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## Senate

### Statement of Senator Dianne Feinstein

*“On the Introduction of the ‘Homeland Security FORWARD Funding Act of 2005’”*

Mrs. FEINSTEIN: I rise today to introduce the Homeland Security FORWARD Funding Act of 2005. I am pleased to be joined by my colleague from Texas, Senator John Cornyn, as well as Senators Lautenberg, Hutchison, Boxer, Corzine, Schumer, Clinton and Senator Nelson of Florida.

It is time that Congress ensures that funding to bolster the security of our nation goes to where the threat is the greatest.

Unfortunately, billions of dollars in homeland security funds to states and local communities – including \$3.6 billion in FY2005 – are now being distributed to areas that are not at the greatest risk of terrorist attack.

To do this, we need to adopt risk-based analysis to determine where our homeland security funding goes, rather than continue with the present system of ad-hoc determinations, “small-state minimums” and poorly-understood decision-making, that leave some targets exposed to threats while sending resources to places where there

is little chance of terrorist attack.

#### What the bill does

This legislation will ensure that priorities are set according to analysis of risk and threat. Specifically it:

- Directs the Secretary of Homeland Security to allocate funding to homeland security grants based on risk analysis.

This is the core of the bill, and I believe it is so important that I will quote in full the operative language, which appears in the very first substantive section of the legislation: “The Secretary shall ensure that homeland security grants are allocated based on an assessment of threat, vulnerability, and consequence to the maximum extent practicable.”

This direction covers the four major first-responder grant programs administered by Department of Homeland Security in addition to grants for seaport and airport security - called

“covered grants” in the bill, including:

1. The State Homeland Security Grant Program;
  2. The Urban Area Security Initiative;
  3. The Law Enforcement Terrorism Prevention Program; and
  4. The Citizens Corps Program.
- Reduces the “small state minimum” to .25% per state. Current practice requires each state to get .75% of much of the grant funding. That means 37.5% of the funds are marked for distribution before any risk analysis.
  - Requires grants be designed to meet “essential capabilities.” Essential capabilities are what we get for the money spent – the ability to address the risk by reducing vulnerability to attack and by diminishing the consequences of such an attack by effective response.

- Ensures that States quickly and effectively pass on Federal funds to where they are needed so that Federal funds are not held back.

The bottom line is this: if federal funds are going to be distributed to improve our national ability to “prevent, prepare for, respond to, or mitigate threatened or actual terrorists attacks,” those funds should be distributed in accordance with a risk-based analysis.

### Risk Assessment

In this post-Cold War world of asymmetric threat there are two fundamental principles we should apply to efforts to make our nation more secure against a terrorist attack:

- The first is that understanding and predicting what terrorists will do requires risk analysis.

It is an uncomfortable fact that, even with the best intelligence, we will never know exactly how, when and where terrorists will strike – the best we can do is try to assess risks and threats, and make predictions.

- The second principle is that our defense resources are finite.

The total amount of money, time and personnel that can be devoted to homeland security is limited. That means tough choices have to be made by

both the Congress, and by Executive Branch officials at the Federal, State and Local level.

Together these two principles define what we need to do for our nation:

- accurately assess the risks of an array of possible terrorist attacks;
- measure the vulnerability of all of these possible targets; and then
- allocate our resources based on that assessment.

Three years ago, we created the Department of Homeland Security in an effort to create an institution that could perform this task.

The core element of the new Department was to be the Information Assessment and Infrastructure Protection Directorate, which would “merge under one roof the capability to identify and assess current and future threats to the homeland, map those threats against our vulnerabilities, issue timely warnings and take preventive and protective action.”

We are failing in this effort.

The 9/11 Commission agreed, finding that “nothing has been harder for officials – executive or legislative – than to set priorities, making hard choices in allocating limited resources.”

The Commission concluded, “Homeland security assistance should be based strictly on an assessment of risks and vulnerabilities.”

This bill does just that.

The New York Times, in editorial published last month, titled “Real Security, or Politics as Usual?” agreed:

“Any terrorist who has followed how domestic security money is distributed in this country must be encouraged by the government’s ineptness... The current formula is based in part on population, rather than risk, and contains state minimums, so even sparsely populated states that hardly have a plausible terrorism target are raking in money. This is the formula that gave Wyoming seven times more domestic security money per capita than New York... If there were a successful attack on Wall Street or the ports of Los Angeles and Long Beach, it would be a blow to the whole nation. Defending places where the terrorist threat is greatest is not parochialism; it is defending America.”

### Resource Allocation

Despite these recommendations, we find again and again that scarce resources are allocated based on factors unrelated to real security.

For instance, Congress has established a “small state minimum” designed to ensure that every state gets a substantial portion of scarce resources, regardless of the measure of risk or vulnerability.

As a result, in FY 2004 Wyoming spent \$37.52 per capita with homeland security grants, while California and Texas spent \$8.75 and \$6.93 respectively.

The problem is not just in Congress. For example, a recent Department of Homeland Security Inspector General's report found that in the critical area of port security, grants are "not well coordinated with the Information Analysis and Infrastructure Protection."

The result is the "funding of projects with low [risk and vulnerability] scores."

A recently issued report from the Center for Security Studies and the Heritage Foundation found that there is: "no funding formula that is based on risk analysis and divorced from politics... [w]ith only limited resources available to achieve the almost limitless goal of protecting the entire United States... it is critical that we set priorities."

#### What can be done?

This bill is a first step to reducing threats of terrorist attack, but Congress can not do it alone.

The Department of Homeland Security must embrace not only the concept of risk-based allocation, but also the practical aspects of the discipline. That means improving the intelligence analysis and vulnerability assessment functions of the Department.

We also need to follow through on last year's intelligence reform efforts, since the product of the Intelligence Community – analysis of the plans, intentions and capabilities of terrorist groups – is the key element in an effective risk analysis.

This will not be easy. There are lots of vested interests who will oppose such efforts. But our nation's safety is at stake. It is time to put aside pork-barrel politics and a Cold War mentality and get to work.

#### Conclusion

Last year Representatives Cox and Turner, the Chair and Ranking Member, respectively, of the other body's Homeland Security Committee put forth similar legislation.

That effort passed the House of Representatives as part of the Intelligence Reform Bill, but was dropped at conference – that bill has been reintroduced, and is scheduled for consideration on the floor of the House this week.

This bill is based on Chairman Cox's efforts, and with a few exceptions tracks it closely.

However, unlike the House bill, this bill makes an across the board reduction of the small-state minimum to .25% -- the House bill retains a sliding scale that I believe will have the effect of undercutting its risk-based approach.

In this body, Senators Collins and Lieberman have been working to craft risk-based

legislation, which was recently reported favorably by the Senate Homeland Security Committee.

I hope that the bill introduced today will be accepted by Senators Collins and Lieberman in the spirit in which it was drafted – as a reasoned alternative to their approach, and as a starting point for further discussions.

It is my hope that Congress will act quickly to pass this legislation. We can not afford to wait until it is too late.