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INTERNET DOCUMENT INFORMATION FORM

A . Report Title:Combat Terrorism Observations on Crosscutting Issues

B. DATE Report Downloaded From the Internet June 1998

C. Report's Point of Contact: (Name, Organization, Address, Office Symbol, & Ph #

United States General Accounting
National Security and International Affairs
Division
Washington, DC 20548

D. Currently Applicable Classification Level: Unclassified

E. Distribution Statement A: Approved for Public Release

F. The foregoing information was compiled and provided by:
DTIC-OCA, Initials: JC Preparation Date: 12 June 1998

The foregoing information should exactly correspond to the Title, Report Number, and the Date on the accompanying report document. If there are mismatches, or other questions, contact the above OCA Representative for resolution.

19980617 152

GAO

Testimony

Before the Subcommittee on National Security,
International Affairs and Criminal Justice, Committee on
Government Reform and Oversight, House of
Representatives

For Release on Delivery
Expected at
1:00 p.m., EDT
Thursday,
April 23, 1998

COMBATING TERRORISM

Observations on Crosscutting Issues

Statement of Richard Davis, Director, National Security
Analysis, National Security and International Affairs
Division



DTIC QUALITY INSPECTED 1

Mr. Chairman and Members of the Subcommittee:

We are pleased to be here today to discuss our work and observations on federal efforts to combat terrorism. As you know, we have been studying the crosscutting aspects of the terrorism area for nearly 2 years at the requests of Congressman Ike Skelton and Senator John Glenn, in addition to this Subcommittee. This horizontal approach to our work—looking at terrorism matters across several agencies—offers a very different perspective on the issues to the Congress than if we looked at individual agencies and their programs separately. We will first briefly talk about the foreign-origin and domestic terrorism threat in the United States as we understand it from intelligence analyses and the origins and principles of the U.S. policy and strategy to combat terrorism. Then I would like to share some of our observations about issues that warrant further attention.

Summary

Conventional explosives and firearms continue to be the weapons of choice for terrorists. Terrorists are less likely to use chemical and biological weapons than conventional explosives, although the likelihood that they may use chemical and biological materials may increase over the next decade, according to intelligence agencies. More than a decade ago, the Vice President's Task Force on Terrorism highlighted the need for improved, centralized interagency coordination. Our work suggests that the government should continue to strive for improved interagency coordination today. The need for effective interagency coordination—both at the federal level and among the federal, state, and local levels—is paramount. The challenges of efficient and effective management and focus for program investments are growing as the terrorism issue draws more attention from the Congress and as there are more players and more programs and activities to integrate and coordinate. The United States is spending billions of dollars annually to combat terrorism without assurance that federal funds are focused on the right programs or in the right amounts. As we have emphasized in two reports, a critical piece of the equation in decisions about establishing and expanding programs to combat terrorism is an analytically sound threat and risk assessment using valid inputs from the intelligence community and other agencies. Threat and risk assessments could help the government make decisions about how to target investments in combating terrorism and set priorities on the basis of risk; identify unnecessary program duplication, overlap, and gaps; and correctly size individual agencies' levels of effort. Finally, there are

different sets of views and an apparent lack of consensus on the threat of terrorism—particularly weapons of mass destruction (WMD) terrorism.

The Foreign and Domestic Terrorism Threat in the United States

We are all aware that certain key large-scale terrorist incidents at home and abroad since 1993 have dramatically raised the public profile of U.S. vulnerability to terrorist attack. The bombings of the World Trade Center in 1993 and of the federal building in Oklahoma City, Oklahoma, in 1995, along with terrorists' use of a nerve agent in the Tokyo subway in 1995, have elevated concerns about terrorism in the United States—particularly terrorists' use of chemical and biological weapons. Previously, the focus of U.S. policy and legislation had been more on international terrorism abroad and airline hijacking.

The U.S. intelligence community, which includes the Central Intelligence Agency, the National Security Agency, the Federal Bureau of Investigation (FBI), and others, has issued classified National Intelligence Estimates and an update on the foreign-origin terrorist threat to the United States. In addition, the FBI gathers intelligence and assesses the threat posed by U.S. or domestic sources of terrorism.

What is important to take away from these intelligence assessments is the very critical distinction made between what is conceivable or possible and what is likely in terms of the threat of terrorist attack. According to intelligence agencies, conventional explosives and firearms continue to be the weapons of choice for terrorists. Terrorists are less likely to use chemical and biological weapons than conventional explosives, although the likelihood that terrorists may use chemical and biological materials may increase over the next decade. Chemical and biological agents are less likely to be used than conventional explosives, at least partly because they are more difficult to weaponize and the results are unpredictable. According to the FBI, the threat of terrorists' use of chemical and biological weapons is low, but some groups and individuals of concern are beginning to show interest in such weapons. Agency officials also have noted that terrorists' use of nuclear weapons is the least likely scenario, although the consequences could be disastrous.

The FBI will soon issue its report on domestic terrorist incidents and preventions for 1996. According to the FBI, in 1996, there were 3 terrorist incidents in the United States, as compared with 1 in 1995; zero in 1994; 12 in 1993; and 4 in 1992. The three incidents that occurred in 1996 involved

pipe bombs, including the pipe bomb that exploded at the Atlanta Olympics.

Origins and Principles of U.S. Policy and Strategy to Combat Terrorism

U.S. policy and strategy have evolved since the 1970s, along with the nature and perception of the terrorist threat. The basic principles of the policy continue, though, from the 1970s to today: make no concessions to terrorists, pressure state sponsors of terrorism, and apply the rule of law to terrorists as criminals. U.S. policy on terrorism first became formalized in 1986 with the Reagan administration's issuance of National Security Decision Directive 207. This policy resulted from the findings of the 1985 Vice President's Task Force on Terrorism, which highlighted the need for improved, centralized interagency coordination of the significant federal assets to respond to terrorist incidents. The directive reaffirmed lead agency responsibilities, with the State Department responsible for international terrorism policy, procedures, and programs, and the FBI, through the Department of Justice, responsible for dealing with domestic terrorist acts.

Presidential Decision Directive (PDD) 39—issued in June 1995 following the bombing of the federal building in Oklahoma City—builds on the previous directive and contains three key elements of national strategy for combating terrorism: (1) reduce vulnerabilities to terrorist attacks and prevent and deter terrorist acts before they occur; (2) respond to terrorist acts that do occur—crisis management—and apprehend and punish terrorists; and (3) manage the consequences of terrorist acts, including restoring capabilities to protect public health and safety and essential government services and providing emergency relief. This directive also further elaborates on agencies' roles and responsibilities and some specific measures to be taken regarding each element of the strategy.

Now a new PDD on combating terrorism is being drafted that could further refine and advance the policy. This draft directive, which is classified, reflects a recognition of the need for centralized interagency leadership in combating terrorism. Among other things, the draft policy tries to resolve jurisdictional issues between agencies and places new emphasis on managing the consequences of a terrorist incident and on the roles and responsibilities of the various agencies involved.

Observations on Crosscutting Terrorism Issues

Based on the reports and work we have performed to date, we would like to make three observations. First, in certain critical areas, just as the Vice President's Task Force on Terrorism noted in 1985, improvements are needed in interagency coordination and program focus. Since that time—and even since PDD-39 was issued in June 1995—the number of players involved in combating terrorism has increased substantially. In our September 1997 report,¹ we noted that more than 40 federal agencies, bureaus, and offices were involved in combating terrorism. To illustrate the expansion of players since PDD-39, for example, Department of Agriculture representatives now attend counterterrorism crisis response exercise planning functions. Also, to implement the Nunn-Lugar-Domenici Domestic Preparedness Program,² the U.S. Army's Director of Military Support has created a new office for the new mission to train U.S. cities' emergency response personnel to deal with terrorist incidents using chemical and biological WMD and plans to create another office to integrate another new player—the National Guard and Reserve—into the terrorism consequence management area. The National Guard and Reserve initially plan to establish 10 Rapid Assessment and Initial Detection (RAID), teams throughout the country. The U.S. Marine Corps has established the Chemical Biological Incident Response Force. Further, the Department of Energy has redesigned its long-standing Nuclear Emergency Search Team into various Joint Technical Operations Teams and other teams. At least one Department of Energy laboratory is offering consequence management services for chemical and biological as well as nuclear incidents. And the Public Health Service is in the process of establishing 25 Metropolitan Medical Strike Teams throughout the country in addition to 3 deployable “national asset” National Medical Response Teams and existing Disaster Medical Assistance Teams. There are many more examples of new players in the terrorism arena.

Effectively coordinating all these various agencies', teams', and offices' requirements, programs, activities, and funding requests is clearly important. We are currently examining interagency coordination issues as part of our work for this Subcommittee and Congressman Skelton in counterterrorism operations, exercises, and special events and in the

¹Combating Terrorism: Federal Agencies' Efforts to Implement National Policy and Strategy (GAO/NSIAD-97-254, Sept. 26, 1997).

²The Defense Against Weapons of Mass Destruction Act, contained in the National Defense Authorization Act for Fiscal Year 1997 (title XIV of P.L. 104-201, Sept. 23, 1996), established the Nunn-Lugar-Domenici Domestic Preparedness Program. The Department of Defense is the lead federal agency for implementing the program, and is to work in cooperation with the FBI, the Department of Energy, the Environmental Protection Agency, the Department of Health and Human Services, and the Federal Emergency Management Agency.

Nunn-Lugar-Domenici Domestic Preparedness Program. In doing our work, we have observed some indications of potential overlap in federal capabilities to deal with WMD, and we plan to further assess this issue for you and Congressman Skelton.

In a second, related observation, more money is being spent to combat terrorism without any assurance of whether it is focused on the right programs or in the right amounts. Our December 1997 report³ showed that seven key federal agencies spent more than an estimated \$6.5 billion in fiscal year 1997 on federal efforts to combat terrorism, excluding classified programs and activities. Some key agencies' spending on terrorism-related programs has increased dramatically. For example, between fiscal year 1995 and 1997, FBI terrorism-related funding and staff-level authorizations tripled, and Federal Aviation Administration spending to combat terrorism tripled.

We also reported that key interagency management functions were not clearly required or performed. For example, neither the National Security Council nor the Office of Management and Budget (OMB) was required to regularly collect, aggregate, and review funding and spending data relative to combating terrorism on a crosscutting, governmentwide basis. Further, neither agency had established funding priorities for terrorism-related programs within or across agencies' individual budgets or ensured that individual agencies' stated requirements had been validated against threat and risk criteria before budget requests were submitted to the Congress.

Because governmentwide priorities have not been established and funding requirements have not necessarily been validated based on an analytically sound assessment of the threat and risk of terrorist attack, there is no basis to have a reasonable assurance that funds are being spent on the right programs in the right amounts and that unnecessary program and funding duplication, overlap, misallocation, fragmentation, and gaps have not occurred.⁴

In part, as a result of our work, the National Defense Authorization Act for Fiscal Year 1998 (P.L. 105-85, Nov. 18, 1997) requires OMB to establish a reporting system for executive agencies on the budgeting and expenditure

³Combating Terrorism: Spending on Governmentwide Programs Requires Better Management and Coordination (GAO/NSIAD-98-39, Dec. 1, 1997).

⁴For further discussion of threat and risk assessment approaches and models, see *Combating Terrorism: Threat and Risk Assessments Can Help Prioritize and Target Program Investments* (GAO/NSIAD-98-74, Apr. 9, 1998).

of funds for programs and activities to combat terrorism. OMB is also to collect the information and the President is to report the results to the Congress annually, including information on the programs and activities, priorities, and duplication of efforts in implementing the programs. OMB recently issued its first report to the Congress on enacted and requested terrorism-related funding for fiscal years 1998 and 1999, respectively. OMB reported that more than 17 agencies' classified and unclassified programs were authorized \$6.5 billion for fiscal year 1998, and \$6.7 billion was requested for fiscal year 1999. OMB's figures are lower than ours were for fiscal year 1997, but different definitions and interpretations of how to attribute terrorism-related spending in broader accounts could cause a difference of billions of dollars. What is important about the OMB effort is that it is a first step in the right direction toward improved management and coordination of this growing program area. But this crosscutting, or functional, view of U.S. investments in combating terrorism, by itself, does not tell the Congress or the executive branch whether or not the federal government is spending the right amounts in the right areas.

Many challenges are ahead as we continue to see the need for (1) governmentwide priorities to be set; (2) agencies' programs, activities, and requirements to be analyzed in relation to those priorities; and (3) resources to be allocated based on the established priorities and assessments of the threat and risk of terrorist attack. As an example of my last point, if an agency spends \$20 million without a risk assessment on a security system for terrorism purposes at a federal building, and the risk of an attack is extremely low, the agency may have misspent the \$20 million, which could have been allocated to higher risk items.

Additionally, we see opportunities in the future to apply Government Performance and Results Act of 1993 principles to the crosscutting programs and activities intended to combat terrorism. The act requires each executive branch agency to define its mission and desired outcomes, measure performance, and use performance information to ensure that programs meet intended goals. The act's emphasis on results implies that federal programs contributing to the same or similar outcomes should be closely coordinated to ensure that goals are consistent and program efforts are mutually reinforcing.

In response to a separate requirement from the fiscal year 1998 Appropriations conference report (House Report 105-405), the Department of Justice is drafting a 5-year interdepartmental counterterrorism and technology crime plan. The plan, due to be completed by December 31,

1998, is to identify critical technologies for targeted research and development efforts and outline strategies for a number of terrorism-related issues. In developing the plan, Justice is to consult with the Departments of Defense, State, and the Treasury; the FBI; the Central Intelligence Agency; and academic, private sector, and state and local law enforcement experts. While Justice's efforts to develop an interagency counterterrorism and technology crime plan are commendable, this plan does not appear to have been integrated into the agencywide Government Performance and Results Act planning system. Justice's 1999 annual performance plan contains a section on reducing espionage and terrorism, and it does not mention the 5-year plan or how it plans to coordinate its counterterrorism activities with other agencies and assess inputs, outputs, and outcomes. Justice has recognized that it needs to continue to focus on developing and improving crosscutting goals and indicators.

Our third observation is that there are different sets of views and an apparent lack of consensus on the threat of terrorism—particularly WMD terrorism. In our opinion, some fundamental questions should be answered before the federal government builds and expands programs, plans, and strategies to deal with the threat of WMD terrorism: How easy or difficult is it for terrorists (rather than state actors) to successfully use chemical or biological WMDs in an attack causing mass casualties? And if it is easy to produce and disperse chemical and biological agents, why have there been no WMD terrorist attacks before or since the Tokyo subway incident? What chemical and biological agents does the government really need to be concerned about? We have not yet seen a thorough assessment or analysis of these questions. It seems to us that, without such an assessment or analysis and consensus in the policy-making community, it would be very difficult—maybe impossible—to properly shape programs and focus resources.

Statements in testimony before the Congress and in the open press by intelligence and scientific community officials on the issue of making and delivering a terrorist WMD sometimes contrast sharply. On the one hand, some statements suggest that developing a WMD can be relatively easy. For example, in 1996, the Central Intelligence Agency Director testified that chemical and biological weapons can be produced with relative ease in simple laboratories, and in 1997, the Central Intelligence Agency Director said that "delivery and dispersal techniques also are effective and relatively easy to develop." One article by former senior intelligence and defense officials noted that chemical and biological agents can be produced by graduate students or laboratory technicians and that general

recipes are readily available on the internet. On the other hand, some statements suggest that there are considerable difficulties associated with successfully developing and delivering a WMD. For example, the Deputy Commander of the Army's Medical Research and Materiel Command testified in 1998 about the difficulties of using WMDs, noting that "an effective, mass-casualty producing attack on our citizens would require either a fairly large, very technically competent, well-funded terrorist program or state sponsorship." Moreover, in 1996, the Director of the Defense Intelligence Agency testified that the agency had no conclusive information that any of the terrorist organizations it monitors were developing chemical, biological, or radiological weapons and that there was no conclusive information that any state sponsor had the intention to provide these weapons to terrorists. In 1997, the Central Intelligence Agency Director testified that while advanced and exotic weapons are increasingly available, their employment is likely to remain minimal, as terrorist groups concentrate on peripheral technologies such as sophisticated conventional weapons.

Mr. Chairman, that concludes our prepared statement. We would be happy to answer any questions at this time.