

NOTES

Preface

1. For a similar conclusion, see Gary Hart and Warren Rudman (cochairmen), *America—Still Unprepared, Still in Danger*, independent task force report sponsored by the Council on Foreign Relations (October 2002), available at www.cfr.org/pdf/Homeland_TF.pdf.

2. See Jack Weiss, *Preparing Los Angeles for Terrorism* (City of Los Angeles, October 2002).

3. See Office of Homeland Security, *National Strategy for Homeland Security* (July 2002), available at www.whitehouse.gov.

4. Office of Management and Budget, *Fiscal Year 2004 Budget of the U.S. Government* (February 2003), pp. 10–13, 145–61.

5. See *Securing the Homeland and Strengthening the Budget* (February 2002), available at www.whitehouse.gov/homeland/homeland_security_book.pdf.

6. Office of Management and Budget, *Fiscal Year 2004 Budget*, p. 150.

7. Jonathan Weisman, “Spending Bill Delays Crimp War on Terror: Congress’s Inaction Slows Domestic Plans,” *Washington Post*, November 19, 2002.

8. Rep. David Obey, National Press Club Morning Newsmaker Speech, December 18, 2002.

9. Philip Shenon, “White House Concedes that Counterterror Budget is Meager,” *New York Times*, February 27, 2003.

10. *Ibid.*

11. See, for example, the discussion in Nicholas Kulish, “Security Agency Beset by Babel,” *Wall Street Journal*, December 24, 2002, p. A4.

12. Department of Homeland Security, “Fiscal Year 2004 Budget Fact Sheet.”
13. Office of Management and Budget, *Fiscal Year 2004 Budget*, p. 150.
14. *Ibid.*, p. 186.
15. Leaked EPA documents describing the proposed regulations were posted on the Greenpeace website.
16. “EPA Drops Chemical Security Effort,” *Washington Post*, October 3, 2002, p. A17.
17. Thomas Ridge and Christine Whitman, “A Security Requirement,” *Washington Post*, October 6, 2002, p. B6.
18. Department of Homeland Security, *National Strategy for the Physical Protection of Critical Infrastructures and Key Assets*, February 2003.
19. We proposed such an approach in Ivo H. Daalder and others, *Assessing the Department of Homeland Security* (Brookings, July 2002), available at www.brookings.edu/dybdocroot/fp/projects/homeland/assessdhs.pdf [February 2003].
20. For details, see Public Law 107-296.
21. See U.S. Senate Select Committee on Intelligence, *Findings of the Final Report of the Senate Select Committee on Intelligence and the House Permanent Select Committee on Intelligence Joint Inquiry into the Terrorist Attacks of September 11, 2001*, <http://intelligence.senate.gov/pubs107.htm> [February 2003].
22. Operation TIPS was unveiled as a pilot project in January 2002, and the administration initially included it in its draft legislation for DHS. Congressional opposition led to a specific prohibition on Operation TIPS in the final DHS bill. See Dan Eggen, “Proposal to Enlist Citizen Spies Was Doomed from Start,” *Washington Post*, November 24, 2002, p. A11.
23. See John Markoff, “Pentagon Plans a Computer System That Would Peek at Personal Data of Americans,” *New York Times*, November 9, 2002, p. A12. For the Pentagon’s description of the program, see www.darpa.mil/iao/TIASystems.htm [February 2003].
24. Dan Essen and John Mintz, “Homeland Security Won’t Have Diet of Raw Intelligence,” *Washington Post*, December 6, 2002, p. A43
25. The lack of a central database and a single point for all source analysis were key findings of the U.S. Senate Select Committee on Intelligence joint inquiry.
26. For an example of guidelines that could be used to govern government access to private databases, see Markle Foundation Task Force on Security in an Information Age, *Protecting America’s Freedom in the Information Age*, pp. 32–33.
27. See the Fourth Annual Report of the Advisory Panel to Assess Domestic Response Capabilities for Terrorism Involving Weapons of Mass Destruction (Gilmore Commission), www.rand.org/nsrd/terrpanel/ (February 2003). See also Hearings before the Committee on Governmental Affairs, 107 Cong. 2 sess., June 26 and 27, 2002, especially the testimony of Jeff Smith, former general counsel of the CIA, and General William Odom, former director of the NSA. See also Duncan DeVile “How to Split up the Bipolar F.B.I.,” *New York Times*, June 18, 2002, p. A23; Sen. John Edwards, “Agenda for Homeland Security,” Brookings Institution, December 12, 2002, available at www.brookings.edu/comm/events/20021218edwards.htm#TRANSCRIPT (February 2003).

28. The Department of Homeland Security legislation recognizes the importance of these linkages through the creation of an Office of State and Local Coordination (Sec. 801) and a special assistant to the secretary with the responsibility of liaison with the private sector (Sec. 102(f)).

Chapter 1

1. As explained in chapter 6, the costs related to terrorist attacks consist of the direct loss of physical and human capital as a result of the attack, and the macro-economic costs caused by the interruption to normal American life and business activities. According to current estimates, insured losses from the attacks—which provide a proxy for the direct loss of physical and human capital—may amount to between \$36 billion and \$54 billion. Moreover, if half the difference between actual GDP growth after September 11 and previously projected growth is attributed to the attacks, losses from reduced economic activity amounted to about \$50 billion, making for a total loss of about \$100 billion.

2. For a related taxonomy, see Kurt M. Campbell and Michele A. Flournoy, *To Prevail: An American Strategy for the Campaign against Terrorism* (Washington: CSIS, 2001), pp. 105–21. See also Ashton B. Carter, “The Architecture of Government in the Face of Terrorism,” *International Security* (Winter 2001/02), pp. 5–23.

3. For a similar view, see Anthony H. Cordesman, *Terrorism, Asymmetric Warfare, and Weapons of Mass Destruction: Defending the U.S. Homeland* (Westport, Conn.: Praeger, 2002), pp. 1–11.

4. Carter, “The Architecture of Government in the Face of Terrorism,” pp. 17–18.

5. This should be an ongoing effort, though the details are likely to be classified so as not to provide a road map to terrorists as to what is protected and what is not.

6. This accounting follows that proposed by the Bush administration. See Office of Homeland Security, “Securing the Homeland, Strengthening the Nation,” The White House, Washington, February 2002 [www.whitehouse.gov/homeland_security_book.pdf].

7. For further discussion of this idea, see William G. Gale and Peter R. Orszag, “Keep Existing Tax Cuts but Freeze New Ones,” *Los Angeles Times*, January 28, 2002; and Peter R. Orszag, *The Budget and the Economy*, Testimony before the U.S. Senate Budget Committee, January 29, 2002.

8. The federal government heavily subsidized the hiring of local community law enforcement officers through several programs under the Office of Community Oriented Policing Services (COPS), but the motivation for that initiative was not related to homeland security.

Chapter 2

1. Another “point of entry” into the country is the Internet. A cyberattack can be launched from abroad and impose substantial economic and social costs on the United States by bringing down or corrupting computer systems that control vital