts. This report contains 2 recommendations for the action of FEMA's Director and 12 for the action of the SLGCP's Executive Director. All recommendations remain open.

Below we summarize SLGCP's written comments to the report's recommendations and our analysis of their response.

Recommendations

We recommend that the Executive Director of the Office of State and Local Government Coordination and Preparedness:

Recommendation 1: Work with federal entities to ensure realistic response times for federal assets during exercise play.

SLGCP Response: SLGCP added this recommendation.

OIG Evaluation: We concur. During the TOPOFF 3 exercise, participants said pre-deployment of large-scale federal assets was unrealistic. As a result, exercise events did not evolve and unfold naturally. In the early stages of exercise development, SLGCP needs to work more closely with federal entities to ensure that the scenario is realistic and useful. The recommendation is resolved and open.

Recommendation 2: Continue to exercise NRP and NIMS with all levels of government.

SLGCP Response: SLGCP responded that the training requirement be deleted from the recommendation.

OIG Evaluation: We concur. Training on the NRP and NIMS is the responsibility of FEMA's National Integration Management System Center. The recommendation is resolved and open.

We recommend that the Director of the Federal Emergency Management Agency:

Recommendation 3: Consult with federal departments and agencies to develop operating procedures that clearly define individual and organizational roles and responsibilities under the NRP.

FEMA Response: FEMA did not provide a response due to their Hurricane Katrina response and recovery efforts.

OIG Evaluation: The recommendation is unresolved and open because no response was provided.

Recommendation 4: Continue to train NRP and NIMS with all levels of government.

SLGCP Response: SLGCP added this recommendation.

OIG Evaluation: We concur. FEMA's National Integration Management System Center is the primary federal entity responsible for providing training and education on the NRP and NIMS. The recommendation is unresolved and open because FEMA has not had an opportunity to respond.

We recommend that the Executive Director of the Office of State and Local Government Coordination and Preparedness:

Recommendation 5: Work and coordinate with the Department of Homeland Security, Office of the Secretary to clarify the designation process for an Incident of National Significance and define the resources and assets that thereby become available to state and local governments.

SLGCP Response: SLGCP redirected the recommendation to the Department of Homeland Security, Office of the Secretary.

OIG Evaluation: SLGCP believes this issue is beyond its scope and authority to correct. We do not agree. However, the recommendation has been modified to emphasize that SLGCP should work and coordinate with DHS' Office of the Secretary to clarify the designation process for use in future TOPOFF exercises. The recommendation is unresolved and open.

Recommendation 6: Work with the Department of Homeland Security, Office of the Secretary to develop a disaster and emergency powers compendium for all states so that federal resources and assets may be more effectively coordinated during national exercise play.

SLGCP Response: SLGCP redirected the recommendation to the Department of Homeland Security, Office of the Secretary.

OIG Evaluation: SLGCP believes this is a national policy issue that is beyond its scope and authority to correct. We do not agree. However, the recommendation has been modified to emphasize that SLGCP should work and coordinate with the DHS' Office of the Secretary to develop a disaster and emergency powers compendium for use in future TOPOFF exercises. The recommendation is unresolved and open.

Recommendation 7: Design an information management system for use in future exercises that allows participants to track and share information more openly and efficiently; and, standardize the format and methodology for collecting and reporting information.

SLGCP Response: SLGCP redirected the recommendation to the Department of Homeland Security, Chief Information Officer.

OIG Evaluation: We do not agree, but have modified the recommendation to emphasize that SLGCP should develop an information tracking system for use in future TOPOFF exercises. We agree, however, that DHS' Chief Information Officer should be consulted during system development. The recommendation is unresolved and open.

Recommendation 8: Offer additional training, accompanied by exercise opportunities, to the private sector on how federal departments and agencies operate in response to an Incident of National Significance and Presidential disaster declarations so that the private sector obtains a better understanding of their roles and responsibilities under the NRP and of DHS functions.

SLGCP Response: SLGCP did not respond to the recommendation.

OIG Evaluation: The recommendation is unresolved and open because no response was provided.

Recommendation 9: Work and coordinate with the Department of Homeland Security, Private Sector Office to create a central repository for best practices and lessons learned from private industry to facilitate information sharing among critical and non-critical sectors.

SLGCP Response: SLGCP did not respond to the recommendation.

OIG Evaluation: The recommendation is unresolved and open because no response was provided.

Recommendation 10: Develop and implement a plan and uniform protocols to establish two-way communication and information sharing with the private sector; and, establish a primary federal point of contact during local incidents, Incidents of National Significance, and Presidential disaster declarations.

SLGCP Response: SLGCP redirected the recommendation to the Department of Homeland Security, Chief Information Officer and added language, which required using the Homeland Security Information Network. In addition, SLGCP added a recommendation that it “Work with private sector entities throughout the exercise planning process to ensure benefits are gained from exercise play.”

OIG Evaluation: SLGCP believes the recommendation as originally presented is beyond its scope and authority to correct. We concur and have revised the recommendation to clarify that SLGCP should work with DHS’ Private Sector Office and the private sector throughout the exercise planning process to develop an effective two-way communication strategy for private sector participation in future TOPOFF exercises. However, we do not agree with redirecting the recommendation.

We do not accept SLGCP’s additional recommendation because it would be a difficult performance standard to measure. The revised recommendation is unresolved and open because SLGCP has not had an opportunity to respond.

(Revised) Recommendation 10: Work and coordinate with DHS’ Private Sector Office and with private sector entities throughout the exercise planning process to design and implement an effective two-way communication strategy for future exercise participation.

Recommendation 11: Place greater emphasis on creating more realistic and plausible scenarios that provide states and local governments an opportunity to achieve desired goals and objectives for future TOPOFF exercises.

SLGCP Response: SLGCP did not respond to the recommendation.

OIG Evaluation: The recommendation is unresolved and open because no response was provided.

Recommendation 12: Engage DoD early in the scenario development process so that its goals and objectives are known and realized to determine whether the exercise facilitates its actual or simulated participation.

SLGCP Response: SLGCP did not respond to the recommendation.

OIG Evaluation: The recommendation is unresolved and open because no response was provided.

Recommendation 13: Solicit from each federal department and agency participating in TOPOFF exercises an estimated cost associated with planning and participation. After the completion of the exercise, document the costs and institutionalize the reporting of such costs.

SLGCP Response: SLGCP redirected the recommendation to the Government Accountability Office, the Office of Management and Budget, or Congress.

OIG Evaluation: We do not agree. Participants do not provide costs associated with participating in TOPOFF because SLGCP does not solicit it. SLGCP is in direct contact with planners and participants and is positioned better than these entities to collect an estimate of exercise costs and a more accurate representation of costs after the exercise. The recommendation is unresolved and open.

Recommendation 14: Develop an action-tracking program that identifies and documents issues and recommendations made in TOPOFF exercises that can be used as a means for issue resolution.

SLGCP Response: SLGCP did not respond to the recommendation.

OIG Evaluation: The recommendation is unresolved and open because no response was provided.

Purpose, Scope, and Methodology

We reviewed the efforts of DHS' SLGCP to develop, plan, coordinate, and execute the TOPOFF 3 exercise. The objectives of our review were to determine whether preparation for and conduct of the exercise effectively achieved overarching objectives established by SLGCP and whether the scenario and level of participation supported achieving those objectives. We did not evaluate the performance of any participant. Last, the scope of our review did not include an assessment of the United Kingdom and Canada's participation in the TOPOFF 3 exercise, nor the concurrent ATLANTIC BLUE and TRIPLE PLAY exercises.

We analyzed documents provided by SLGCP including drafts and final versions of the Master Scenario, MSEL, Procedural Flow, Control Staff Instruction, Communications Plan, and Exercise Plan. We also reviewed relevant information posted on the Extranet Secure Portal, Lessons Learned and After Action Reports from previous TOPOFF exercises, congressional testimony, internet websites, and news articles.

With the exception of most Intelligence Working Group meetings, we were provided open access to all planning meetings, conferences, venues, and training sessions.

We interviewed SLGCP officials, staff, and their contractors responsible for planning and implementing TOPOFF 3. We met with exercise planners from various federal departments and agencies including the DHS, DoD, HHS, FEMA, and the FBI. Also, we met with state and local exercise planners from Connecticut and New Jersey as well as planners representing the private sector. We attended planning and development meetings at all exercise venue locations: the Mid-Term Planning Conference, Final Planning Conference, the Large Scale Game Mid-Term Planning Conference, and the After Action Conference. We participated in Field Controller, Venue Controller Cell, and Data Collector training. Last, we observed the conduct of the TOPOFF 3 from April 4–8, 2005, in New London, Connecticut; Union and Middlesex counties in New Jersey; and, Washington, DC and observed the TOPOFF 3 Large Scale Game from May 3–5, 2005, in Lansdowne, Virginia.

Our fieldwork was performed from the inception of TOPOFF 3 planning in June 2004 until June 2005. The review was conducted under the authority of the Inspector General Act of 1978, as amended, and according to the *Quality Standards for Inspections* issued by the President's Council on Integrity and Efficiency.

Office of the Secretary
Office of State and Local Government
Coordination & Preparedness
Washington, DC 20531



Homeland
Security

October 7, 2005

MEMORANDUM FOR: Richard L. Skinner
Acting Inspector General

FROM: Matt A. Mayer
Acting Executive Director
State and Local Government Coordination and Preparedness

SUBJECT: The Inspector General's report, *A Review of the Top Officials 3 Exercise*: Office of State and Local Government Coordination and Preparedness (SLGCP)/Office for Domestic Preparedness (ODP) recommendations

Please find, attached, our recommendations for subject document. The intent was to separate the report into two distinct sections.

Section 1 (pgs. 1-20): Those issues that fall within SLGCP/ODP control. Includes the TOPOFF 3 Executive Summary, Background, and Exercise Development, Planning, Management, and Execution. This section pertains strictly to that material that specifically relates to exercise design, management, and execution. It includes the Inspector General's (IG) original comments and our recommended language in red type. We feel that the IG comments in this section fall within the purview of SLGCP/ODP responsibility. The exceptions to this would be the information highlighted in yellow, where this may be out of our area of control. We are asking for further clarification on these specific issues.

Section 2 (pgs. 21-29): This section contains IG recommendations that fall outside of the SLGCP/ODP purview. Our recommendations are in red type. We do agree with the IG recommendations.

SLGCP/ODP reviewers did not change any language from the original documentation. Our recommendations are based on subject matter expertise and experience.

At our mutual availability, we would welcome the opportunity to sit with your Team to discuss the findings, and look to the road ahead for our program.

We have, quite sincerely, truly enjoyed our IG experience. Your team was earnest, diligent, professional and a pleasure to work with during the TOPOFF 3 process. Should you have any questions, please call me, or your staff may contact Butch Colvin, Chief National Exercise Program Branch, at (202) 786-9590.

Sincerely,

A handwritten signature in black ink that reads "Matt Mayer". The signature is written in a cursive style with a large initial "M".

Matt Mayer
Acting Executive Director
Office of State and Local Government Coordination & Preparedness

Executive Summary

The Top Officials Exercise (TOPOFF) is a congressionally mandated biennial cycle of seminars, planning events, and national exercises designed to strengthen the United States' capacity to prevent, prepare for, respond to, and recover from large scale terrorist attacks. Every two years, the cycle culminates in an exercise that simulates a coordinated terrorist attack involving biological, chemical, radiological, or weapons of mass destruction (WMD). The exercises seek to draw the participation of top officials and key personnel from all levels of government who have domestic response and consequence management roles and responsibilities in actual terrorist events. The Department of Homeland Security's (DHS) Office of State and Local Government Coordination and Preparedness (SLGCP) sponsors the TOPOFF series plus manages the design, planning, conduct, and evaluation of the exercises.

The TOPOFF 3 full scale exercise, conducted from April 4-8, 2005, was the third in the series, and by any measure the most ambitious civilian terrorism response exercise ever conducted. The design incorporated many more elements, roles, and participants than in previous exercises and the extent of play involved new challenges. For example, the recently released National Response Plan (NRP) and National Incident Management System (NIMS) were used as both the framework and approach for response and incident management. For the first time, pre-exercise intelligence play was also added. In addition, the exercise sought to synchronize national goals and objectives, improve international coordination and cooperation during a linked terrorist incident response, and assess as well as strengthen government, non-government, and private sector partnerships in response to WMD incidents.

The efforts of SLGCP in undertaking many complex and cross cutting issues within the context of TOPOFF 3 should be noted. It successfully engaged and partnered with 27 federal, 30 state, and 44 local departments and agencies in addition to 156 private sector organizations in a yearlong development and planning process to coordinate and stage TOPOFF 3 events.

The exercise focused on four functional areas to test national preparedness goals and objectives: Incident Management, Intelligence and Investigation, Public Information, and Evaluation. Overall, objectives were addressed and met. However, there is room for improved coordination to enhance the effectiveness of the exercise series. For example, there were opportunities for the private sector and federal, state, and local governments to work together in responding to and recovering from simultaneous terrorist events, but the exercise highlighted - at levels of government - a fundamental lack of understanding for the principles and protocols set forth in the NRP and NIMS. Further, although private sector and Department of Defense (DoD) engagement was for the most part successful, there are integration issues that require more discussion and analysis.

Also, we have highlighted three principal issues that might affect the overall effectiveness of the series. The first concern is the high investment and cost required of participating states and whether or how the federal government should provide funding assistance. States voiced concerns about having to use funding from their DHS grants as a prerequisite for selection and that their in-kind expenses were not reimbursed. Further, federal departments and agencies said they must use funds from their base operating budgets to plan and participate, which may have resulted in limiting the resources they could commit. The second issue concerns DHS' dependency (*Change Word: "dependency" to "reliance"*) on contractor expertise and support. Institutional knowledge of great value to SLGCP would be lost if the current contractor was no longer actively engaged. Finally, TOPOFF 3 highlighted unresolved issues from previous exercises that continue to affect and inhibit the ability of organizations at all levels to effectively coordinate an integrated response. (*Insert Language: SLGCP is responsible for the mitigation of issues related to exercise plan, development, management and execution. However, it is recognized that actions required in correcting unresolved policy issues fall beyond the scope of SLGCP.*)

Our report contains recommendations for more emphasis on training and exercising NRP and NIMS; developing standard operating procedures to define roles; clarifying Incident of National Significance designations; developing systems to track and share information more openly and efficiently; improving private sector information sharing and understanding of federal roles in response to various declarations; engaging participants early in exercise development; creating more realistic and plausible scenarios; soliciting federal costs associated with planning and participation; and, developing systematic processes to document issues and create avenues for resolution.

Background

TOPOFF exercises are constructed to examine the relationships among federal, state, and local jurisdictions in response to simulated terrorist threats and acts. A solicitation for hosts is sent to all states and territories. Of those applying, two are selected for each exercise cycle. As a prerequisite, states must agree to use grant funding from DHS' Urban Area Security Initiative (UASI) program and the State Homeland Security Program (SHSP) to pay for their associated costs.¹ SLGCP works with DHS to evaluate applications. For TOPOFF 3, eight states and one territory responded; Connecticut and New Jersey were selected.

TOPOFF 3 was the third exercise in the national series of exercises designated to strengthen the United States' capacity to combat terrorist attacks. The first, TOPOFF 2000, was conducted in May 2000 as an unannounced exercise. The scenario involved simultaneous simulated incidents in Denver, Colorado (pneumonic plague) and in Portsmouth, New Hampshire (mustard gas). TOPOFF 2000 was sponsored and executed by the Department of Justice (DOJ). The second exercise, TOPOFF 2, was conducted in May 2003 as an announced exercise. Its scenario involved simulated incidents occurring in Seattle, Washington (a radiological dispersal device) and in Chicago, Illinois (pneumonic plague). The DOJ and the Federal Emergency Management Agency (FEMA) jointly sponsored TOPOFF 2. TOPOFF 3 was the first opportunity for DHS to sponsor and execute an entire exercise cycle.

Play for TOPOFF 3 began on March 4, 2005, 30 days prior to the start of the exercise, with simulated activities involving the intelligence community. The design of pre-exercise intelligence play was unique to TOPOFF 3. The opponent was fictionalized but based upon real world terrorist groups to influence player actions, create decision-making avenues, and provide participants with an opportunity to exercise against a realistic and adaptive adversary.² The scope of play was designed to test U.S. law enforcement and intelligence capabilities to detect and disrupt a terrorist plot as early as possible and to react to ambiguous and changing information.

¹ The UASI program addresses the distinct equipment, training, planning, and exercise needs of large high threat urban areas. Funds are disbursed to states, which in turn distribute the funds to identified high threat urban areas. There is no cost share requirement for this program. The SHSP provides financial assistance directly to each state and territory to prevent, respond to, and recover from acts of terrorism. SHSP addresses identified planning, equipment, training, and exercise needs. There is no cost share requirement for this program.

² For the TOPOFF 3, the opponent is generically referred to as the Universal Adversary. The Universal Adversary is a data source used by SLGCP in TOPOFF 3 that replicates actual terrorist networks in extreme detail and includes dossiers down to names, photos, and drivers' license numbers. The data enabled exercise participants to simulate intelligence gathering and analysis.

The prevention aspect was intentionally down played to afford law enforcement and the intelligence community an opportunity to fully employ their operational procedures, engage their analysts, and provide vital information to exercise participants during the exercise that commenced on April 4, 2005.

TOPOFF 3 was conducted from April 4-8, 2005 as an announced exercise. It was designed to evaluate decision-making by federal, state, and local top officials in response to a series of integrated and geographically dispersed terrorist threats and acts. It included simulated incidents of a biological agent (pneumonic plague) attack in Union and Middlesex counties, New Jersey, and a chemical agent release (mustard gas) and high-yield explosive in the City of New London, Connecticut. In addition, there were linked exercise activities conducted in the United Kingdom and Canada as part of a partnership to strengthen security, communication, and information sharing among the three nations. The concurrent exercises were ATLANTIC BLUE in the United Kingdom and TRIPLE PLAY in Canada.³

In addition to the international play and internationally linked intelligence community play, there were other elements unique to TOPOFF 3. The exercise was two days longer than TOPOFF 2 and it included the private sector as well as long-term recovery and remediation issues. Further, developing the scenario and Master Scenario Events List (MSEL) was intentionally controlled by SLGCP, with definitive deliverable dates, and employed a dedicated core design and working group.⁴

³ The scope of our review did not include an assessment of the United Kingdom or Canada's participation in the TOPOFF 3 exercise, nor the concurrent ATLANTIC BLUE and TRIPLE PLAY exercises.

⁴ The MSEL is the primary exercise control document. It is a chronological list of exercise messages and events used to stimulate and guide player action. Each MSEL specifies when, by whom, to whom, and what is to be introduced into play.

(Add Language: Section 1 – Exercise Development, Planning, Management and Execution)

Other activities in the TOPOFF 3 cycle included a Command Post Exercise⁵ to test coordination among federal departments and agencies, a series of building-block seminars, conferences, a cyber exercise, an Advanced Distance Learning Exercise⁶ that involved a nationwide audience, and a Large Scale Game for federal, state, local, international, and-private sector participants to play and address long term recovery and remediation issues.⁷ Twenty-seven federal departments and agencies were represented in the exercise and 30 state, 44 local, and 156 private sector organizations participated.⁸ TOPOFF 3 provided DHS and other federal participants with an opportunity to exercise decision making within the framework of the newly implemented NRP, NIMS, and the operating procedures of the Interagency Incident Management Group (IIMG) and the Homeland Security Operations Center (HSOC). The scope of play involved establishing incident scenes and required first responders to perform actions usually associated with an initial response to a terrorist incident Those actions included victim rescue, triage, treatment, decontamination, hazard identification, site security, crowd control, render-safe procedures on devices or weapons-monitoring for contamination, contamination-control, and device recovery and packaging.

Legislation and Policy Provide Structure and Context

When developing an exercise within the TOPOFF series, SLGCP relies upon existing legislation and policy as a framework for overseeing and managing the design, planning, conduct, and evaluation. For example, the *Homeland Security Act of 2002* makes SLGCP responsible for building and sustaining the preparedness of the United States and the National Strategy for Homeland Security establishes a National Exercise program.⁹ The Homeland Security Presidential Directive (HSPD)-8 sets forth policy to develop a national domestic all hazards preparedness goal and DHS' Secretary charged SLGCP with leading the effort to develop and implement the National Preparedness Goal. Further, HSPD-5 enhances the ability of the United States to manage domestic incidents by establishing a single, comprehensive NRP.

⁵ A Command Post Exercise is designed to test and evaluate individual capabilities, multiple functions, or activities. within a function or interdependent groups of functions. It is usually focused on exercising the plans, policies, procedures, and staffs of the direction and control element of Incident Command and Unified Command. Generally, events are projected through an exercise scenario with event updates that drive activity at the management level. Movement of personnel and equipment is simulated.

⁶ The Advanced Distance Learning Exercise was a three day event that used satellite broadcasts and a secure website to disseminate information and provide education and training opportunities for first responders, emergency managers, and top officials from federal, state, and local governments and United States territories to improve domestic incident management capabilities in response in a WMD terrorist attack.

⁷ The TOPOFF3 Large Scale Game was conducted May 3-5, 2005, in Lansdowne, Virginia.

⁸ See Appendix C for a list of federal departments and agencies represented during TOPOFF 3.

⁹ See Appendix D for a description of the Homeland Security Act, P.L. 107-296, the National Strategy for Homeland Security, HSPD-8, the National Preparedness Goal and National Preparedness System, and HSPD-5.

The NRP is predicated on NIMS, which provides a consistent doctrinal framework for incident management at all jurisdictional levels, regardless of the cause, size, or complexity of the incident. Finally, SLGCP is charged with leading the effort to develop and implement the adoption of quantifiable performance measurements in the areas of training, planning, equipment, and exercises.¹⁰

Scenario Developed Based on Established All Hazard Planning Scenarios

When developing scenarios, SLGCP receives direction from the Homeland Security Council (HSC). The HSC has worked with DHS, federal interagency, and state and local homeland security organizations in developing 15 all hazards planning scenarios for use in national, federal, state, and local homeland security preparedness activities. The National Planning Scenarios are designed to serve as a foundation and structure for developing national preparedness standards, from which homeland security capabilities may be measured. The scenario developed and played for TOPOFF 3 included elements of National Planning Scenarios 4, 5, and 12.

The 15 scenarios are:

- Scenario 1: Nuclear Detonation - 10-Kiloton Improvised Nuclear Device
- Scenario 2: Biological Attack - Aerosol Anthrax
- Scenario 3: Biological Disease Outbreak - Pandemic Influenza
- Scenario 4: Biological Attack - Plague
- Scenario 5: Chemical Attack - Blister Agent
- Scenario 6: Chemical Attack- Toxic Industrial Chemicals
- Scenario 7: Chemical Attack- Nerve Agent
- Scenario 8: Chemical Attack - Chlorine Tank Explosion
- Scenario 9: Natural Disaster - Major Earthquake Scenario
- Scenario 10: Natural Disaster - Major Hurricane
- Scenario 11: Radiological Attack - Radiological Dispersal Devices
- Scenario 12: Explosives Attack - Bombing Using Improvised Explosive Device
- Scenario 13: Biological Attack - Food Contamination
- Scenario 14: Biological Attack - Foreign Animal Disease (Foot and Mouth Disease)
- Scenario 15: Cyber Attack

SLGCP used a contracted Exercise Support Team (EST) to develop a realistic and plausible scenario that would include credible situations.

¹⁰ See Appendix E for additional national requirements and authorizations prior to the creation of DHS.

Exercise Objectives and Conduct Were Determined Through Coordinated Planning

SLGCP officials said planning for TOPOFF 3 started approximately 70 days after the culmination of TOPOFF 2. *(Add Language: One primary objective of this initial period was the TOPOFF 3 State Venue Solicitation and Selection process. The participating States were chosen via a standardized selection process which included sending out a written letter addressed to each of the fifty (50) State and six (6) Territorial Homeland Security Advisors, announcing the opportunity to participate in the exercise. The letter specifically stated that any State or Territory interested in participating in TOPOFF must meet criteria specified in the solicitation, and respond with a written letter from the Governor's Office. Upon receipt of the applications, SLGCP TOPOFF Planners then met with, briefed, and outlined the specifics of the exercise process and the Federal/State/Local responsibilities. States were then given a set amount of time to decide if they were still interested in participating and once the list was refined, a decision was made by the Department of Homeland Security Secretary. In March 2004, then Secretary Ridge selected Connecticut and New Jersey as the State T3 partners. Of note is the fact that this process included the selection of the TOPOFF 4 State Venues, as well. These participants were selected so their representatives could observe the various TOPOFF 3 phases and events, better preparing them for their exercise. During the period of June 2003 to November 2003, SLGCP worked to determine TOPOFF 3 criteria based upon lessons learned from TOPOFF 2000, TOPOFF 2, various seminars, Senior Officials Exercises, and the Advanced Distance Learning Exercise. SLGCP solicited input from federal departments and agencies, state and local government officials, and the public sector in planning exercise objectives and conduct.*

From November 2003 to June 2004, SLGCP worked with the EST and formed the following six *(Change Language: "six" to "five")* working groups: (1) the Scenario Working Group conducted threat assessments, developed the Universal Adversary, and drafted the scenario;¹¹ (2) the Control and Evaluation Working Group developed plans to support the evaluation process, collection of data, reconstruction, and analysis; (3) the Intelligence Working Group developed the architecture, flow, and sequencing of intelligence play that would begin 30 days prior to start of the exercise and continue through the end of the exercise; (4) the Public Affairs Working Group planned and conducted the Public Affairs Seminar and drafted the public affairs, real world media, and VIP/Observer plans; (5) the Private Sector Working Group integrated, private sector participation and evaluated information sharing, coordination, and dissemination between the private sector and federal, state, and local organizations; and, (6) the Technical Integration Working Group identified information systems and tools to support exercise planning and assisted scenario designers with the development of simulations and models to portray the consequences of the chemical and biological agents and weapons employed by the Universal Adversary. *(Delete: and, (6) the Technical Integration Working Group identified information systems and tools to support exercise planning and assisted scenario designers with the development of simulations and models to portray the consequences of the chemical and biological agents and weapons employed by the Universal Adversary.)*

From June 2004 to March 2005, SLGCP, the EST, and the six *(Change Language: "six" to "five")* working groups conducted planning sessions at all venue locations. In addition, they conducted three major planning conferences to coordinate the state venues, international, federal, state, and local interagency efforts: the Initial Planning Conference (June 22-23, 2004), the Midterm Planning Conference (November 3-4, 2004), and the Final Planning Conference (March 2-3, 2004). The coordinated planning efforts culminated in the conduct of TOPOFF 3 *(Add Language:*

Full Scale Exercise.

¹¹The EST supported the Scenario Working Group by providing professional writers, research assistants, and select subject matter experts.

TOPOFF 3 Goals and Overarching Objectives

The goals were to: improve the nation's capacity to prevent, respond to, and recover from terrorist attacks in accordance with DHS protocols by using the NRP and NIMS;¹² identify baseline capabilities and derive consensus performance standards to measure proficiency against a range of probable threats; synchronize the series with national goals and objectives; improve international coordination and cooperation during a WMD terrorist incident response; and, assess and strengthen government and private sector partnerships to prevent, respond to, and recover from WMD incidents. SLGCP selected the following four functional areas as objectives to achieve exercise goals and further advance the development and testing of the National Preparedness Goals.

- **Incident Management:** To test the full range of existing procedures for domestic incident management of a WMD terrorist event and improve, through evaluation and practice, top officials' capabilities in affected countries to respond in partnership.
- **Intelligence Investigation:** To test the handling and flow of operational and time critical intelligence between the United States, the United Kingdom, and Canadian agencies in response to linked terrorist incidents occurring in all three countries.
- **Public Information:** To practice the strategic coordination of media relations and public information issues between the United States, the United Kingdom, and Canada in the context of WMD terrorist incidents affecting all three countries.
- **Evaluation:** To identify lessons learned and promote best practices.

¹²The Homeland Security Act 012002 and HSPD-5 mandated the development of the NRP. The NRP superseded the Federal

Response Plan (FRP), Domestic Terrorism Concept of Operations Plan, Federal Radiological Emergency Response Plan, and the Interim National Response Plan. Many of the concepts and mechanisms associated with those plans were carried over in the NRP, such as the Emergency Support Function process of the FRP and elements such as Homeland Security Operations Center, Interagency Incident Management Group, Principal Federal Official, and Joint Field Office that were introduced in the Interim National Response Plan. The NRP was also designed to link various national level hazard specific contingency plans, such as the National Oil and Hazardous Substances Pollution Contingency Plan that can be implemented independently during localized incidents or concurrently with the NRP during Incidents of National Significance.

Evaluation Process Based On Methodology

The evaluation process is based on an approach and methodology outlined in the Homeland Security Exercise and Evaluation Program (HSEEP).¹³ The overall evaluation is intended to document what occurred during the exercise, explain why it occurred, and provide participants with useful information to improve response and recovery efforts. There are three steps in this process: (1) Observation - the collection of data; (2) Reconstruction - determining what occurred and when it occurred; and, (3) Analysis - determining why specific actions or events occurred.

From March 3, 2005, to September 30, 2005, evaluation efforts will focus on high-level federal, state, and local coordination, support plans, policies, and procedures. SLGCP also encouraged all departments, agencies, and organizations to conduct internal evaluations based upon their specific objectives.

Our Role as Observer

During planning meetings and interviews conducted between October 2004 and November 2004, several interagency planners and participants involved in the TOPOFF 3 development process brought to our attention issues that might significantly affect achieving several objectives. Rather than wait until the conclusion of the exercise to issue one report assessing TOPOFF 3, we initiated early communications that, in our opinion, could assist in furthering exercise preparation.

We provided three observation papers to SLGCP on FEMA's engagement in initial planning meetings, the integration and participation of the private sector, and the development of the scenario to facilitate and integrate DoD's participation. Our first paper focused on FEMA's level of participation in planning meetings because by early October 2004, it appeared from interviews with various planners that the agency was not actively engaged in exercise preparation. We noted that during the early exercise planning stages, there were some development and communication difficulties that might have limited FEMA's initial engagement in the process. However, by late October 2004 the majority of these issues were resolved and FEMA had made significant progress in planning for TOPOFF 3 and meeting its committed level of participation.

¹³ The HSEEP provides an overview of national exercise management and planning. It establishes both doctrine and policy for designing, developing, conducting, and evaluating exercises. The HSEEP is threat and performance based and includes a cycle and range of exercise activities that vary in complexity and interaction. The HSEEP was developed as a reference tool to assist states and local jurisdictions with establishing exercise programs and to design, develop, conduct and evaluate exercises.

Our second paper concerned the integration and participation of the private sector. TOPOFF 3 was to provide private sector organizations and associations an opportunity to test their emergency response and business continuity plans in conjunction with federal, state, and local response departments and agencies. Historically, the majority of federal efforts to develop a national strategy for response and recovery from acts of terrorism have not embraced a private sector component. After September 11, 2001, and the creation of DHS, coordination and exercise efforts were viewed as lacking a critical component, the private sector, in achieving a unified approach. To address this shortfall, TOPOFF 3 was to integrate the private sector into the exercise.

However, based on discussions with Private Sector Working Group members, our attendance at working group meetings, and the TOPOFF 3 National Planning Conference, communication among SLGCP planners, interagency partners, and the private sector needed additional attention. Further, the private sector sought a better understanding of the NRP and NIMS if it was to be effectively integrated. We noted that additional training would allow the private sector a more realistic opportunity to integrate into the planning process and participate in the exercise.

Our final paper focused on DoD's participation. We observed that DoD and SLGCP planners were struggling with developing the scenario to facilitate and integrate DoD's participation in the exercise. TOPOFF 3 was to provide DoD with an opportunity, in conjunction with civil authorities under the newly implemented NRP, to test its role in the national strategy for domestic emergency preparedness and response. Historically, DoD had asserted that civil agencies should lead domestic emergency preparedness and response efforts. DoD considered its domestic emergency response role as providing only supplemental support or assistance only following the exhaustion of federal, state, and local resources.

Under Title 32, a state's Governor may call upon National Guard capabilities to augment response and recovery efforts, but additional DoD assets would not be provided. In addition, concerns about the *Posse Comitatus Act* and possible misunderstandings of its scope also tended to restrict deployment of DoD forces.¹⁴

¹⁴Congress passed the *Posse Comitatus Act*, 18 U.S. Code, Section 1385, after the Civil War to prohibit the use of the Army in civilian law enforcement. The Act embodies the traditional American principle of separating civilian and military authority and currently forbids the use of the Army and Air Force, Navy and Marine Corps to enforce civilian laws. See 10 U.S. Code, Section 375. The prohibitions do not apply to the U.S. Coast Guard in peacetime. Generally, to enforce civilian laws, but has also been interpreted to include the Navy. Posse Comitatus clarifications emphasize supportive and technical assistance (e.g., use of facilities, vessels, aircraft, intelligence, technical aid, surveillance, etc.) is permitted while generally prohibiting direct participation of military personnel in law enforcement (e.g., search, seizure, and arrests) is prohibited.

After September 11, 2001, the war on terrorism required a rethinking of domestic emergency preparedness and response efforts. DoD's role in securing our nation evolved from the department of last resort to one in which DoD could play a pivotal role in domestic emergency preparedness and response. TOPOFF 3 was to provide DoD an opportunity to engage and prepare for its emerging homeland defense mission.¹⁵ We encouraged SLGCP, as a part of its planning process for future exercises, to survey federal departments and agencies and their components to identify the events and mechanisms necessary for DoD activation and the operating procedures that govern its participation. By working in partnership with other federal departments and agencies, SLGCP could facilitate interagency cooperation and integration into the TOPOFF exercise series better. Further, we emphasized the need for DoD participation in NRP and NIMS training to solidify its role and responsibilities for homeland security and to facilitate an enhanced understanding among federal, state and local agencies of DoD's role.

Results of Review

The four principal objectives established for the exercise were addressed and met. However, there is room for improved coordination to enhance effectiveness. There were opportunities for the private sector and government agencies to work together but the exercise highlighted, at all levels, a fundamental lack of understanding for the principles and protocols set forth in the NRP and NIMS. Although private sector and DoD engagement was for the most part successful, there were integration issues that require further discussion and analysis.

Exercise Objectives Were Generally Met But Challenges Remain

The NRP establishes a single, comprehensive framework for managing domestic incidents and provides structure and mechanisms for how federal resources, in concert with state and local governments as well as the private sector function in response to Incidents of National Significance.¹⁶ The NRP is predicated on NIMS and together they form a national template for preventing and responding to threats and incidents regardless of cause, size, or complexity. During the exercise, an objective established by SLGCP was to use both as the framework and approach for response and incident management.

¹⁵The United States Northern Command is the DoD unified combatant command assigned full time responsibility for homeland defense and military assistance to civilian authorities. Its specific mission is to conduct operations to deter, prevent, and defeat threats and aggression aimed at the United States, its territories and interests within the command's assigned area of responsibility. Also, as directed by the President of the United States or Secretary of DoD, it provides support to U.S. civil authorities, including military assistance to civil authorities, military support to civilian law enforcement agencies, military assistance for civil disturbances, and incident management operations in response to a WMD attack.

¹⁶ All incidents are handled at the lowest possible organizational and jurisdictional level. Police, fire, public health and medical, emergency management, and other personnel are responsible for incident management at the local level. For those events that rise to the level of an Incident of National Significance, DHS provides operational and resource coordination for federal support to the on scene Incident Command System and structure.

Participants said the early deployment of large-scale federal assets was unrealistic. For example, had the incident been real, FEMA would have initially deployed Emergency Response Teams to the State Emergency Operations Centers to supplement and assist local response and recovery efforts but in this exercise it did not.¹⁷ Also, the Joint Field Offices would not have been established until six or seven days into the incident.

Further, as the exercise intensified and transitioned from the Incident Command System to the Unified Command Post, the changeover did not function as anticipated.¹⁸ There was confusion among the participants because some departments and agencies that would normally function within the post structure were not represented. Adding to the confusion, some participants reverted to the Federal Response Plan (FRP) and the Domestic Terrorism Concept of Operations Plan rather than follow the NRP and NIMS.

(Insert Language: Recommendation

We recommend that the Executive Director of the Office of State and Local Government Coordination and Preparedness:

- 1. Work with federal entities to ensure realistic response times for federal assets during exercise play.)**

Intelligence Operations Not Fully Observed

The intelligence and information-sharing objective was designed to test the handling and flow of operational and time critical intelligence within the intelligence community. Federal, state, and local law enforcement and intelligence departments and agencies participated as well as their Canadian and United Kingdom counterparts. The objective was to assess agency analysis and distribution of exercise intelligence through existing intelligence channels. Intelligence play began on March 4, 2005, and continued to the end of the exercise. Information was disseminated to intelligence analysts via message traffic and intelligence reports. The information provided the analysts with an opportunity to identify and prevent the threat. Additionally, participating intelligence agencies passed critical intelligence information to top officials involved in making key decisions and provided information to exercise participants through the HSOC to the FBI. The FBI used the Joint Terrorism Task Force to disseminate it to state and local departments and agencies via telephone or secured fax.

The Intelligence Working Group planning meetings were generally not included on exercise timelines and meeting schedules available to agency and department planners. Intelligence members did attend TOPOFF 3 planning conferences, but held their meetings separately.

¹⁷ FEMA can activate and deploy an Emergency Response Team in preparation for or response to an event that has the potential to be declared an emergency or major disaster. This team assists the FCO in executing responsibilities under the Stafford Act and the FEMA-State agreement. The team consists of key members from the FCO's staff and lead representatives from each federal department or agency assigned primary responsibility for an Emergency Support Function.

¹⁸ A Unified Command Post is an application of the Incident Command System and is used when there is more than one agency with incident jurisdiction or when incidents cross over political jurisdictions.

Three weeks prior to the exercise, we contacted the lead intelligence planner and requested access to the group's meeting. One week later, we were not provided access but did receive an unclassified briefing from senior planners to afford us an overview of the group's yearlong activities. We were told it had made significant progress in engaging the participation of federal intelligence agencies in the exercise. More importantly, intelligence agencies were able to solidify their working relationships and identify new counterparts, which allowed for an examination and updating of their operating procedures. Other tangible results were that exercise intelligence was not mistaken for real intelligence, the intelligence community had been able to identify preventable acts within the 30 day pre-exercise period, and the national intelligence architecture was mapped for the first time.¹⁹

During the exercise we decided not to observe interagency intelligence operations.²⁰ However, after the exercise we requested, but were unable to obtain access to the Hotwash and other post exercise debriefings.²¹ Not clear on this, are you speaking specifically to the Intelligence hotwash, because the IG was allowed access to the FSE hotwash.

The resistance we encountered to our request was inappropriate given our unfettered access to other developmental and evaluative aspects of the exercise. We did not press for greater access because we wanted to avoid having any potentially disruptive effect on the exercise and because other demands were placed upon our review team as the exercise unfolded.

Information Collection and Dissemination Needs Standardization

TOPOFF 3 presented participants with formidable challenges in the treatment and sharing of key information. The secured messaging system and information collection and reporting structure in place for the participants was not sufficient to process, prioritize, and track the volume of information flowing among participants. Also, there was no standardized format for information collection and reporting. For example, some state requests for assistance were processed without the knowledge of either the PFO or FCO, which placed both at a disadvantage. Also, it was unclear how or when requests were initiated or whether requirements or mission assignments were being processed. Finally, mission assignments often were cancelled without proper notification to state and local authorities. A common information management system would have facilitated a more open and efficient exchange of operational information for use in the decision-making process as in addition to clarifying issues of accountability.

The exercise highlighted the need for responders as well as coordinating departments and agencies to have a common operational picture, which is essential to an efficient and effective command and control structure. A common operational picture provides decision makers with the ability to accurately tailor the response and resources to the incident as events unfold as well. Can you please clarify this comment? Are you referring to the common operational picture discussing exercise purpose or realworld?

¹⁹ Because of the desire to use existing Channels to circulate information that was intended to be as realistic as possible, feat care was taken to ensure the synthetic intelligence did not become inadvertently commingled with real intelligence.

²⁰ Intelligence play was not part of our originally planned scope and the briefings we received met our minimum needs for the exercise. However, this subject will be a principal element of our review of the next TOPOFF cycle.

²¹ A Hotwash is a debriefing opportunity for participants, shortly after the end of an exercise, to discuss issues and areas that need improvement and best practices learned.

Recommendation

We recommend that the Executive Director of the Office of State and Local Government Coordination and Preparedness: *(Change Language: We recommend that the DHS/Chief Information Officer (CIO) through the Homeland Security Information Network ((HSIN):)*

2. Develop and implement an information management system for use in future exercises that allows participants to track and share information more openly and efficiently; and, standardize the format and methodology for collecting and reporting information *(through the HSIN).*

Public Information and Media Relations Were Effective

Another objective was to coordinate media relations and public information issues by allowing participants to test communication plans, develop media management and communication skills, coordinate information, and communicate across participating departments as well as with the public. Participants were provided an opportunity to employ the information collection process and to use various information dissemination techniques. The format allowed for structure and coordination, (for example, message development through Joint Information Centers) and for practicing specific approaches (such as interviews, press briefings, and status updates).²²

Efforts were both external and internal. Externally, real world media and VIPs were able to observe TOPOFF 3, obtain status briefings; and interact with SLGCP staff to gain a better understanding of federal, state, and local preparedness and response capabilities and the goals and objectives of the exercise. In addition, SLGCP was effective in conveying to media and the public that events were simulated.

Internal efforts to coordinate media relations and public information were deliberately scripted. SLGCP used a contractor to create a news organization, the Virtual News Network (VNN), to simulate real world media coverage in all venues. VNN aired four to eight hours each day during the exercise and covered domestic and international venues. In addition to live television broadcasts, an internet media component was accessible to participants through a secured website.

The VNN viewing audience included all domestic and international exercise participants and their supporting departments and agencies, as well as federal, state, and international officials from the United Kingdom and Canada. Footage aired on VNN was not available to any real media organizations.

VNN contractors simulated media and reported events as they unfolded. In all venues, participants were able to view exercise activities live on closed circuit television. In addition, exercise control staff used VNN to inject information that affected participant actions and play. Many participants said the role of VNN media and public information was realistic and educational and it provided an opportunity to exercise their communication objectives through a dynamic and challenging

sequence of dialogues and role-play.

²² A Joint Information Center is a facility established to coordinate all incident-related public information activities and is the central point of contact for all news media at the scene of an incident.

Participation of Top Officials Occurred at All Levels

SLGCP was successful in engaging top official participation at all levels of government, including U.S. senators and representatives, the Secretaries of DHS and Health and Human Services (HHS), the Governors of Connecticut and New Jersey, key federal and state department and agency heads, and local officials. While their participation was not continuous, top officials were involved in key decision-making processes throughout the exercise. Department and agency components instrumental to implementing the NRP, such as the HSOC, the IIMG, and the HSC were actively engaged in incident management activities during the exercise. As in a real event, much of the decision-making activities at the highest levels of government were not apparent to participants and some were unaware of the level to which top officials were actually actively engaged.

The exercise emphasized, however, a difficulty in establishing a coordinated federal and state response. Top officials and their advisors must be more aware of the need to coordinate support efforts across all levels of government. For example, participants said that federal departments and agencies provided assets and resources that they did not request; in New Jersey there was a federal deployment of a mobile 10,000-bed hospital facility with prophylaxes. State and local governments were unprepared to use the asset and were unclear as to what financial and staffing support responsibilities would be required. Can you please clarify, not sure if you are referring to exercise planning, execution and evaluation or are you referring to realworld.

Exercise Evaluation Continues

Specific roles and responsibilities were established to support the evaluation process, collection of data, reconstruction, and analysis. During TOPOFF 3, data collectors, controllers, and analysts were used to perform those functions at all venues. Most data collectors were provided by participating departments and agencies and were knowledgeable of participant policies and procedures. They recorded observations as the exercise unfolded and some were also responsible for supporting the internal evaluation of their organization. Controllers were responsible for managing the conduct, the sequence of events, the pace and intensity of play, and assuring and maintaining the security of participants, equipment, and resources.

SLGCP's contractor provided analysts to oversee and coordinate all aspects of data collection. At the end of the exercise, analysts began reconstruction for analysis to identify areas needing improvement and to replicate best practices. Immediately following the exercise, a Hotwash was conducted in each venue to obtain additional participant feedback and to capture critical aspects. In addition, an After Action Conference was held June 1-2, 2005, to develop operational issues and identify and recommend corrective actions relative to the exercise. At the conference participants were organized in working groups (Command and Control, Operations, Logistics, Finance, and

Planning) to review critical issues that were raised during venue Hotwashes. The feedback and analysis from the conference will be incorporated into a more formal After Action Report to document and highlight significant findings on special topics and multiple areas of analysis. From March 3, 2005, to September 30, 2005, evaluation efforts will focus on high-level coordination, support plans, policies, and procedures among the participants.

Integration and Participation of Private Sector and Department of Defense (*Insert Language: as it Pertains to Exercise Play*)

A major undertaking for SLGCP was integrating the private sector and DoD participation, as both have not traditionally played an active role in domestic responses to acts of terrorism. Although engagement of the private sector and DoD was for the most part successful, the exercise identified integration issues that require further discussion and analysis at both federal and state levels of government.

Also, state planners said the TOPOFF 3 scenario "created an artificiality" to facilitate DoD participation as the simulated attacks in New Jersey and Connecticut would not have exhausted state resources, a prerequisite for DoD involvement under present law.

Overall, SLGCP made progress in elevating private sector visibility in national preparedness, response, and recovery planning. However, during the early development stages of TOPOFF 3, SLGCP and the EST did not adequately solicit private sector views on exercise planning and incident management.²³ As a result, exercise planners at all levels encountered ambiguity regarding which critical and non-critical sectors would participate and be tested during the exercise. TOPOFF 3 underscored the need to engage the private sector early in the planning and decision-making process.

Insert Language: Recommendation

We recommend that the Executive Director of the Office of State and Local Government Coordination and Preparedness:

- 3. Work with private sector entities throughout the exercise planning process to ensure benefits are gained from exercise play.)**

DoD Integration was Not Easily Achieved

As DoD's role and responsibility for homeland defense emerges, the ability to coordinate and work effectively with it will become increasingly important for realizing the National Strategy and Preparedness Goal and responding to scenarios developed for exercise or to real events. However, in TOPOFF 3 DoD's Joint Task Force (JTF²⁴) deployments to both states would most likely not have occurred in a real event because state National Guard WMD Civil Support Teams are the first "military" asset used in response to domestic WMD events.²⁵

²³ Office of the Inspector General, Top Officials 3 Observation Paper #2: Private Sector Integration and Participation, January 18, 2005.

²⁴ A JTF is a multi-service command comprised of approximately 160 soldiers, sailors, marines, airmen, and DoD civilian specialists. The JTF provides DoD counter-drug support to federal, regional, state and local law enforcement agencies throughout the continental United States. It synchronizes and integrates DoD operational, training, and intelligence support to domestic law enforcement agencies and when directed, the JTF provides operational, training, and intelligence support to domestic departments and agencies in efforts to combat terrorism.

²⁵ WMD Civil Support Teams are unique because of their federal/state relationship. They are federally resourced, trained, evaluated, and they operate under federal doctrine. In addition, WMD Civil Support Teams are not connected with counterterrorism activities and are involved exclusively in crisis and consequence management activities.

The WMD Civil Support Teams are state assets and perform their mission primarily under their governor's command and control. As a result, they are available to states in response to incidents well before federal resources and assets, such as DoD's, would be called upon. When situations overwhelm state and local response capabilities and assets, the governor could then make a request of the President to declare an emergency or major disaster to receive federal assistance. Paradoxically, the availability of grant funds has increased the capabilities of state and local governments to respond to an emergency and therefore renders them less likely to request DoD assistance and intervention.

Some participants said the scenario reduced their ability to achieve goals and objectives because it did not present a realistic or plausible sequence of events. When developing future TOPOFF exercises, SLGCP should embrace the concept that states and local governments possess an enhanced capability for responding to all hazard crisis events. It should also balance scenario development with a better understanding of DoD's emerging homeland defense role.

In June 2005, DoD released its *Strategy for Homeland Defense and Civil Support*, which reshapes its approach to homeland defense. DoD will support civil authorities in minimizing the damage and recovering from domestic chemical, biological, radiological, nuclear, or high yield explosive (CBRNE) mass casualty attacks. It will be prepared to provide forces and capabilities in support of domestic CBRNE consequence management, with an emphasis on preparing for multiple, simultaneous mass casualty incidents. DoD's responses will be planned, practiced, and carefully integrated into the national response.

Recommendations

We recommend that the Executive Director of the Office of State and Local Government Coordination and Preparedness:

4. Place greater emphasis on creating more realistic and plausible scenarios that provide states and local governments an opportunity to achieve desired goals and objectives for future TOPOFF exercises; and
5. Engage DoD early in the scenario development process so that its goals and objectives are known and realized to determine whether the exercise facilitates its actual or simulated participation.

Additional Issues Which May Effect TOPOFF Exercise Effectiveness

During the course of our interviews and observations, we encountered three other issues that warrant discussion. The first concerns the high investment and cost required of participating states and whether or how the federal government should provide funding assistance. The second concerns DHS' dependency on contractor expertise and support to accomplish what is a continuing and increasingly important function. The third concern highlights unresolved issues from previous TOPOFF exercises that continue to affect and inhibit the ability of organizations at all levels to effectively coordinate an integrated response. Finally, we make two additional observations to improve the efficiency of future TOPOFF exercises: to integrate mission essential tasks and targeted capabilities requirements into the exercise; and, to develop mechanisms for top officials and key personnel from other jurisdictions to observe or participate.

Funding Issues

Connecticut officials said they received approximately \$60 million in SHSP and UASI program funds for FY 2003 and FY 2004. Approximately \$1 million was spent on TOPOFF 3 related expenses from the FY 2003 SHSP exercise budget to support the series in lieu of conducting their own exercises with the same funding. State officials said their choice to participate in TOPOFF would not affect any FY 2005 funding. While almost all of Connecticut's out-of-pocket costs were covered through federal funds, the state contributed approximately 15,000 hours of in-kind salaries during the planning process and exercise play, at an estimated value of approximately \$1 million. When in-kind contributions are considered, Connecticut's resource match was 100 percent of the federal grant funds they spent. New Jersey officials said they budgeted \$1.6 million for TOPOFF related expenses and spent \$937,264 from a combination of FY 2002, 2003, and 2004 SHSP and FY 2004 and 2005 UASI program grant funding. Additionally, \$500,000 in Health Resources and Services Administration and Centers for Disease Control and Prevention grant funds was used to support the TOPOFF exercise series. Also; state officials estimate they spent approximately \$450,000 in workforce salaries for their departments of Law & Public Safety, Health & Senior Services, Corrections, Environmental Protection, and the Governor's Office for the week of exercise. When in-kind contributions are considered, New Jersey's match of state resources was 48 percent of the federal grant funds it spent. The state and its partners' expenditure of time was well over one year, and more intensely for the three months immediately preceding the event, planning, organizing, and training for the exercise. Although New Jersey officials are not sure how this fits into reimbursement planning, they believe the overall resource and commitment for an event of this magnitude cannot be underestimated.

The requirement to use SHSP and UASI program funds as a prerequisite for hosting and participating in TOPOFF exercises is prudent, desired, and provides an enhanced degree of commitment when making application and determining selection. We do not believe additional funding should be provided to states for this effort. We do suggest that SLGCP take under consideration reimbursing some of the in-kind costs associated with a state's overall participation because the commitment of such resources appears to be significant.

Quantifying Federal Funding Associated with Participation

SLGCP spent approximately \$21 million to develop, plan, coordinate, conduct, and evaluate the exercise (see Appendix G for a breakdown of SLGCP's TOPOFF 3 expenditures as of July 2005).

During planning and development meetings at various venue locations, both the exercise and the Large Scale Game planners from various federal departments and agencies stated that planning efforts and participation required they commit funds from their base operating budgets for overtime and other incidentals. Some planners believed this might have resulted in several departments and agencies limiting the resources they could commit to the exercise. Although we solicited funding estimates from at least five departments and agencies, only two provided us with their estimated costs. Currently, SLGCP does not collect information from federal departments and agencies to quantify funding and resources committed to plan and participate in TOPOFF exercises. For example, FEMA estimates it spent approximately \$500,000 to plan and participate in TOPOFF 3 and the Department of Veterans Affairs spent approximately \$18,500. Without this information from all participants, it is difficult to obtain a realistic picture of federal expenses for the series. Doing so would provide a more reasonable estimate of costs. It would also benefit other departments and agencies as an opportunity to document costs incurred for use in their current base operating budgets and for future exercise planning considerations and commitments.

The TOPOFF series is congressionally mandated and participation in the exercises will continue to engage top officials and key personnel who have response and consequence management roles and responsibilities in actual domestic terrorist events. It will become increasingly important that federal departments and agencies institutionalize their participation; account for the costs associated with participation; and, undertake planning and the commitment of resources for future exercises.

Recommendation

We recommend that the Executive Director of the Office of State and Local Government Coordination and Preparedness: *(Change Language: We recommend that GAO, OMB, or Congress:)*

6. Solicit from each federal department and agency participating in TOPOFF exercises an estimated cost associated with planning and participation. After the completion of the exercise, document the costs and institutionalize the reporting of such costs.

Reliance on Contractor Support Creates Potential Vulnerability

Since the inception of TOPOFF, there has been a heavy reliance by the federal government on contractor support to manage, design, plan, conduct, and evaluate the exercise series. The current contractor has worked on the series since TOPOFF 2 and has amassed extensive knowledge of the process and procedures necessary to conduct the exercise. SLGCP's current staff is not able to sustain the management of the series without significant contractor subject matter expertise and resources. Institutional knowledge of great value to SLGCP would be lost if the current contractor was no longer actively engaged. SLGCP officials said they were satisfied with the overall performance of the current contractor and would not have been able to execute the exercise without its support and resources. However, SLGCP also has concerns about the potential loss of institutional knowledge when a reliance on contractor support is employed over a length of time. To obtain and maintain institutional knowledge and minimize vulnerability, we suggest SLGCP work towards building additional capability and staff resources to manage and direct the series itself and reduce its dependency on outside contractor provided expertise. *(Remove Section,*

Proposed Language: Since the inception of TOPOFF, although there has been a reliance by the federal government on contractor support to manage, design, plan, conduct, and evaluate the exercise series, it would be cost prohibitive for the SLGCP to hire short-term employees to supplement the National Exercise Program staff. Institutional knowledge is imbedded with federal Exercise Program Managers responsible for directing contract support teams.)

Incorporate the Universal Task List and Target Capabilities List

In planning for TOPOFF 3, SLGCP was developing a Universal Task List (UTL²⁶) and Target Capabilities List (TCL²⁷) to define homeland security tasks required to prevent, respond to, and recover from major terrorist attacks, natural disasters, and other emergencies.

The UTL and TCL are derived from the 15 National Planning Scenarios and are building block tools and a foundation for developing training and exercise programs as required by HSPD-8. The UTL and TCL provide officials a framework for assessing their level of preparedness and targeting resources to address their greatest needs. Both supplement the NRP and NIMS goals of presenting an integrated approach for preventing and responding to threats and incident regardless of cause, size or complexity. When developing the scenario, SLGCP planners did not include mission essential tasks and targeted capabilities requirements into the exercise. We encourage the integration of the UTL and TCL into future TOPOFF exercises. *(Delete Language: We encourage the integration of the UTL and TCL into future TOPOFF exercises. Add Language: The UTL and TCL were in the developmental stages during the planning process for T3 and could not be included in the exercise. However, the lists will be integrated into future exercises.)*

Incorporate Additional Opportunities for Observation

Efforts to plan future exercises should explore new and innovative ways to share learning opportunities with top officials and key personnel from other jurisdictions. For example, the design of TOPOFF 3 did not provide adjacent states with an opportunity to observe or participate. Had the exercise been a real event, adjacent states would likely have had a response or recovery role. Emphasis should be placed on providing state and local governments with additional opportunities to observe exercise play in either a notional or virtual environment. We encourage SLGCP to cultivate and explore mechanisms that afford additional observation. Doing so would increase the benefits of the series to additional state and local governments. *(Remove Section, Proposed Language: SLGCP will continue to incorporate additional opportunities for observation from surrounding states and jurisdictions. For example, during the TOPOFF 3 Full-Scale Exercise, Connecticut engaged Massachusetts and New Jersey USAR teams to participate. Additionally, representatives from Rhode Island participated in planning session and MSEL development. Also the NJ venue hosted observers from NY and PA.)*

²⁶The UTL provides a common language and common reference for homeland security authorities at all levels of government and the private sector. It describes what tasks are to be performed in terms common to incident management.

²⁷The TCL is a set of 36 essential capabilities that should be developed and maintained, in whole or in part, by various levels of government to prevent, protect against, respond to, and recover from terrorist attacks and major disasters.

(Add Language: Section 2 – Policy Initiatives and Analysis)

Incident Management, NRP, and NIMS Implementation Requires Additional Coordination and Training

From initial planning meetings through the conduct of the exercise, federal, state, and local departments and agencies worked together to overcome differences and to achieve consensus on issues relevant to their respective domestic preparedness roles and responsibilities under the NRP and NIMS. However, as events unfolded and intensified, the response and coordination efforts of some participants could have been more effective had they possessed a better understanding of NRP and NIMS protocols. For example, there was confusion over the different roles and responsibilities performed by the Principal Federal Official (PFO) and the Federal Coordinating Officer (FCO).

The PFO is designated by DHS' Secretary to act as the Secretary's local representative in overseeing and executing the incident management responsibilities under HSPD-5 for Incidents of National Significance. The role of the PFO is to provide the Secretary with pertinent information, but the PFO does not direct or replace the Incident Command System and structure, and does not have direct authority over the senior law enforcement official, the FCO, or other federal and state officials.²⁸

The FCO is designated by the President and manages federal resources and support activities in response to disasters and emergencies declared by the President. The FCO has the authority under the Stafford Act to request and direct federal departments and agencies to use their authorities and resources (including personnel, equipment, supplies, and managerial, technical, and advisory services) in support of state and local response and recovery efforts.²⁹ The FCO is responsible for coordinating the timely delivery of federal disaster assistance and programs to the affected state, the private sector, and individual victims. Developing a better understanding of the roles and responsibilities performed by the PFO and FCO should enhance implementing the NRP and NIMS within established protocols.

In addition to confusion over the respective roles and authority of the PFO and FCO, the exercise highlighted problems regarding the designation of a PFO and the lack of guidance on training and certification standards for PFO support personnel. The NRP speaks to having a PFO support cell but does not address any structure or training requirements. A potential conflict occurred in one of the venues when the PFO pulled personnel from his agency to perform PFO support cell functions. The support cell staff responded to the PFO as an "agency head" rather than a PFO and provided support that was agency focused.

²⁸ The Incident Command System is a Standardized on scene emergency management construct specifically designed to provide for the adoption of an integrated organizational structure that reflects the complexity and demands of single or multiple incidents, without being hindered by jurisdictional boundaries. It combines facilities, equipment, personnel, procedures, and communications operating with a common organizational structure, and is designed to aid in the management of resources during incidents.

²⁹ The Stafford Act is the short title for *The Robert T. Stafford Disaster Relief and Emergency Assistance Act*, P.L. 93288 as amended.

Efforts to implement the NRP may have been hampered by several institutional and procedural factors. The institutional factors stem from an inability of several departments and agencies to fully comprehend their roles and responsibilities within the limited timeframe between release of the NRP and the exercise. There was confusion over the phase-in period and NIMS,³⁰ or there was an inability to implement requirements because they lacked sufficient education and training.³¹

SLGCP officials acknowledged that the NRP and NIMS were not fully executed as originally envisioned because the NRP was officially released just prior to the exercise. Progress is being made however. Federal and state departments and agencies have been working in concert with DHS' Operations and Integration Staff (I-Staff³²) and FEMA's National Integration Management System (NIMS) Center to obtain a better understanding of the NRP and NIMS key concepts and elements and how best to integrate those concepts into their institutional and operational policies.³³

Procedural factors can be linked to the complexity of the exercise and may have discouraged some participating departments and agencies from engaging early in the development and planning process. For example, during the nearly yearlong process some participants did not determine their roles and level of participation until just a few months before the exercise. These delays placed additional stress on the planning process. To its credit, SLGCP responded with outreach efforts that included one on one meetings and mobile training teams to bring participants to a level where their anticipated play could be integrated.

Clarification of HSOC and IIMG Roles

The roles and responsibilities of the HSOC and the IIMG should be clarified. The HSOC, along with the IIMG, played a central role by monitoring ongoing events and reporting information to top officials across federal, state, and local departments and agencies. One of the primary roles performed by the HSOC is to maintain an accurate picture of events as an incident unfolds by gathering and integrating information from multiple sources. Under the NRP, a key role of the IIMG is to provide decision-making support to top and senior officials during an incident. However, rather than provide policy advice to top officials during the exercise, the IIMG was under pressure from senior federal officials to provide situational information and address lower level coordination issues that should have been part of HSOC's role. This further demonstrates a need for more emphasis on NRP and NIMS training at all levels of government.

³⁰ DHS' Secretary released the NRP on January 6, 2005. It is effective upon issuance with a phased implementation process during the first year. For the first 120 days, the Interim National Response Plan, FRP, U.S. Government Domestic Terrorism Concept of Operations Plan, and Federal Radiological Emergency Response Plan remain in effect. Please see Appendix F for more information regarding NRP implementation effective dates.

³¹ To facilitate awareness and implementation of the NRP, FEMA began a national rollout in April 2005 that included a series of briefings for federal departments and agencies and one-day training seminars in Washington, DC; Miami, Florida; New York City, New York, Chicago, Illinois; Seattle, Washington; and Los Angeles, California.

³² The Operations and Integration Staff (I-Staff) is responsible for supporting NRP implementation within DHS and providing oversight to track task accomplishment by other federal departments and agencies. The I-Staff, in conjunction with FEMA established an interagency working group to track NRP implementation progress, identify problems, and assist in problem resolution.

³³ The NIMS Integration Center was established to provide strategic direction for and oversight of the NRP and NIMS. It is a multi-jurisdictional, multidisciplinary entity of incident management and first responder organizations.

Recommendation

We recommend that the Executive Director of the Office of State and Local Government Coordination and Preparedness:

7. Continue to (*Delete Language* "train and") exercise NRP and NIMS with all levels of government.

(Add Language: We recommend that the Director of the Federal Emergency Management Agency:

8. Continue to train NRP and NIMS with all levels of government.

We recommend that the IIMG:

9. Continue to provide PFO training and work with other levels of government to establish and provide training to Top Senior Officials)

Training and exercising alone will not resolve issues over specific roles and responsibilities performed by individuals, departments, and agencies. Upon our review and understanding of the NRP, guidance and procedures to define how each function interrelates within the NRP appear absent. Developing effective operating procedures and defined roles is essential to establishing accountability, preventing duplication of efforts, satisfying appropriate NRP and NIMS standards, strengthening operations, and providing the foundation for a cohesive national preparedness, response, and recovery strategy. Without standards, specific duties and functions will remain unclear and the relationship between specific roles and responsibilities will remain undefined.

Under the NRP, there is a requirement that within one year of plan's effective date DHS' Secretary will conduct an interagency review to assess effectiveness, identify improvements, and provide recommendations regarding plan modifications and reissuance, if necessary. In May 2005 FEMA assumed full responsibility for NRP management and maintenance, including the evaluation process necessary for the one-year review. ³⁴

Recommendation

We recommend that the Director of the Federal Emergency Management Agency:

10. Consult with federal departments and agencies to develop operating procedures that

clearly define individual and organizational roles and responsibilities under the NRP.

³⁴ The NRP rollout was conducted April 13, 2005, to May 26, 2005.

Incident of National Significance and State Declarations Were Unclear

Under the NRP, DHS' Secretary has the authority to declare an Incident of National Significance. What is not currently provided in the NRP is a procedure for how such a declaration is disseminated throughout federal, state, and local levels of government. More importantly, it remains unclear what new resources and authorities are available to states when an event is designated an Incident of National Significance.

In addition, states have their own authority to declare an emergency. During the exercise, the Governor of New Jersey declared an emergency, which allowed the governor to activate the National Guard and other state departments and agencies in response to the event. It establishes, if necessary, the foundation for making a request of the President to declare an emergency or major disaster to receive federal assistance.

At the federal level, there was a lack of understanding as to what the state emergency declaration meant in New Jersey. DHS must be better informed of the resources and applications available when state authorities are invoked so that federal resources and assets may be more effectively coordinated.

Recommendations

We recommend that the *(Delete Language: Executive Director of the Office of State and Local Government Coordination and Preparedness: Add Language: The Department of Homeland Security, Office of the Secretary:)*

11. Work with DHS components to clarify the designation process for an event as an Incident of National Significance and define the resources and assets that thereby become available to state and local governments; and
12. Develop a disaster and emergency powers compendium for all states so that federal resources and assets may be more effectively coordinated.

Future Compliance with NIMS Should Reduce Conflicts

The NIMS Integration Center is tasked with providing mechanisms for implementing NIMS across federal, state, and local organizations. The Integration Center is developing first responder training and certification standards, a national credentialing system, incident management technologies, and mechanisms for ensuring compliance with NIMS. Compliance requirements will be phased in over several years.³⁵ For fiscal year (FY) 2005, full compliance is not required to obtain a grant, but by the end FY 2006, full compliance will be a condition for receipt of preparedness grants. NIMS compliance includes qualification and certification requirements so that all activities conform to the structures, process, and protocols detailed in the NRP. These efforts should reduce possible confusion in future exercises.

The lack of effective information sharing protocols for the private sector remains an impediment to establishing a functional partnership with the federal government.

However, there were intangible benefits gained from DoD's participation. For example, DoD's United States Northern Command's Interagency Coordination Group placed a representative in the National Infrastructure Coordination Center (NICC) with private sector participants during the exercise to improve its' understanding of private sector and nongovernmental operations during a crisis event. As a result, both gained a mutual understanding of their respective roles and responsibilities under the NRP and identified potential redundant areas and a duplication of efforts.

Private: Sector Needs Improved Information Sharing and Understanding of Federal Roles and Responsibilities

Since September 11, 2001, the private sector has been eager to work in concert with departments and agencies to define its role in domestic preparedness planning, response, and recovery. Even with the establishment of the NICC, which has the primary federal responsibility for coordinating communications with private critical infrastructure sectors during crisis events, there remains an overall disconnect in the information sharing process.

³⁵ As Mandated by HSPD-5, beginning in FY 2005, adoption of NIMS was a requirement for receipt of grant funds from SLGCP. As such, DHS encountered sub-grantees to begin using NIMS concepts, principals, terminology, and technologies, as they are made available by DHS. If agencies are not already using Incident Command System as taught by DHS, sub-grantees are required to institutionalize the use of it across their entire response system by the end of a two-year period, which ends November 31, 2005.

For example, during the exercise planning process, private sector representatives expressed a lack of understanding for the various functions within DHS and their respective roles and responsibilities during a crisis event. Some planners were confused as to whether the HSOC or the NICC would be the primary federal contact and source for guidance or information. To further complicate matters, much of the private sector has their own *ad hoc* network of associations and business and trade groups for sharing information on a peer-to-peer level. These organizations may be limited however, by concerns regarding possible misuse of sensitive or commercial proprietary information.

Institutional and financial barriers also play a role in inhibiting the successful exchange of information with the private sector. For example, InfraGard³⁶ is a secured network sponsored by the FBI that is dedicated to sharing information and intelligence with industry security managers and academic professionals. Membership is free, but access to the network requires that applicants pass an FBI brief records check.³⁷ Some potential applicants may hesitate to join because of privacy concerns.

The Information Sharing and Analysis Center (ISAC) is a private sector repository of cyber and physical security risk information for sharing and exchange among critical infrastructure sectors.³⁸

Membership is fee based but there is no background check requirement. The cost to join a specific critical infrastructure sector may be prohibitive, especially to smaller and medium size businesses. For example, the Financial Services ISAC provides five levels of service according to member needs that range from basic membership, which is free, to annual fees of \$750 to \$50,000.³⁹ Further, the current information sharing networks are not geared towards supporting nongovernmental organizations or small business owners.

³⁶ InfaGard is an FBI program developed as a partnership with the information technology industry and academia to support the exchange of information related to cyber security. Since its inception in 1996, InfaGard has expanded membership to include private sector physical security and risk managers.

³⁷ This is a criminal history check of various electronic databases used as a screening process to determine whether an applicant will have access to sensitive information.

³⁸ An ISAC is a private sector coalition where members submit either anonymous or attributed reports about information security threats, vulnerabilities, incidents, and solutions on a secure database. Currently, 13 member councils represent the chemical, electrical, energy, emergency management and response, financial, health, highway, information technology, multi-state, telecommunications, public transit, surface transportation, and water industries.

³⁹ The Financial Services ISAC is a nonprofit organization serving the needs of the financial services industry to disseminate physical and cyber security threat, vulnerability, incident, and solution information, <http://www/fsisac.com/benefits/index/htm>.

Since September 11, 2001, representatives from the private sector have stated a need to be involved in domestic disaster planning and for improved communication with federal government. To some extent, these issues were highlighted during TOPOFF 3. Private sector participants pointed out an asynchronous sharing of information between the federal government and the private sector during the exercise. “Notwithstanding the benefits provided by co-locating a private sector cell prototype at the NICC, the private sector participants concluded that the information they received from the NICC, the IIMG, and other federal organization was slow and of insufficient quantity.”⁴⁰ The lack of a well-defined process for two-way information sharing means that the private sector is not receiving information it may need to make strategic decisions and are not providing federal authorities with critical intelligence and information developed at the state and local level. The ideal format would be an integrated information-sharing model that provides for a seamless, two-way flow of information between the government and the private sector. In crisis events, this model could prove beneficial to facilitate the marshalling and use of industry resources in support of domestic incidents, and in return, the private sector would be provided access to accurate and timely information to make informed business decisions.

If the partnership between the federal government and private sector is to be successful, another key requirement is establishing a permanent physical location or forum so that critical and non-critical sectors can interface with one another and their federal counterparts. This is essential to developing and maintaining long-term collaborative relationships. During the exercise, the EST along with DHSs Infrastructure Coordination Division and Private Sector Office prototyped a private sector advisory working group, which was located at NICC. Additionally, DHS’ Citizen Corps placed a representative with FEMA at the National Resource Coordination Center, which facilitated better coordination of volunteer and donation management among federal, state, and local organizations. These federal efforts were mirrored at the state level. In both Connecticut and New Jersey, a private sector liaison position was prototyped in their respective Emergency Operations Centers. Connecticut went one step further and also prototyped an emergency communication network to enhance information sharing with the private sector.

⁴⁰Department of Homeland Security, Top Officials 3 Full-Scale Exercise, Quick-Look Report, May 26, 2005.

Recommendations

We recommend that the Executive Director of the Office of State and Local Government Coordination and Preparedness:

13. Offer additional training, accompanied by exercise opportunities, to the private sector on how federal departments and agencies operate in response to an Incident of National Significance and Presidential disaster declarations so that the private sector obtains a better understanding of their roles and responsibilities under the NRP and of DHS functions;
14. Create a central repository for best practices and lessons learned from private industry to facilitate information sharing among critical and non-critical sectors; and

(Add Language: We recommend that the Department of Homeland Security, Chief Information Officer:

15. *Develop and implement a plan and uniform protocols to establish two-way communication and information sharing with the private sector; and, establish a primary federal point of contact during local incidents, Incidents of National Significance, and Presidential disaster declarations by utilizing the Homeland Security Information Network (HSIN).*)

Issues Identified in Previous Exercises Remain Unresolved

During the After Action Conference, participants said the same issues identified for resolution in previous TOPOFF exercises were repeated. Some of the issues that require resolution are: (1) amending the definition of a major disaster in the Stafford Act to include WMD events; (2) reconciling federal, state, and local plans and procedures within the framework of the Homeland Security Advisory System (HSAS);⁴¹ and (3) enhancing the capability of the Domestic Emergency Support Team (DEST).⁴²

In TOPOFF 2, both states requested federal assistance under the Stafford Act. However, the simulated events in Illinois did not qualify as a major disaster because biological disasters are not cited in this Act and are interpreted as ineligible by FEMA. The Secretary of HHS declared a public health emergency under authorities in the Public Health Service Act, which permitted HHS to authorize only specific federal assets in response to the biological event.

⁴¹ The Homeland Security Advisory System uses five colors: Red = Severe, Orange = High, Yellow = Elevated, Blue = Guarded, and Green = Low, to alert the public and governmental organizations to the risk of terrorist activities.

⁴² A DEST is a rapidly deployable team of trained experts sent to assist the FBI's investigation at the site of a WMD incident. Members are chosen according to the nature of the incident from HHS, FEMA, the Department of Energy, the Environmental Protection, DoD, and other agencies capable of addressing chemical/biological and nuclear/radiological incidents. The classified version of Presidential Decision Directive 39 explains the roles of the team in detail.

HHS was responsible for costs associated with the response. Under a major disaster declaration, additional federal resources are available and federal costs associated with response can be reimbursed. Between TOPOFF 2 and TOPOFF 3, there has been no amendment to the Stafford Act to include biological events and FEMA has not changed its interpretation. Further, confusion still exists between the federal resources available under Stafford Act emergency declarations and those available under public health emergency. The After Action Summary Report for TOPOFF 2 states the need to reconcile federal, state, and local plans and procedures within the framework of HSAS. It found "(u)ncertainty among participants regarding specific protective actions to be taken by specific agencies under a HSAS Severe Threat Condition Red, and many agencies lacked an understanding of the protective actions that might be taken by other agencies or jurisdictions under various threat levels." The same issue was encountered in TOPOFF 3.

Finally, the DEST provides key subject matter expertise in response to chemical/biological and nuclear/radiological incidents. There is only one deployable DEST and the need for additional personnel to staff a second team when simultaneous events warrant deployment was identified in TOPOFF 2. The issue was encountered again in TOPOFF 3.

Unresolved issues continue to affect and inhibit the ability of departments and agencies at all levels to effectively coordinate. Systematic and deliberate processes need to be developed that document issues and create avenues for resolution. With the availability of lessons learned, After Action Reports, and best practices from previous exercises, SLGCP should be able to identify and document, with minimal effort, reoccurring issues for tracking until resolved.

Recommendation

We recommend that the Executive Director of the Office of State and Local Government Coordination and Preparedness:

17. Develop an action-tracking program that identifies and documents issues and recommendations made in TOPOFF exercises that can be used as a means for issue resolution.

American Red Cross
Bureau of Alcohol, Tobacco, Firearms, and Explosives
Centers for Disease Control
Department of Agriculture
Department of Commerce
Department of Defense
Department of Energy
Department of Health and Human Services
Department of Homeland Security
Department of Housing and Urban Development
Department of Interior
Department of Justice
Department of Labor
Department of State
Department of Transportation
Department of Treasury
Department of Veterans Affairs
Environmental Protection Agency
Federal Aviation Administration
Federal Bureau of Investigation
General Service Administration
Office of Emergency Planning, Preparedness, and Operations
National Aeronautics and Space Administration
National Oceanic Atmospheric Administration
Nuclear Regulatory Commission
U.S. Small Business Administration
U.S. Marshals Service

Homeland Security Act

The *Homeland Security Act*, P.L. 107-296, provides the Office of Domestic Preparedness, a component of SLGCP, the primary responsibility within the executive branch of government to build and to sustain the preparedness of the United States by reducing vulnerabilities and preventing, responding, and recovering from acts of terrorism. The responsibility includes coordinating preparedness efforts at the federal level and working with all state, local, tribal, parish, and private sector emergency response providers on matters pertaining to combating terrorism including training, exercises, and equipment support.

National Strategy for Homeland Security

The *July 2002 National Strategy for Homeland Security* directed that Department of Homeland Security (DHS) “build a national training and evaluation system.” DHS was to consolidate and expand existing training and evaluation systems and this system would be predicated on a four-phased approach: requirements, plans, training (and exercises), and assessments (evaluations and corrective action plans). Further, DHS was directed to establish a National Exercise Program designed to educate and evaluate civilian response personnel at all levels of government. DHS is to use these exercises to measure performance and allocate future resources.

Homeland Security Presidential Directive–8

The HSPD–8 sets forth policies to strengthen the preparedness of the United States to prevent and respond to threatened or actual domestic terrorist attacks, major disasters, and other emergencies by requiring a “national domestic all hazards preparedness goal,” establishing mechanisms for improved delivery of federal preparedness assistance to state and local governments, and outlining actions to strengthen the preparedness capabilities of federal, state, and local entities. HSPD–8 directs DHS’ Secretary, in coordination with the heads of other appropriate federal departments and agencies and in consultation with state and local governments, to develop a national domestic all hazards preparedness goal, the National Preparedness Goal. DHS’ Secretary charged SLGCP with leading the effort to develop and implement the National Preparedness Goal.

National Preparedness Goal and National Preparedness System

The National Preparedness Goal provides the foundation for a National Preparedness System to establish interconnected and complementary programs under a common approach. The National Preparedness System is to provide the tools and processes that realign existing preparedness programs and efforts to support the National Preparedness Goal and to enhance operational preparedness. The National Preparedness System has four main components, each providing opportunities for all levels of government to work together: (1) Strategic Direction involves developing the National Preparedness Goal and priorities, including the National Planning Scenarios, Universal Task List, and Target Capabilities List, issuance of National Preparedness Guidance, and updating federal, state, local, and tribal preparedness strategies as appropriate; (2) Planning and Resource Allocation involves capabilities based planning to assess needs, allocate resources, and deliver programs that build prioritized capabilities to manage the risks that pose the greatest threat; (3) Execution involves demonstrating capability through training, exercises, and evaluation to identify lessons learned, share best practices, and initiate improvements; and (4) Feedback involves assessing and reporting on the progress and effectiveness of efforts throughout the system to achieve the National Preparedness Goal and priorities.

Homeland Security Presidential Directive–5

The HSPD–5 sets forth policies and provides for a consistent nationwide approach for federal, state, and local governments to work effectively and efficiently together to prepare for, respond to, and recover from domestic incidents regardless of cause, size, or complexity. It provides for interoperability and compatibility among federal, state, and local capabilities through National Response Plan (NRP) and includes a core set of concepts, principles, terminology, and technologies covering the Incident Command System, multi-agency coordination systems; Unified Command; training; identification and management of resources (including systems for classifying types of resources); qualifications and certification; and the collection, tracking, and reporting of incident information and incident resources. The NRP is built on the template of the National Incident Management System (NIMS), which provides a consistent doctrinal framework for incident management at all jurisdictional levels, regardless of the cause, size, or complexity of the incident.

National Requirements and Authorizations for the TOPOFF Exercise Series Prior to the Creation of the Department of Homeland Security⁴³

Senate Report 105-235, July 2, 1998 – Aware that numerous exercises were conducted each year to practice operations in the event of a terrorist incident, the U.S. Senate understood that few of the top officials of agencies had ever fully participated in these exercises. The Senate therefore directed that an exercise be conducted in fiscal year 1999 with the participation of all key personnel who would participate in the consequence management of such an actual terrorist event.

House Report 105-825, October 19, 1998 – The U.S. House of Representatives agreed with the Senate recommendation and provided funding for the first TOPOFF exercise, TOPOFF 2000.

Senate Report 106-404, September 8, 2000 – After TOPOFF 2000, the Senate made the following recommendations for the design of future TOPOFF exercises:

- Exercises will be based on an analysis of the threat.
- Threats will be described in terms of capability, intent, probability, and potential consequences.
- Sound, detailed, and continuous assessments will help ensure that specific programs and related expenditures are justified and targeted according to the threat and risk of validated terrorist attack scenarios.
- A multi-disciplinary team of experts will generate threat analyses and develop a plan for ensuring their currency.
- TOPOFF will include a regularly scheduled sequence of increasingly challenging exercise building blocks. This exercise cycle should strengthen preparedness through issue-oriented seminars, tabletop exercises, and Command Post Exercises culminating in a bi-annual, national, TOPOFF Full Scale Exercise.
- TOPOFF will feature participation by key top officials at the federal, state, and local levels. Each of the preliminary elements of this program will contribute to the design and planning of the TOPOFF Full Scale Exercise.

Public Law 106-553, December 21, 2000 – The House agreed with the recommendations in Senate Report 106-404 and provided funding to expand the TOPOFF program.

⁴³ Department of Homeland Security, National Exercise Program, TOPOFF 3 Full Scale Exercise Master Plan, March 22, 2005.

National Response Plan Implementation Effective Dates

The National Response Plan (NRP) is dated December 2004; it was released by the Secretary of the Department of Homeland Security (DHS) on January 6, 2005. The NRP is effective upon issuance with a phased implementation process during the first year. During the first 120 days of this implementation process, the Initial NRP, Federal Response Plan, U.S. Government Domestic Terrorism Concept of Operations Plan, and Federal Radiological Emergency Response Plan remain in effect. The implementation phases are as follows:

Phase I – Transitional Period (0 to 60 days): This 60-day timeframe is intended to provide a transitional period for departments and agencies as well as other organizations to modify training, designate staffing of NRP organizational elements, and become familiar with NRP structures, processes, and protocols. Day 60 is February 13, 2005.

Phase II – Plan Modification (60 to 120 days): This second 60-day timeframe is intended to provide departments and agencies the opportunity to modify existing federal interagency plans to align with the NRP and conduct necessary training. Day 120 is April 14, 2005.

Phase III – Initial Implementation and Testing (120 days to 1 year): Four months after its issuance, the NRP is to be fully implemented and the Initial NRP, Federal Response Plan, U.S. Government Domestic Terrorism Concept of Operations Plan, and Federal Radiological Emergency Response Plan are superseded. Other existing plans remain in effect, modified to align with the NRP. During this timeframe, DHS will conduct systematic assessments of NRP coordinating structures, processes, and protocols implemented for actual Incidents of National Significance, national-level homeland security exercises, and National Special Security Events. These assessments will gauge the plan's effectiveness in meeting specific objectives outlined in Homeland Security Presidential Directive–5 (HSPD–5). At the end of this period, DHS will conduct a one-year review to assess the implementation process and make recommendations to the DHS' Secretary on necessary NRP revisions. Following this initial review, the NRP will begin a deliberate four-year review and re-issuance cycle. The one-year date is December 15, 2005.

**Office of State and Local Government Coordination and
 Preparedness TOPOFF 3 Expenditures
 As of July 11, 2005⁴⁴**

TOPOFF 3 Expenditure Line Items	Totals
LABOR	\$ 7,832,146
TRAVEL	\$ 2,204,439
SUBCONTRACTOR and CONSULTANTS	\$ 8,752,965
OTHER DIRECT EXPENDITURES	\$ 2,698,081
EXERCISE EXPENDITURES by CATEGORY	
Initial Planning Conference	\$ 49,121
Mid-Term Planning Conference	\$ 211,128
Final Planning Conference	\$ 178,400
After Action Conference	\$ 149,909
TOPOFF 3 Full-Scale Exercise	\$ 13,088,416
Cyber Exercise	\$ 727,182
Command Post Exercise	\$ 1,131,067
Large Scale Game	\$ 355,911
Chemical Seminar	\$ 480,942
Biochemical Seminar	\$ 586,430
Public Affairs Seminar	\$ 716,949
Advance Distance Learning Exercise	\$ 293,264
Virtual News Network	\$ 2,494,740
Information Technology Architecture	\$ 1,024,170
TOTAL TOPOFF 3 EXPENDITURES	\$ 21, 487,631

⁴⁴ Data provided by SLGCP's contractor Exercise Support Team on July 11, 2005.

Appendix H
Major Contributors to This Report

Marcia Moxey Hodges, Chief Inspector, Department of Homeland Security,
Office of Inspections and Special Reviews

Carolyn Aya Johnson, Inspector, Department of Homeland Security, Office of
Inspections and Special Reviews

Department of Homeland Security

Secretary
Deputy Secretary
Executive Director
Chief of Staff
General Counsel
Executive Secretariat
Assistant Secretary for Policy
Office of State and Local Government Coordination and Preparedness
Assistant Secretary, Public Affairs
Chief Security Officer
Director, Exercise and Evaluation Division
DHS OIG Liaison

Office of Management and Budget

Chief, Homeland Security Branch
DHS Program Examiner

Congress

Committee on Homeland Security and Governmental Affairs
United States Senate
Committee on Appropriations
United States Senate
Committee on Homeland Security
U.S. House of Representatives
Committee on Appropriations
U.S. House of Representatives
Committee on Government Reform
U.S. House of Representatives

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