

# Heritage Lectures

No. 904

Delivered September 14, 2005



Published by The Heritage Foundation

November 7, 2005

## Homeland Security: Status of Federal, State, and Local Efforts

*The Honorable Mitt Romney*

If you stand back and look at the sweep of history, there seem to be inflection points where the course of history changes, where in a military endeavor, in a business or economic endeavor, perhaps even a social endeavor, the dimensions and elements of success change.

For instance, the change of centuries from the 1800s to 1900s was that kind of inflection point, where we went from an agricultural economy to one based upon manufacturing. People moved into our cities. Defense took on an entirely different character. All sorts of elements in our society changed.

Usually, when there's a change of that nature, there's a particular event or date that becomes locked in the mind as being characteristic of that inflection point. I believe that one of those inflection points was September 11, 2001, where a band of murderous, treacherous individuals demonstrated that, with agility and rapidity, they were able to attack the most powerful nation on the planet and do so successfully. That, for me, is a bit of a metaphor for an enormous change which had begun to be seen before that and is increasingly seen after that.

I worked in a consulting firm for many years. I worked in venture capital and the buyout business, and I remember working on competitive strategy. I was a strategy consultant. We'd go into big companies and help them to develop new strategies. We talked about systems and establishing scale and developing structure that allowed us to beat our competitors. Words like "domination," "dominating the market," "dominating the industry"—those were the objectives.

### Talking Points

- President Bush recognized that terrorism was not just a traditional criminal activity that had to be prosecuted. Instead, he recognized that we are now fighting a war against people who have, as their objective, the overthrow of the government of the United States.
- It is virtually impossible to have a homeland security system based only on protecting key assets and response. The key to a multi-layered strategy begins with effective prevention, and prevention begins with intelligence and counter-terrorist activity.
- In this post-9/11 world, we need response that is far more agile, fast-moving, and innovative, where decision-making is done on a rapid basis. One of the challenges in Katrina was the lack of fast-moving decision-making, clear authority, taking action without jumping across bureaucratic state, local, and federal boundaries.

This paper, in its entirety, can be found at:  
[www.heritage.org/research/homelanddefense/hl904.cfm](http://www.heritage.org/research/homelanddefense/hl904.cfm)

Produced by the Kathryn and Shelby Cullom Davis Institute  
for International Studies

Published by The Heritage Foundation  
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Washington, DC 20002-4999  
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We talked about “sustainable competitive advantage,” Michael Porter’s term. Bruce Henderson at the Boston Consulting Group talked about the importance of “gaining market share” because if you gained market share, it was very hard to displace you. With market share came low cost, competitive advantage, sustainability, and dominance, and that was how you established success in industry during the last part of the 20th century. Companies like United Airlines, U.S. Steel, General Motors, AT&T, IBM, Sears Roebuck come to mind as being the dominant players.

Today, in the post-9/11 world, that seems to have changed a great deal. Upstarts are giving those big companies a run for their money. Companies like Southwest Airlines and Jet Blue have displaced the big traditional carriers. Target has eclipsed companies like Sears Roebuck. Apple Computer comes up with the iPod and revolutionizes the industry. Look what’s happened to the computer industry; the mainframe industry is gone, taken over by people who have servers and Palms and laptops. Whole Foods knocks aside the Krogers of the world with its extraordinary growth, and biotech companies eclipse some of the great old names in the pharmaceutical industry.

In other words, in industry today, it is critical that you be nimble, agile, and fast-moving. That’s also particularly true in the realm of national security, where there has been a sea change. The demands for success in national security and defense have changed.

### **The Reality of Terrorism**

President Bush recognized that terrorism was not just a traditional criminal activity that had to be prosecuted. Instead, he recognized that we are now fighting a war against people who have, as their objective, the overthrow of the government of the United States.

These individuals are not intent just on setting off a bomb here and there in a shopping mall or in a bus. They are intent on bringing down the gov-

ernment of the United States, causing the collapse of the Western economy, and ultimately putting in place a Muslim-led world order. And given that kind of intent, they’re very serious about their effort and their strategy to be successful. This is something we have to take very, very seriously and adjust our homeland security and even national security strategies to confront.

The sea change applies to our military as well. At one time, we were content with the idea that the military was responsible for winning wars. Increasingly, we find ourselves responsible not only for winning the war, but also for keeping the peace. We play, increasingly, peacekeeping roles; how we prepare for those and train for those is something which Jim and Paul in their book have spent some time talking about.<sup>1</sup>

In this particular war that we’re fighting, as the President has pointed out, the enemy is within us, within the resident population, even within Iraq. How do you fight an enemy that is within a population? How do you defend the homeland? That’s unprecedented for us. We have not in modern times had to think about how you defend the United States of America against a foreign or domestic aggressor that would overthrow our government and cause our economy to collapse and impoverish our citizens.

### **Responding to the Threat**

This morning, I want to focus on that aspect of what’s changed. Think about the principles that I described for business and the military, the principles of agility, speed, opportunistic thinking, as we apply them to what’s happening on the homeland security front.

When 9/11 hit, there was the immediate reaction of a nation like ours that’s a democratic nation: a call for action. We have to act. This is a crisis. We have to move quickly.

What did we do? We sent money out to all of our first responders. We said to the states, “Here’s some money for you, and get it out to those first respond-

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1. See James Jay Carafano and Paul Rosenzweig, *Winning the Long War: Lessons from the Cold War for Defeating Terrorism and Preserving Freedom* (Washington, D.C.: The Heritage Foundation, 2005).

ers as quickly as you can.” And they said, “Oh boy, here comes the money. I’ve needed a new fire truck for years. I’ve needed a mobile command center. How about a mobile troop carrier? How about a hazmat team?”

We had cities and towns right next to each other getting mobile command centers. You know you don’t need these in every town. We have 351 cities and towns. We didn’t have regional plans; it was everybody grabbing money as fast as we could. They were angry that we didn’t get the money out faster because the waiting list for new fire engines was long.

We changed that with time and began looking for regional strategies. I think we’re doing a better job. But if you look at where the money has gone, the tens of billions that have gone out to states and localities overwhelmingly has gone to where we could spend it, and that’s on first response and communication systems, command centers and so forth. We need those things, but it has not been a spending strategy based on a completely layered view of how we can protect the homeland, and that’s something we have time to do now.

How prepared are we? We’re better prepared than we were on 9/11, but we have a long way to go. When we had the “slow motion disaster” of Katrina, we saw it coming. You saw the director of the National Hurricane Center saying, “This will be worst we’ve ever had.” Yet even with that, and even with the fact that we’ve been spending all this money on response, we still did what the President considered to be an “unacceptable” job in responding to the crisis that we faced.

Richard Falkenrath, in his excellent road map for how we protect the homeland, talks about a multi-layered strategy. Some parts we’re doing—response, for example. Some parts we’re doing very little. As a governor, I don’t think exactly in Richard Falkenrath’s terms, but I do think of multi-layering.

For me, there are three major categories in protecting the homeland. One is preventing the attack. Another is protecting key assets—for example, a large group of people or a power plant. Then there’s the most important part of homeland security: the

offense, which is going out and going after them, and that’s what we’re doing in Afghanistan, in Iraq, and in other places.

The dollars have gone to response by and large—hazmat teams and so forth. The response, however, is only effective or only applicable *after* the crisis—after the bomb has gone off. How about protection?

Protection is putting the barricades up, putting troopers at the mouth of a tunnel, the protection of key assets. How critical is that? It’s an important part of our layered strategy, but I learned very quickly that it is an insufficient element of a layered strategy to protect the homeland.

When one of the first Code Oranges was announced when I was governor, the message came in from Homeland Security that we were to pay particular attention to our bridges. The bridges and tunnels were potentially going to be targeted. So I met with our homeland security people and with our public safety folks and said we’ve got a concern about our bridges. How many bridges do we have in Massachusetts? We’re a small state. And the answer came back: We have 3,700 bridges. We have fewer state troopers than we have bridges.

I thought about that. Let’s just focus on the key bridges; we’re not going to worry about every overpass. Let’s take something like the new tunnel system that you all just helped us spend \$14.7 billion to build. How are we going to protect that one? I thought, how do you protect a tunnel? We have a state trooper at the tunnel. We’ve got three lanes that go into the entry area, high-speed lanes, cars driving 55 miles an hour. We have a trooper there with lights on in the breakdown lane. How does that protect the tunnel?

I looked at New York. I said we could get some big trucks; if somebody bad would come in, we could block off the tunnel and stop him with our trucks. But how do you know somebody bad is coming? Is every truck, is everybody, is every SUV that might be filled with C-4 going to get stopped? Are we going to inspect people? I don’t know how you protect a tunnel by just putting a vehicle out front.

## Intelligence and Counter-Terrorism

In my opinion, based upon the work that I've done, it is virtually impossible to have a homeland security system based only on protecting key assets and response. The key to a multi-layered strategy begins with effective prevention, and prevention begins with intelligence and counter-terrorist activity. And if you look back and ask, of all those billions that went out to the states, how much got spent on that activity, in many states and as a nation, I think the number would be very small indeed.

What do I mean by intelligence and counter-terrorism? I'm talking about monitoring people who come here from foreign countries that are terrorist-sponsoring countries, individuals that may have been taught at places where terrorist training is going on.

We have 120 colleges and universities in Massachusetts, roughly. How many individuals are coming to our state and going to those institutions who have come from terrorist-sponsoring states? Do we know where they are? Are we tracking them? How about people who are in settings—mosques, for instance—that may be teaching doctrines of hate and terror? Are we monitoring that? Are we wire-tapping? Are we following what's going on? Are we seeing who's coming in, who's coming out? Are we carrying out surveillance on those individuals that are coming from places that are sponsoring domestic terrorism?

And whose job is it to do that? Should I do that as a governor? I've got those colleges and universities. Should my state police have an intelligence unit that's monitoring people that are coming in? We're an international port; Boston gets a lot of flights. Should we be checking people coming from places of concern and following them, finding out where they go, checking their hotels, see who they meet at their hotels? Should I be doing that at the state level? Should the federal government be doing it instead?

New York City looked at the situation and said, "The federal government's not doing the job. We'd better do it as a city." New York City has substantially more people doing intelligence work, counter-terrorism work, than my whole state does.

I wondered whether, as a governor, I was failing by not having this kind of a unit, so I got together with our colleagues on the Homeland Security Advisory Committee and said we need to understand what the state's role is and the local role is. Should we do what New York City is doing? Should I establish several hundred or several thousand people in an intelligence capability at the state level? Or should the city of Boston do it, or all 351 cities and towns?

We were asked to form a task force. John Cohen, my state head of homeland security, was the person who did most of the work on that task force. Cindy Gillespie and Frank Micciche, also part of our team, worked on it as well.

After working with a lot of different states, we came to some interesting conclusions. First, it is not the state's role to organize a counter-terrorism and intelligence capability. States are free to do that, but by and large, that's the role of the federal government, the FBI.

## The State and Federal Roles

It is the state's role to take advantage of the one intelligence source where we have a substantial advantage relative to the terrorists, and that is the advantage of lots of eyes and ears. It is the state's role to find out how to gather the data from its citizens, from the private sector, from the local police departments, from the water and meter readers and so forth. It's the state's responsibility to figure out how to gather that information and interpret it, analyze it, fuse it together, and send it to Washington where it can be connected with eyes and ears from other states and foreign intelligence to determine where real threats exist.

So it was our conclusion that each state should organize a fusion center. Most states have already begun to lay out what we thought each fusion center ought to be doing.

The idea was very simply to find a way to take all of the criminal reports that are coming in from across your state, from your localities, and see if there are some patterns. Often, people who are getting ready to perpetrate terrorism of some kind are looking for sources of income, so let's see if we can

find crime and if it is connected cross-state, cross-region, and see if there are some patterns that can help us identify people of interest. Let's also have a place where private industry can identify concerns that they have. Bring it into our state fusion center, where we have analysts who review this information and then package it and send it off to the place where it's going to be analyzed on a national basis and a federal basis: Send it off to Washington.

We now have a fusion center that runs 24 hours a day. It is not a huge operation; it costs a few million dollars. It's the responsibility, in my view, of the state, not the federal government, to gather that information, to analyze it, and to send it off to Washington for them to evaluate in the context of an overall intelligence picture.

When we did this work, John and Cindy and others said we have to have a place to send the information to in Washington. We had found from our own experience that getting information from Washington was somewhat haphazard. We carried out a survey of all the states and said, "Where do you get information about terrorist threats? Where does it come from in Washington?" Some said, "We get it from the Department of Homeland Security." Others said, "We get it from Justice." Others said, "We get it from the Department of Defense through our Adjutant General at the National Guard." Each state seemed to have a different network for finding out what was going on in Washington.

We said that what we need from Washington is a clear pipeline where you take classified data that you've gathered from around the world and around the country and analyze it, decide what's actionable, and send it to us through a single pipeline in an unclassified format so that we can send it out to our local law enforcement and act on it rather than expect us, as 50 states and all the cities, to gather it piece by piece. Second, that pipeline can work in reverse. What we gather at our fusion centers we can send back, and it can be integrated by you in Washington. That's something on which we as a nation are making progress.

Let me make a couple of comments about what the federal government needs to do. In addition to their job of getting a single pipeline which works

in both ways, I believe we should be spending much more money, hiring more people to do the intelligence and counter-terrorism work inside our country. I think the experience of New York City indicates that having each city try to put together their own intelligence team is an expensive and disjointed way to respond to our domestic intelligence needs.

### **Protection: Lessons and Lifelines**

But while intelligence and prevention is key, protection and response are also key. I think we've learned in the case of Great Britain that cameras can make a difference, can protect us from future attacks by seeing who actually carried out past attacks. Cameras, I.D.s, border control, and so forth are important. I think protection is particularly key with regard to the private sector. I'm not talking about barricades or fences or just cameras, although those are important, but the private sector needs increasingly to be a source of great technology to help us protect the homeland and also has to recognize the importance of redundancy in their operations.

We have not had to consider, as a nation, backup systems to avoid the impact of terrorism. I watched on TV a program on the engineering of Rome. It ended with the idea that a relatively small group of German attackers were able to cause Rome to be completely evacuated from a population of 1.2 million people down to 12,000 in a week. Why? Because they knocked down a couple of aqueducts—Rome's lifelines.

In our country we have to think about what our lifelines are and make sure in the private sector that we've not become so dependent upon a couple of lifelines that we don't have redundancy. Oil is a lifeline. So are our telecommunications systems, our Internet systems, our banking system. Many industries have a single critical element.

We often talk about hardening targets: We've got to harden this target to make sure that they won't attack it. But just as important is lowering the target: making a target less interesting because there's a redundant backup, and if they attack that one, the other one will go into effect and we'll be able to have power, or we'll be able to have water, or we'll

be able to have Internet or banking. Our protective capabilities therefore have to be focused increasingly not just on hardening, but also on creating redundancies that will allow us not to have the critical nature associated with certain targets.

### **Response: Who's in Charge?**

In the area of response, there are a lot of lessons that will come out of Katrina. We don't know the most important ones yet. My years working as a consultant and then as an investor have taught me that jumping to conclusions or making pronouncements based on gut feelings is not going to accomplish very much and that thorough analysis and research, like you do here at Heritage, is where good answers come from. Sometimes they're counter-intuitive, and I hope we'll learn from those things. The investments that we've made as a nation in communications capabilities are important, and they work pretty well, although they didn't seem to work terribly well in the response to Katrina.

Planning and having some integrative plans obviously is very important. Every governor in the country is going to be updating their evacuation plans. We're lucky in our state, that just having had the Democratic National Convention there, we had prepared some evacuation plans. The Secret Service worked together with us to look at evacuation plans, but we'll update them in light of the lessons learned at Katrina.

I would also note that in this post-9/11 world, we need response that is far more agile, fast-moving, and innovative, where decision-making is done on a rapid basis. I believe that one of the challenges in Katrina was the lack of fast-moving decision-making, clear authority, taking action without jumping across bureaucratic state, local, and feder-

al boundaries and saying this needs to get done, that needs to get done.

I saw an article in *The Washington Post* praising the Coast Guard, saying that, seeing the hurricane coming, they knew what that meant and took action to position helicopters from all over the country down to the Gulf Coast. They had one person put in charge who was going to coordinate the entire activity, and when the winds began to die down, helicopters were in the air. They responded immediately. A very simple, fast-moving, agile decision-making process allowed them to move very quickly, and I think that one of the key lessons that will come from Katrina is the need to understand who is in charge.

In my state, the governor's in charge. But if it's not me, who is it? Who is in charge of calling all the shots to get all the resources to move as quickly as humanly possible?

### **Conclusion**

Let me end by saying we will win this long war. I am optimistic. America always wins. It's in our nature. We fall asleep too often. We get complacent. But when we get awakened to how significant a challenge is, we rise to the occasion as a nation. Will Rogers used to say, "Even if you're on the right track, if you're not moving, you'll get run over."

We're on the right track. We're moving very slowly on some of these dimensions, and we need to get moving faster, and I'm convinced that America will do that. It's my hope that we'll get moving, and I'm confident that Heritage will be a big part of waking us up and propelling that effort.

—*The Honorable Mitt Romney is Governor of the State of Massachusetts.*