

Enhancing Homeland Security: Organizational Options

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Few government functions are more challenging—and none is more fundamental—than defending the American homeland against attack. The importance of doing so was made abundantly clear by the terrorist assault of September 11, 2001. But in the months since that terrible event it has become evident that what has come to be called “homeland security” is an extraordinary difficult task to accomplish. Our vulnerabilities are nearly endless—as are the opportunities for attacking them. And the number of governmental organizations that bear some responsibility for homeland security encompasses much of the American governmental structure—at the federal, state, and local levels. Little wonder, then, that our leaders in the executive and legislative branches are still debating how best to organize the government to respond effectively to the first real threat of the 21st century.

The challenge of homeland security is defined both by the nature of the threat and the difficulty of mounting an effective response. Today’s terrorist threat is transnational in nature, consisting of a network of individuals operating in an open international system that thrives on minimizing the importance of borders. Al Qaeda and terrorist groups like it represent the dark side of globalization—exploiting the rapid movement of people, information, goods, and capital across international frontiers to inflict catastrophic damage. As Tom Friedman observed over three years ago, “Globalization gives them both the added incentive to hate America and the added power to do something about it.”¹

Equally important, the threat is asymmetric. A few individuals with only modest resources can do untold harm. Fifteen men, armed with little more than box cutters and chutzpah, commandeered three aircraft, rammed them into three buildings and killed thousands. Total cost of this operation: \$500,000; direct economic cost of the attack: about \$100 billion—a cost of \$200,000 to the United States for every one dollar spent.²

Because ours is an open, integrated, interconnected, fully modern society, we are inevitably vulnerable to the threat of catastrophic terrorism. The challenge to secure the American homeland

¹ Friedman, “Angry, Wired, and Deadly,” *New York Times*, August 22, 1998.

² John Lewis Gaddis, “And Now This: Lessons of the Old Era for the New One,” in Strobe Talbott and Nayan Chanda, eds., *The Age of Terror: America and the World After September 11* (New York: Basic, 2001), p. 10. Note: Gaddis wrongly calculates the ratio as \$2,000 to \$1.

against this threat—and, importantly, to minimize the direct and indirect consequences of any attack that occurs—is therefore truly daunting. It requires, in one way or another, the active involvement of every sector of our society, of every level of government, and of nearly every federal government agency. But the challenge is not only one of coordinating this plethora of interests and capabilities. It is also to keep their focus on the task at hand, for in almost every instance the interests and agencies involved in homeland security have other responsibilities and duties that they consider equally (and, prior to September 11, more) important. Hence getting organized for homeland security is both more important and more difficult than most people until recently appreciated.

This paper sets forth options for addressing five organizational choices within the executive branch: its overall structure, and key tasks to be performed within that structure. A final section then considers, briefly, the matter of Congress, recognizing that this deserves a full-blown treatment of its own.

Overall Organization for Homeland Security

There are two basic approaches to organizing the federal government for homeland security. First, a single agency—either an existing department or a new one—can be designated to take the lead in preventing, protecting against, and responding to a terrorist attack. Second, a coordinating approach can be adopted, in which a single entity, most likely located in the White House, is responsible for coordinating the myriad of agencies responsible for different aspects of homeland security and bring them together to work as a team.

Option I-A: Creating or Designating a Lead Agency

The Clinton administration organized its counter-terrorism efforts largely around the lead agency concept. Presidential Decision Directive (PDD) 39, signed by President Clinton in June 1995, assigned lead agency responsibility to the Department of Justice for addressing terrorism at home. This assignment was retained three years later, when as part of PDD-62, the administration named Richard A. Clarke the National Coordinator for Security, Infrastructure Protection, and Counter-Terrorism. Clarke's task was to help run the inter-agency process, but he had no direct authority over individual agencies, nor any operational role. Responsibility for counter-terrorism, including all facets of homeland defense continued to rest with the agencies.

The diffusion of responsibility inherent in this version of the lead agency approach may have been adequate to respond to limited terrorist incidents, but it is not the optimum way to meet the more difficult challenge of catastrophic terrorism. Hence, even before September 11, a variety of national commissions examined U.S. government organization for counterterrorism and found it wanting. The most comprehensive set of organizational proposals was put forward by the Commission on National Security/21st Century, better known as the Hart-Rudman Commission, after its two co-chairmen. In its third and final report released in March 2001, the Commission proposed the creation of a new National Homeland Security Agency (NHSA) by merging a number of U.S. government agencies responsible for different homeland security tasks into a consolidated whole.³ These ideas have since been taken up by Congress, notably by Rep. Mac Thornberry (R-TX) in the House and Senators Joe Lieberman (D-CT) and Arlen Specter (R-PA) in the Senate.⁴ And former Senator Gary Hart continues to call passionately for a consolidated agency that would have both statutory and budgetary authority. “It seems painfully obvious,” he declared in early February, “that our country will remain unacceptably vulnerable until this agency is created.”⁵

The basic concept is the creation of a Cabinet-level department with overall responsibility for preventing, protecting against, and responding to a terrorist attack (see figure 1). The prevention function would be accomplished by transferring the Coast Guard, Custom Service, and Border Patrol to the new department. The protection function would be fulfilled by adding offices responsible for protecting critical infrastructure now housed in the Federal Bureau of Investigation and the Commerce Department. The Federal Emergency Management Agency, including its ten regional offices, and the FBI’s National Domestic Preparedness Office would form the core of the response functions. Overall the agency and its head would be assigned the lead homeland security role in the federal government. It would be responsible for planning, coordinating, integrating, and

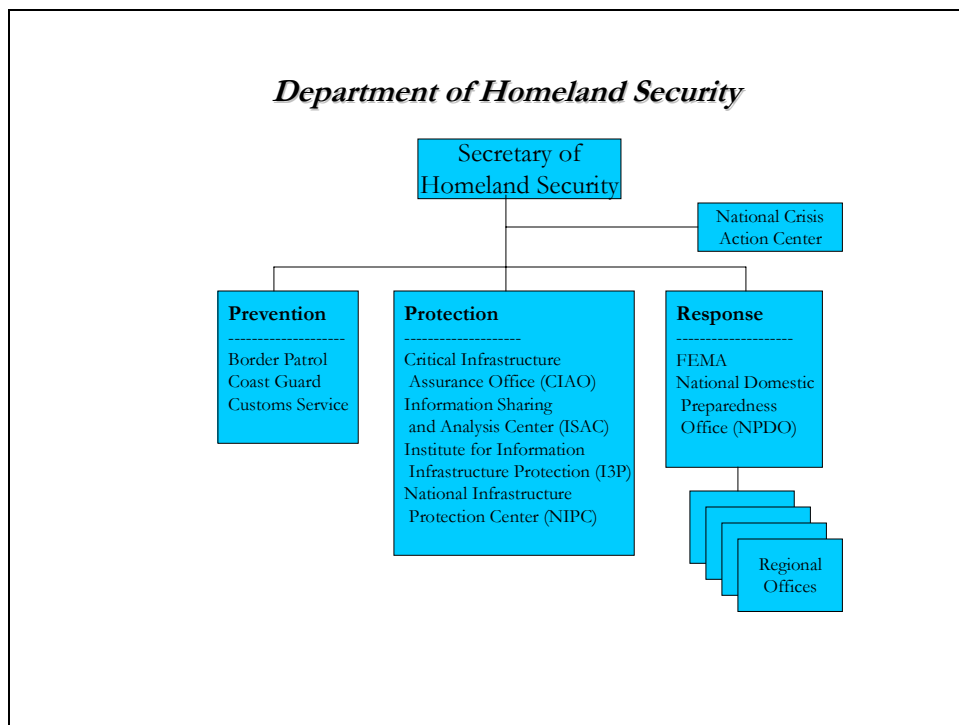
³ *Road Map for National Security: Imperative for Change*, The Phase III Report of the U.S. Commission on National Security/21st Century, March 15, 2001, co-chaired by Gary Hart and Warren B. Rudman

⁴ See *National Homeland Security Agency Act*, H.R. 1158 107 Cong. 1 sess. (introduced by Rep. Mac Thornberry, March 21, 2001); and *Department of National Homeland Security Act of 2001*, S 1534, 107 Cong. 1 sess. (introduced by Senators Joe Lieberman and Arlen Specter, October 11, 2001).

⁵ Letter to *The New York Times*, February 10, 2002.

overseeing the implementation of the various homeland security activities pursued by other U.S. government agencies, and state and local authorities as well.

Figure 1: Department of Homeland Security



The strengths of this approach are many. Assigning clear responsibility for homeland security to a single agency and its head provides clarity in an otherwise diffuse landscape of interests and capabilities. Accountability should thereby be enhanced. Merging critical functions dealing with frontier security, infrastructure protection, and emergency response into distinct directorates should ease communication and enhance effective implementation of agreed policy both within and probably among the directorates. And empowering the new entity by providing it with direct budgetary authority and political responsibility should make the agency a major player in the overall homeland security effort.

But against these benefits stand notable weaknesses. The homeland security mission is one that by definition involves many more entities than can be brought under a single roof. Left outside will necessarily be key agencies, including the Department of Justice and the FBI, which are responsible for domestic surveillance and law enforcement; the Department of Health and Human

Services and the Centers for Disease Control and Prevention, responsible for detecting and responding to a bioterrorist attack; the Central Intelligence Agency and other parts of the intelligence community, responsible for tracking down terrorists and the materials they might bring into the country to do us harm; not to mention state and local government authorities.

Consolidation may better focus some homeland security efforts, but it cannot include all or even most.

With many important interests and capabilities left out of the consolidated agency, there will still be a need for effective coordination. But assigning that function to the head of a new homeland security entity, as Hart-Rudman and others propose, does not appear promising, even if that official were given cabinet rank. A Secretary of Homeland Security, with direct authority for some (but not most) relevant governmental activity, would likely be perceived as partial toward the functions he supervised. This would create resistance by peers with major authorities of their own (the Attorney General, for example, or the Secretary of Health and Human Services) just as the Secretary of State—repeatedly called upon to exercise government-wide foreign affairs leadership—comes up against the Department of Defense and the intelligence community. The Secretary of the Treasury has fared somewhat better in the economic realm, but has typically *not* been able to lead on budget policy, or on international trade.

Coordination is difficult to achieve through any arrangement, but it tends to work better when the leader is perceived as an honest broker and/or can evoke the authority of the White House. If the coordinator is seen as a competitor, other agencies whose cooperation is crucial are likely to balk at following its lead, and bureaucratic fights over turf become pervasive. But the diffusion of power and responsibility over different aspects of homeland security throughout the U.S. government require that someone pull the different strands together into an integrated approach. An alternative is to establish a focal point in the Executive Office of the President. Experience suggests two ways of doing so. One is the appointment of a homeland security czar—a person who, much like the Drug czar who heads the Office of National Drug Control Policy (ONDCP), would pull together the numerous aspects of homeland defense into a coherent whole. Another is the creation of a White House-based council, which is the approach adopted by the Bush administration.

Option I-B: Coordination by a White House “czar”

The czar approach has been championed by the Gilmore Commission, which recommended the establishment of a coordination entity within the Executive Office of the President.⁶ Drawing on the ONDCP model, its main characteristics would be the following:⁷

- A strong cabinet-level agency is established within the Executive Office of the President.
- The agency is led by a director and selected senior staff that are subject to Senate confirmation. The director is also a member of the National Security Council for counterterrorism-related matters.
- The senior staff is required by law to be wholly apolitical.
- The agency is responsible for producing the nation’s Homeland Security Strategy, and an accompanying budget to ensure its implementation.
- The director is provided the authority to decertify any agency’s budget that fails to meet the requirements of the Strategy.
- The agency is also responsible for producing a performance measurements of effectiveness (PME) system to track progress in reducing the threat to homeland security.
- The agency is independently accountable to the Congress and the public and must regularly report on how it is carrying out its responsibilities.
- The agency is provided the resources necessary to get the job done through its own budget and dedicated staff (including, in particular, its own strategic planning, budget, public affairs and Congressional affairs staffs).
- The director is empowered to call inter-agency meetings to address critical issues and threats.
- And, most importantly, all these powers and responsibilities are specifically set out in statute.

Past experience with the czar model suggests that this approach is unlikely to be fully effective. Even the most effective drug czars (including William Bennett under the first President Bush and General Barry McCaffrey under President Clinton) never were able to wrest control over policy and funding from the individual agencies responsible for implementing drug policy. The ability to develop a national drug control strategy helped the drug czar set overall policy, while his power to decertify agency budgets provided some leverage of government agencies. But these powers alone did not prove sufficient to exert overall control over the policy. The national strategy became a largely aspirational document with only very loose ties to budgetary priorities. The

⁶ *Third Annual Report to the President and the Congress: II. For Ray Downey*, December 15, 2001, chaired by Gov. James S. Gilmore III, p. 3.

⁷ “Prepared Statement of Gen. Barry McCaffrey (Ret.) before the Senate Governmental Affairs Committee, October 12, 2001,” available at: http://www.senate.gov/~gov_affairs/101201mccaffrey.htm (accessed February 2002).

decertification powers proved more effective in theory than in practice (McCaffrey was the only ONDCP head to use it, and then only once). Even though ONDCP is nominally in charge, inter-agency coordination efforts were not always effective. And as a federal agency, ONDCP had no control over state and local government efforts that are crucial to combating drugs.

Option I-C: Coordination by a White House “Council”

An alternative to the czar model is to base coordination on the experience of previous policy coordinating councils located in the White House, particularly the national security and national economic councils.⁸ This is, of course, the approach adopted by President Bush in the aftermath of the September 11 attacks, when he brought former Pennsylvania Governor Tom Ridge to Washington to head a new structure and process.

As spelled out in the President’s Executive Order, the main coordinating body for homeland security issues is the new Homeland Security Council (HSC), which is composed of the president, vice president, secretary of treasury, secretary of defense, attorney general, secretary of health and human services, secretary of transportation, FEMA director, FBI director, director of central intelligence, and the director of the homeland security office. As is the case for the NSC and NEC in their respective spheres, the HSC is “responsible for advising and assisting the President with respect to all aspects of homeland security. The Council shall serve as the mechanism for ensuring coordination of homeland security-related activities of executive departments and agencies and effective development and implementation of homeland security policies.”⁹ Since its establishment, the HSC has met as often as twice a week, with the president in attendance.

The HSC process is staffed by Ridge’s Office of Homeland Security (OHS), which plays a role akin to that of the NSC staff. Indeed, the initial Homeland Security Presidential Directive (HSPD-1) sets forth an organizational structure for the OHS and details a HSC process that is

⁸ For an overview of this approach, see Ivo H. Daalder and I. M. Destler, “Organizing for Homeland Security,” *National Interest* (forthcoming Summer 2002).

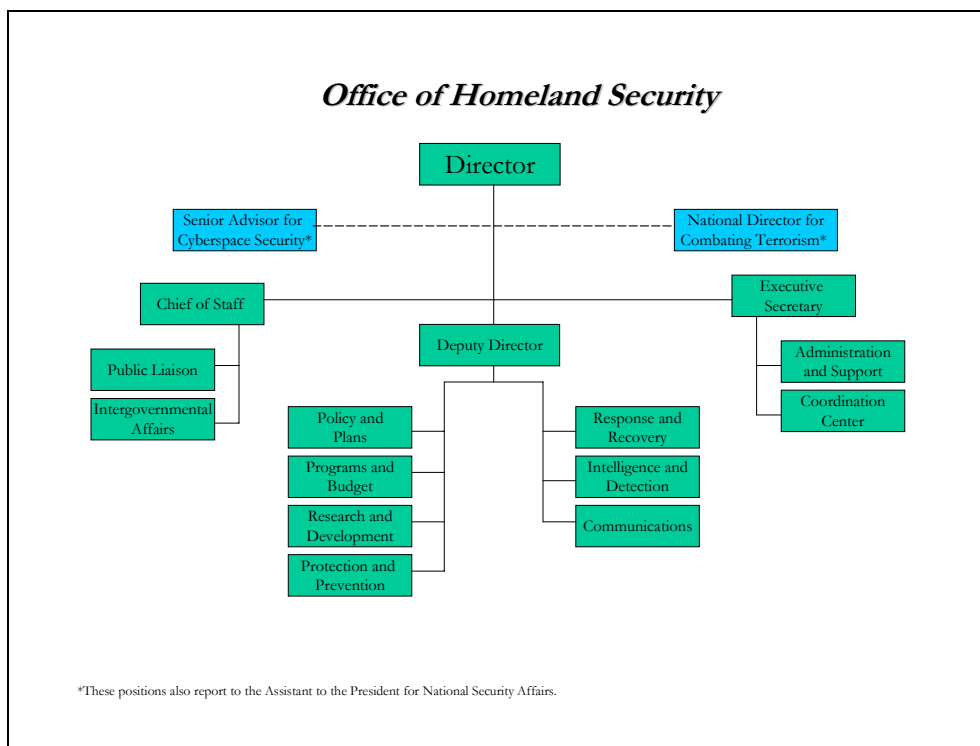
⁹ “Executive Order Establishing Office of Homeland Security,” October 8, 2001, Sec. 5(a), available at: <http://www.whitehouse.gov/news/releases/2001/10/20011008-2.html> (accessed January 2002).

modeled on the NSC process, as detailed in NSPD-1 signed in February 2001.¹⁰ Thus, like the NSC, the HSC is supported by an interagency structure that includes the HSC Principals Committee (chaired by Ridge, and composed of all HSC members other than the president and vice president, who are represented by their respective chiefs of staff), the HSC Deputies Committee (chaired by Ridge's deputy, Admiral Steven Abbott, and composed of the deputies to the HSC members), and eleven HSC Policy Coordinating Committees (PCCs) dealing with such issues as detection, surveillance, and intelligence; law enforcement; weapons of mass destruction consequence management; economic consequences; and key assets, borders, territorial waters, and airspace security. Each PCC is chaired by a OHS senior director.

The homeland security office also largely mimics the organizational structure of the NSC staff (see figure 2). There is one deputy director, and two other senior officials (the president's special adviser of cybersecurity and the national director for combating terrorism) who also report to the national security adviser. Issues are addressed by ten directorates, including seven addressing specific policy areas. Each directorate is headed by a senior director, who is also a special assistant to the president. The seven policy directorates—dealing with such issues as protection and prevention, response and recovery, intelligence and detection, and programs and budgets—report to Ridge through the deputy director. The OHS also has a chief of staff (who supervises the directorates dealing with public liaison and intergovernmental affairs) and an executive secretary responsible for administrative matters. Finally, Ridge has set up a national coordinating center to analyze and share intelligence and other data about terrorist threats and vulnerabilities and to coordinate agency responses in case of an attack.¹¹

¹⁰ "Homeland Security Presidential Directive-1," October 29, 2001, available at: <http://www.whitehouse.gov/news/releases/2001/10/print/20011030-1.html> (accessed November 2001); and "National Security Presidential Directive-1," February 13, 2001, available at: <http://www.fas.org/irp/offdocs/nspd/nspd-1.htm> (accessed January 2002).

¹¹ Alison Mitchell, "Ridge is Opening a Center to Analyze and Share Data," *New York Times*, December 25, 2001, p. B5.

Figure 2: Office of Homeland Security

These organizational structures and interagency processes put Ridge in a position to orchestrate an effective coordinating process. As the person designated by the president to manage the overall process, Ridge enjoys tremendous power within the executive branch that, if employed wisely, can help overcome many of the organizational difficulties inherent in the homeland security task—including especially the wide dispersal of authority and capabilities that need to be brought together. By chairing all interagency committees, Ridge and his office have the power to set the agenda, convene meetings, and forge consensus. But wielding that power effectively will require subtlety on Ridge’s part. He needs to gain the cooperation of the many cabinet secretaries and agency directors who ultimately will have responsibility for taking the actions that make our homeland safe. Neither Ridge nor anyone on his staff will have the authority to tell others what to do—that must come from the acquiescence, if not support, of Ridge’s peers themselves.

In this respect, Ridge can learn much from previous NSC and NEC advisers, all of whom faced similar coordination challenges.¹² A particularly relevant example is the role played by Robert

¹² The paragraphs the follow are drawn from Daalder and Destler, “Organizing for Homeland Security.”

Rubin as the first NEC adviser at the beginning of the Clinton Administration. Like Ridge, he was both assigned responsibility for a new coordinating council and tasked to get government moving in a policy area of top presidential priority, peopled with senior officials holding strong mandates and strong views. Had Rubin seen his role as one of issuing orders for other Clinton economic officials to carry out, his governmental life might have proved nasty, brutish, and short. Instead, he took the initiative in organizing internal debate on key issues, with a process designed to force presidential decisions, but one that assiduously reached out to the secretary and deputy secretary of the Treasury, the director of the Office of Management and Budget, and the chair of the Council of Economic Advisors. He gave them something they wanted and needed—visible participation in and influence over the most important decisions of Clinton’s early presidency. In so doing, he strengthened their credibility and influence within their agencies, while neatly ensconcing Rubin’s NEC at the center of the economic policy process.¹³

Ridge can do likewise with the HSC. By taking the initiative but exercising power collegially, the homeland security advisor can achieve much more in coordinated anti-terrorist action than he can through any conceivable organizational consolidation.

Ridge can learn even more from the four decades-plus experience of the modern NSC, looking particularly at the role played by Brent Scowcroft in the first Bush administration. Emulating proven NSC practices, Ridge should use the HSC as an umbrella to establish a network not only of formal interagency coordinating structures such as that set up under HSPD-1, but also the crucial informal networks. History shows that the NSC processes operate most effectively when the national security adviser works closely and frequently informally with his or her key counterparts at State, Defense and, sometimes, the CIA. When Colin Powell was national security adviser in the last year of the Reagan Administration, he met with Secretary of State George Shultz and Defense Secretary Frank Carlucci each day at 7:00 a.m. in his office to coordinate their day’s work. Today, Condoleezza Rice has a daily telephone call at 7:15 a.m. with Vice President Dick Cheney, Secretary of State Colin Powell, and Defense Secretary Don Rumsfeld. And nearly all NSC advisors from Brzezinski onward have convened weekly lunches or breakfasts with their senior counterparts to

¹³ I. M. Destler, *The National Economic Council: A Work In Progress* (Institute for International Economics, Policy Analysis No. 46, November 1996), p. 14; Bob Woodward, *The Agenda: Inside the Clinton White House* (New York: Pocket Books, 1995), chap. 11.

work issues in a less formal setting. Ridge should conduct similar sets of regular, informal meetings with his key counterparts, including especially the attorney general and perhaps also the defense and treasury secretaries.

But even the best coordination processes may not be enough to ensure a smooth-functioning and effective organization. There are inherent inefficiencies in the dispersal of authority among many different agencies—including inevitable duplication of effort and an absence of clear lines of communication and control. Accountability is more difficult to assign. Moreover, without formal authority over budgets, people, and programs, the OHS director has little more than his own leadership talent—as well as whatever empowerment he gets from the president—to get the job done. As a result, there is considerable skepticism, notably on Capitol Hill, that Ridge has the tools and power necessary for the job. Former Senator Hart has argued, “without budgetary or statutory authority, Ridge is doomed not to succeed. . . . He will have to keep going to the Oval Office to make anything happen. Anyone who knows Washington, knows this won’t work.”¹⁴

Option I-D: Coordination Plus

Although centralized coordination of homeland security activities is both necessary and the most effective way for pulling disparate elements within the government together into a coherent whole, that in itself is not likely to be enough. Some degree of agency consolidation may well be advisable. The OHS director may also require greater authority and a larger operational role than is currently the case and has become custom for similar White House coordinators. But while there are important similarities between coordinating activities in the national security and homeland security areas, there are also crucial differences. Most importantly, the audiences differ. Whereas the national security coordinating apparatus is focused substantially on serving an audience of one—the president—the audience in the homeland security area is vast, including the hundreds of thousands of people involved in preventing, preparing for, and responding to a terrorist attack. Therefore, aside from a White House based coordinating function, an effective homeland security organization will likely require some agency consolidation and enhanced authority for the coordinator.

¹⁴ Hart quoted in David Corn, “Ridge on the Ledge”, *The Nation*, November 18, 2001.

The possibilities for agency consolidation in the homeland security area are endless—involving wholesale mergers of disparate agencies to cover the gamut of homeland security functions (as the Hart-Rudman Commission proposed) to functional consolidation focusing on one particular area. In theory, creation of a Homeland Security Agency or Department along the lines proposed by the Hart-Rudman Commission and subsequent legislation could complement the coordination functions of Ridge's OHS. In practice, such a major merger would likely create inevitable, and very probably debilitating, tensions between Ridge and the head of the new agency. Putting Ridge in charge of the new agency, and investing him with the coordinating mandate as well, would not solve the problem, since other agency heads would not be inclined to follow Ridge's lead once he had lost his ability to be a clear honest broker.

A more limited consolidation would focus on merging agencies that perform similar functions. One prime candidate is agencies with responsibility for monitoring what crosses the border. Tom Ridge reportedly favors setting up a National Border Administration, which would consist of the Coast Guard, the Customs Service, the enforcement arm of the Immigration and Naturalization Service (including the Border Patrol), and the Agriculture Quarantine Inspection program.¹⁵ According to a White House white paper proposing this consolidation, the new administration's core mission "would be to manage the physical entry and exit of all people, goods, and vehicles into the United States by air, land, or sea, and in so doing to prevent, preempt, and deter terrorist infiltration or the introduction of weapons of mass destruction."¹⁶ By bringing these agencies under one roof, a more streamlined and integrated border monitoring effort would likely result. For that reason, it might be advisable to include in the consolidation the new Transportation Security Agency (which is responsible for monitoring what goes onto commercial airplanes) and possibly the consular functions in the State Department, which determine who can enter the country from abroad.

The Office of Homeland Security might be strengthened with additional authorities. One such authority is statutory—the enactment of a bill that would give the office and its director a basis

¹⁵ Alison Mitchell, "Official Urges Combining Several Agencies to Create One That Protect Borders, *New York Times*, January 12, 2002, p. A8

¹⁶ "Border Security White Paper," The White House, December 21, 2001, pp. 1-2.

in law. This would give the office the permanence that it currently lacks, being established by executive order. It could also elevate the director to the same level as his departmental colleagues, at least in the eyes of the law. The absence of any statutory authority for OHS is particularly troubling to many on the Hill—although their concern might be due less to a belief that the absence of such authority weakens Ridge vis-à-vis his cabinet colleagues and more to a worry that the office and its people are outside of Congress’s direct purview.

Statutory authority does not necessarily imply greater internal authority—compare, for example, the power of the drug czar (who has such authority) with that of the chief of staff or national security adviser (who do not). It can hurt if the legislation providing it also imposes major operating constraints. What matters in the executive branch is often less formal status than proximity to the pinnacle of power—the president and the Oval Office. Nevertheless, statutory authority may help, especially if passed as part of a bill shorn of the usual congressional add-ons. A more important authority involves budgetary measures, where a strengthened hand for Ridge will clearly be beneficial. This is an issue we return to in more detail below.

Functions of the Homeland Security Office¹⁷

Whatever its precise character, any organization responsible for securing the homeland will have to perform three distinct tasks. First, in order to give coherence to the effort, the organization must lead a strategic planning process to determine the goals and strategies for countering the threat of terrorism to the homeland. Second, the organization must help develop and frame the overall budget in order to ensure agreed strategies will in fact be implemented. Finally, the organization must assist the president in managing crises, especially during and in the immediate aftermath of a real or suspected terrorist incident. For each of these functions, different organizational approaches are possible.

II. Strategic Planning

There are essentially two different approaches to strategic planning. One involves development of a single national strategy. The other takes a more ad hoc approach by focusing on

¹⁷ The options that follow also apply to an integrated homeland security agency (Option I-A). But for simplicity of presentation, and because the President has made a basic organizational choice, we henceforth use the word “Office” to describe the new homeland security entity.

critical issues and policy areas in greater detail. A third possible approach to strategic planning would combine these two, by using the ad hoc approach to arrive at a detailed, overall strategy.

Option II-A: Development of an Explicit, Overall Homeland Security Strategy

One approach to strategic planning is to assign the OHS or its equivalent the task of developing a national strategy for homeland security, akin to the National Drug Control Strategy for which ONDCP bears primary responsibility. President Bush's executive order setting up the OHS mandates Ridge and his office to prepare such a national strategy in cooperation with "executive departments and agencies, State and local governments, and private entities."¹⁸ A House bill introduced by Reps. Jim Gibbons (R-VA) and Jane Harman (D-CA) that would give the OHS statutory authority also directs it to create such a national strategy.¹⁹ Although the national strategy will not be completed until the summer 2002 at the earliest, the White House has set clear parameters for what it will contain.²⁰ It is to be a long-term, truly national plan that sets strategy not just for the Federal government but for State and local government, the private sector, and U.S. citizens as well. It will be comprehensive, including the full range of activities with a clear set of priorities. It will set clear objectives and include benchmarks and other performance measures to evaluate the strategy's implementation and determine how resources can best be allocated. Finally, the "strategy will take full account of the existing government institutions and systems for providing homeland security, such as law enforcement, public safety, public health, and emergency management."²¹

Developing a comprehensive homeland security strategy has definite advantages. It provides the federal government, State and local authorities, and private entities and citizens a clear statement of objectives and policy on how best to secure the American homeland against terrorist attack. It can provide a comprehensive statement of how this effort is to be organized and implemented and

¹⁸ "Executive Order Establishing the Office of Homeland Security," Sec. 3(a).

¹⁹ *The Office of Homeland Security Act of 2001*, H.R. 3026 107 Cong. 1 sess. (introduced by Reps. Jim Gibbons and Jane Harman, , October 4, 2001).

²⁰ President George W. Bush, *Securing the Homeland, Strengthening the Nation* (Washington, DC: The White House, January 2002), pp. 6-7. Available at: http://www.whitehouse.gov/homeland/homeland_security_book.html (accessed February 2002).

²¹ *Ibid.*, p. 7.

should provide a clear blueprint for budgeting purposes. Finally, a strategy that delineates objectives, goals, and strategies with definitive benchmarks should enable the OHS to determine with some degree of precision how well agencies are implementing the strategy over time.

At the same time, a national strategy of this kind is likely to be useful only up to a point. Unlike the case of drugs and many other policy areas, homeland security is a vast enterprise that is not easily or readily reducible to a single strategic framework. Our vulnerabilities to attack are too numerous to catalogue, as are the ways in which these vulnerabilities can be reduced. The available responses are likely to be driven at least in part by the circumstances prevailing at the time of an attack. Broad statements of principle, major strategic imperatives, and large organizational requirements can of course be detailed in a national strategy, thus giving some important guidance to agencies and resource managers on how to allocate time and effort. But no single document is likely to be sufficiently comprehensive to guide the entire effort all on its own. It can set direction, delimit parameters, and provide overall coherence, but a single strategy cannot prescribe every important goal, strategy, and action that needs to be taken in order to enhance the prospects of success.

Of greatest concern, however, is that the effort to produce a single, coherent statement is bound to generate pressures for a document that accommodates the views of major agencies and interests rather than one that sharply delineates the choices our nation confronts. More often than not, documents like these make for bland reading because too many hands are involved in their drafting, and too many concerns need to be reconciled.

Option II-B: Focusing on Key Strategic Choices

This suggests the possible utility of a second approach—one modeled on past and current practice in the national security arena.²² Rather than developing a strategy for the entire government, Ridge could commission analyses of a series of first-order issues that will require presidential decisions. This would involve the issuance of Homeland Security Study Directives (HSSDs) tasking interagency groups to present specific options, defined not as agency preferences but as real, alternative ways of addressing key problems. Some HSSDs could address questions of structure and process—organization, budget authority, and intelligence-collection, sharing, and

²² The following paragraphs draw on Daalder and Destler, “Organizing for Homeland Security.”

analysis. Others could address particular broad tasks—prevention, damage-limitation, countering particular threats like biological and chemical agents, and cooperative law enforcement. The options developed in such studies would be discussed and debated at HSC meetings chaired by the president, followed by his choosing among them. His decision would subsequently be codified in an HSPD signed by the president.

Commissioning such policy reviews while the homeland security office and council are relatively new would serve several related goals. It would give the advisor the initiative in policy development. It would engage other departments and agencies in the critical task of formulating realistic choices. It would increase the chances for wise policy. And it would connect the adviser/HSC to the president at a time when the chief executive is giving top priority and attention to homeland security issues. It would also be a potent device to meet the need for what Ashton Carter labels “*program coordination . . . a multiyear, multiagency effort to develop tactics, technology, and where required new institutions for the ongoing struggle against catastrophic terrorism.*”²³

Option II-C: Key Choices (II-B) as a Route to a Strategy (II-A)

Once a series of HSPDs has been issued and key questions decided, it might be possible to move onto formulating an integrated homeland security strategy. In that regard, it is possible to merge the two approaches to strategic planning by regarding the HSSM/HSPD process as a way to decide the main provisions of the national strategy. This approach could avoid the blandness that likely results from producing a consensus document from scratch, since the critical issues will have been thrashed out through an analytically more challenging process. At the same time, this approach would also make it more likely that the government as a whole is guided by an integrated strategy designed to pull key presidential decisions into a coherent and comprehensive whole.

III. The Budgetary Role of the OHS

The wide dispersal of homeland security competence means that budget authority is widely dispersed as well. Dozens of agencies and several thousand individual programs have pieces of the homeland security budget. For the coming fiscal year, the Bush administration has identified over

²³ Ashton B. Carter, “The Architecture of Government in the Face of Terrorism”, *International Security*, Vol. 26, no. 3 (Winter 2001/2002), p. 13.

20 departments and agencies that have requested a total of \$37.7 billion for homeland security related functions. How should this overall budget process be structured? Given the way Washington works, the role of individual agencies and their congressional appropriators will inevitably be great. The administration may present a single budget, but appropriations will go to the many that are ultimately responsible for spending the funds. The key role for a central authority like OHS thus comes in drawing up the budget that is submitted to the Hill, and (to the extent possible) influencing bargaining with Congress over proposed changes. And here there are at least three different models—OHS can act as an *adviser* to the agencies, the Office of Management and Budget (OMB) and ultimately the president; OHS can be a *partner* with OMB in drawing up the president's budget; and OHS can be a *decision maker*, with agencies being allowed to appeal the decision only to the highest authorities.

Option III-A: OHS As Budget Adviser

The weakest OHS role is one where the director acts as an adviser to the president and OMB director. Tom Ridge has been given such an advising role under the president's EO, which states that he "shall review and provide advice to the heads of departments and agencies for such programs [and] provide advice to the [OMB] Director on the level and use of funding in departments and agencies for homeland security-related activities and, prior to the Director's forwarding of the proposed annual budget submission to the President for transmittal to the Congress, shall certify to the Director the funding levels that [he] believes are necessary and appropriate for the homeland security-related activities of the executive branch."²⁴ Thus, for the FY2003 budget Ridge was provided the opportunity of a few weeks to review the agency budget submissions and he advised OMB to significantly increase spending in a number of areas. Ridge told the *New York Times* that "Everything I asked for, I got," suggesting that at least under current conditions the advisory process can produce results.²⁵

There is in this model no scope for the OHS director to direct any department or agency to fund particular programs. Under current circumstances, when the threat is both immediate and

²⁴ "Executive Order Establishing the Office of Homeland Security," Sec. 3(I).

²⁵ Joel Brinkley and Philip Shenon, "Ridge Meeting Opposition From Agencies," *New York Times*, February 7, 2002, p. A12.

clear, such an advising role will suffice. Getting agencies to spend resources for homeland security is not a problem. The obverse is more likely, with agencies seeking to sell some of their programs as a contribution to homeland security, knowing that in a tight budget climate that is where the money is. But organizations must function in many different climates, including one where the incentive to spend on programs protecting the homeland is less—as was the case prior to September 11. In this situation, an advising role such as the one Ridge currently enjoys is unlikely to be enough.

Option III-B: OHS As Budgetary Partner

The president could decide to strengthen the OHS role by making its director a partner of the OMB director so that OMB becomes in effect the enforcer of the OHS's funding objectives in the process of drawing up the president's annual budget. OMB is responsible for making sure that the numbers add up—and in its negotiations with individual agencies it can make sure that OHS's funding priorities are being met, even if that means that other agency programs will have to be cut. This partnership approach is somewhat akin to the process that is used in drawing up the annual drug control budget. As specified in the ONDCP Reauthorization Act of 1998, each agency submits its drug control budget to ONDCP for annual review. ONDCP then determines whether the request is sufficient to meet the overall strategy and, if not, notifies the agency and OMB of the need to increase funding. The final agency budget submission to OMB is subsequently certified by the director of ONDCP, or decertified as the case may be. This to-and-fro process gives the ONDCP and OMB directors an incentive to cooperate in making sure individual agency funding requests meet overall policy goals. However, ultimate authority in drawing up the overall budget request rests with the OMB director and the president, not with ONDCP.

Option III-C: OHS As Budget Decision Maker

The final approach is to make the OHS director an actual budget decision maker. Working with the agencies and OMB, OHS would draw up a homeland security budget, including specific agency requests. The final decision on specific agency funding requests would rest with OHS, subject only to appeal at the highest level—either the president's budget task force (composed of the vice president, secretary of the treasury, chief of staff, head of the national economic council, and OMB director) or the president himself. Although this approach would give the OHS director substantial control over budgeting, it would for that very fact be highly controversial. After all, much of power in Washington revolves around the control of money. And if agency heads are to be

responsible for how money is spent, they will invariably resist yielding up influence over the request for these monies that is submitted to Congress.

IV. Crisis Management

In the event of an actual terrorist incident, who should lead the response effort—in Washington and where the attack takes place? There are essentially two organizational approaches to crisis management—a centralized model placing most of the authority at the White House and a decentralized model that assigns coordination of the federal response to a lead agency, *e.g.*, FEMA or the FBI or another agency, depending on the substance of the crisis, working together with local authorities who control the first responders.

Option IV-A: Managing Crises from the White House

A centralized model would place the president or his designee in direct charge of the federal government response. That is the model employed at present. As the EO states, “The Assistant to the President for Homeland Security shall be the individual primarily responsible for coordinating the domestic response efforts of all departments and agencies in the event of an imminent terrorist threat and during and in the immediate aftermath of a terrorist attack within the United States and shall be the principal point of contact.”²⁶ Such a centralized model can be highly effective, as seen in the government’s response to the crash of an American Airlines jet in Queens, NY, last November. Within minutes, Ridge had called a meeting with the Attorney General, FBI Director, Transportation Secretary, and others to determine whether terrorism might be the cause and what the appropriate response should be. For two hours, the group sifted through incoming information, considered possible courses of action, and coordinated support for the on-the-ground response effort. Once terrorism had been ruled out as a likely cause of the crash, standard response procedures for airplane accidents went into effect, and Ridge withdrew from any further involvement.²⁷ In the future, Ridge’s coordination efforts will be supported by an operations center somewhat akin to the White House Situation Room. The center, which is staffed by people detailed

²⁶ “Executive Order Establishing the Office of Homeland Security,” Sec. 3(g).

²⁷ Alison Mitchell, “First Test for a Disaster Response Plan,” *New York Times*, November 13, 2001, p. A19.

from a wide variety of agencies, will analyze and share data from multiple sources and will act as the communication hub in case of a crisis.²⁸

Centralization at the top is necessary to coordinate an effective response to any incident that requires the involvement of more than a handful of agencies. The principal organizational question is whether such centralization should be extended down to the site of the actual incident. One possibility is to create a cadre of people, drawn from various agencies but responsive to Ridge's office, who would be sent into the field to coordinate at least the federal government's response efforts. These would be Ridge's people, reporting directly to him at the center, and they would be in charge on the ground.²⁹

Option IV-B: Decentralized Response by Function

An alternative, more decentralized model would be to assign different agencies lead responsibility in different areas. Thus, FEMA would take charge of the federal government's on-the-ground emergency response, the FBI would be in charge of any criminal investigation, the National Guard and local authorities would provide for security, HHS would be responsible for detecting any chemical or biological agents, and a specially trained Marine Corps unit could be in charge of any decontamination effort. Coordination would occur at the center, through an OHS-led interagency process, rather than directly on the ground.

There are at least two potential problems with a decentralized approach. First, in the absence of a coordinated response, each agency will take the lead in focusing on a particular area, potentially leaving some areas uncovered. Secondly, there is the potential for conflict among the agencies, as each seeks to meet its own needs. For example, the FBI may be most interested in securing a site to preserve possible evidence, FEMA may be most interested in providing immediate relief to victims, and a local authority may be most interested in cleaning up the affected site. Who controls access and determines the sequencing among these competing demands? Effective training of first

²⁸ Alison Mitchell, "Ridge is Opening a Center to Analyze and Share Data," *New York Times*, December 25, 2001, p. B5.

²⁹ One supporter of this concept is Anthony Lake. See Lake, *Six Nightmares* (New York: Little, Brown, and Co., 2000), p. 60.

responders can help eliminate much of this potential friction, but without a clear unity of command on the ground the possibilities of conflict are many.

Addressing the Foreign-Domestic Divide

Terrorism is quintessentially a transnational phenomenon. Terrorists and the lethal materials they employ travel from far away to attack us here at home. Nonetheless, the U.S. government is organized along the foreign-domestic divide—a division that the creation of the Office of Homeland Security has only sharpened. Where OHS, the FBI, and first responders are responsible for addressing terrorism from the border inward, the NSC, the State and Defense Departments, and the CIA are responsible from the border outward. This leaves unaddressed the critical question of how these activities can be connected.

If we were organizing from scratch, and our primary goal was to counter terrorism, this foreign-domestic divide would certainly not be replicated. As things stand today, there are two basic approaches. One is to do away with the organizational divide and vest responsibility for all aspects of countering terrorism in a single body. This would be the most radical solution, involving wrenching organizational change. The other is to coordinate across the divide. This is what the Bush administration has opted to do.

Option V-A: Radical Organizational Surgery

The most sweeping solution is to merge all the counter-terrorism responsibilities currently in the NSC with the HSC operation. This might involve creating a new Counterterrorism Council (CTC) that would incorporate the OHS as well as all the counterterrorism competencies now housed with the NSC staff. The CTC would be run by an assistant to the president, who would have status on a par with that of Condoleezza Rice or Tom Ridge. The advantage of this approach is to bring coherence to the counterterrorism effort by abandoning a foreign-domestic divide that makes no policy sense in this sphere, even if it reflects long-standing bureaucratic traditions. The disadvantage is that it would eviscerate the NSC, whose staff is giving top priority to the external war on terrorism. The regional offices are focused on shoring up the coalition effort, while many of the functional offices are similarly concentrating on the war against Al Qaeda, monitoring money flows, overseeing covert operations, and other elements of the multifaceted campaign. Of course,

the NSC could be confined to the remainder of the U.S. international agenda, but that would marginalize it and separate it from the President's overriding concerns.

An alternative that would avoid this problem would be to fold the OHS responsibilities into an enlarged NSC. That was the direction in which the U.S. government was going prior to September 11. The counterterrorism function—including homeland efforts such as security for the Atlanta Olympics—had steadily expanded within the NSC as part of a larger focus on transnational threats. By the end of the Clinton administration, the office responsible for these issues was by far the Council's largest. And it remained large after Bush came into office. Moving further in this direction, with an expanded homeland security unit within the NSC, would definitely bridge the foreign-domestic divide. But with this model counterterrorism would soon overwhelm the other NSC functions. What has traditionally been a relatively small staff would become large, bureaucratic, and unmanageable. The NSC would also, of necessity, become more operational, and thus become less effective at the key staff functions it now performs well.

Option V-B: NSC-HSC Coordination

Given these problems, it may be preferable to abandon hope for major reorganization and address the foreign-domestic divide through enhanced coordination between the NSC and HSC. That has been the path chosen by the Bush administration. There is considerable overlap in the membership of the HSC and NSC, including in their respective principals committees. Ridge and Rice are invited to participate in the full Council and principals committee meetings of the other to ensure coordination. Key functions and people, including the national director for combating terrorism and the president's senior adviser for cyberspace security, are dual hatted and report to both Rice and Ridge. And there may well be scope for even more coordination in the future. For example, Ridge's operations center and the White House Situation Room could be coordinated, if not actually integrated altogether. Key staffers, not just top deputies, could be dual-hatted as well.

Congress

This paper is already too long, and legislative reorganization deserves similarly extensive treatment—hopefully in a separate paper commissioned by The Century Foundation. However, since this was marginally within our original assignment, a brief discussion here seems warranted.

Assuming that homeland security remains a primary, long-term focus of our government, executive branch activities will increasingly be organized around this purpose. Unless Congress finds a way to replicate this priority, it will see its power atrophy, just as its power of the federal budget, and the intelligence instruments of foreign policy, faded prior to the establishment of new sets of institutions and procedures in the 1970s. But change will be difficult. What follows are options in increasing order of significance.

Option VI-A: A Joint Committee on Homeland Security

Congress could strengthen its capacity for analysis and oversight by creating a new body on the model of the Joint Economic Committee. This would limit the threat to existing jurisdictions, as a JCHS would have no legislative or appropriations authority. This would also limit its impact, of course, but a JCHS could be a useful focal point—holding hearings, issuing reports, calling executive officials to task.

Option VI-B: A Homeland Security Budget Process

Congress could respond to Tom Ridge's nascent homeland security budget through adjustments in its budget process. The Senate and House budget committees could task the CBO to assess the administration's proposals, and reorder the categories in the annual budget resolutions to allow them to guide Congress on homeland security spending taken as a whole. This might have some marginal impact on the appropriations process, and help Ridge gain leverage over that as well.

Option VI-C: Realignment of Committee and Subcommittee Jurisdictions

Last but surely not least, Congress could create new authorizing committees and appropriations subcommittees for homeland security, and redraw jurisdictional lines so that they would have real legislative power. The same federal activities that are candidates for organizational consolidation would be candidates for transfer to the jurisdiction of the new legislative units.

However, it is doubtful that this reform could move any further or faster than actual consolidation within the executive branch, and it is in practice unlikely to move that fast.

Moreover, it would face the same limitations as the Hart-Rudman-Lieberman-Thornberry proposals for a unified department or agency with which we began our options analysis. Left out of any new committees' legislative jurisdiction would inevitably be law enforcement, disease control, and other functions critical to the homeland security effort.