

Testimony of

# **The Honorable Leon Panetta**

April 17, 2002

Mr. Chairman and Members of the Judiciary Committee:

Thank you for your invitation to provide my views on the issue of the Office of Homeland Security and whether it should have more power in meeting the challenge of information sharing within the Executive Branch.

Let me get to the basic point quickly: There is absolutely no question but that the Office of Homeland Security must have additional power if it is to effectively coordinate the information and activities relevant to protecting our country against the threat of domestic terrorism.

Part of the problem of coordination is developing more effective technology and part of the problem is organizing common policy among a large group of agencies and departments. But make no mistake - the biggest problem to centralizing command control is the basic culture of the federal bureaucracy.

As Chief of Staff to the President and therefore responsible for policy development and the flow of crucial information to the President of the United States, it is my experience that absent a clear line of authority and chain of command, the sharing of information within the Executive Branch can be haphazard at best.

In a crisis or when the White House demands information on an issue, the agencies and departments are generally forthcoming. As an example, following the Oklahoma City bombing at the Federal Building, I convened a task force at the White House of all the responsible agencies and each day would meet for the specific purpose of sharing and coordinating crucial information on this crisis.

In the absence of that kind of presidential mandate, information is provided largely at the discretion of the department or agency. Good news generally seems to flow much faster to the White House. Bad news seems to usually wind up first on the front page of the Washington Post or the New York Times.

Why is this? Regardless of Administration, there are some deep and intractable factors that characterize the operations of the bureaucracy.

Protection of Turf. There is a natural instinct in each department or agency to protect their jurisdiction. Loyalty is an important quality necessary to the esprit of any federal operation. And competitiveness can sharpen the performance of a mission. But the first loyalty is to the President and to the overall policy of an Administration and too often, that fundamental principle is forgotten.

Size of Bureaucracy. The sheer numbers of departments and agencies that share responsibility for

any given area can be overwhelming. Homeland security alone involves well over 40 agencies. When that many are involved, it is difficult to determine who knows what. Even within a large department, information can have a difficult time making its way through the internal chain of command.

**Security of Information.** In areas that involve national security or law enforcement, there is a concern about protecting information so as not to compromise an action or mission. While this can be a legitimate concern, there is no reason why information cannot be shared with those in authority at other agencies or the White House who have the proper security credentials.

**Fighting for Funding.** Because the lifeblood of each department and agency is money, each has developed its own approach to White House aides and the Congress for funding programs.

Obviously, this dependence on specific members, aides and programs often inhibits the sharing of information between agencies if they believe it can hurt their particular budgets.

**Personality Differences.** In any large operation, particularly in government, friction and political competition between personalities can seriously affect communications and operations.

Withholding vital information can be one of the ways people try to undermine each other. Again, there is no excuse for this kind of behavior by professionals, but it can be a reality.

Recognizing the need for command control and a coordinated information and response capability for effective homeland security, what steps can be taken to overcome these bureaucratic barriers and accomplish this vital goal?

The U.S. Commission on National Security in the 21st Century laid out the most important step - the creation of a National Homeland Security Agency with "responsibility for planning, coordinating and integrating various U.S. government activities involved in homeland security." They recommended building this agency on the capabilities of the Federal Emergency Management Agency and including the Customs Service, Border Patrol and Coast Guard.

While the President has appointed a Director of Homeland Security within the White House, unless that Director is given direct line authority over the policies and funding of the agencies involved with homeland security, it will be very difficult to control and coordinate their efforts. He can persuade but he cannot enforce.

Even with the blessing of the President, the primary instinct of these agencies and departments will be to protect their own information and operations first because there is little threat of any real consequences. Funding and line authority will primarily rest within each department and agency, and that makes them act more like independent contractors than team players.

In the very least, Tom Ridge needs broader authority over funding. As a former Director of the Office of Management and Budget, it is my view that it would be more effective to make Mr. Ridge a Deputy Director at OMB in charge of the budgets for the homeland security agencies rather than just another presidential assistant.

The better approach is for the President to support and the Congress to establish a National Homeland Security Agency. Not only would this ensure better control and coordination within the Executive Branch, it would establish a clear relationship with the Congress and the country as to who is responsible for overall homeland security policy.

As a former Member of Congress, I recognize the difficulties of establishing any new agency, even one essential to dealing with a national crisis. But if September 11th told us anything, it is that we cannot afford to allow the internal politics of either the Executive or Legislative Branches prevent the nation from doing what is essential to its security.

Mr. Chairman and Members of the Committee you have two choices: You can accept the status quo - a Homeland Security Director with little or no direct line authority; or you can establish a single Homeland Security Agency with the power needed to do the job. This is not just a political decision; it is a national security decision that will determine whether we can more fully protect our citizens from acts of terrorism. I urge you and the Congress to make the right choice.