

May 10, 2001

MEMORANDUM TO: Chairman Meserve
Commissioner Dicus
Commissioner Diaz
Commissioner McGaffigan
Commissioner Merrifield

FROM: Dennis K. Rathbun, Director **/RA/**
Office of Congressional Affairs

SUBJECT: SENATE APPROPRIATIONS SUBCOMMITTEE HEARING ON
U.S. EFFORTS TO COMBAT TERRORISM (5/8/01)

The Senate Committee on Appropriations, Subcommittee on Commerce, Justice, State, and Judiciary along with the Chairmen and Ranking Members of the full Committees on Appropriations, Armed Services and their Subcommittee on Emerging Threats and Capabilities, and the Select Committee on Intelligence began a series of hearings on U.S. Efforts to Combat Terrorism.

Chairman of the Subcommittee on Commerce, Justice, State, and Judiciary, Judd Gregg (R-NH), opened the hearings saying that there are several Congressional committees with jurisdiction over counterterrorism and they were trying to establish a coordinated approach within the Committees to deal with terrorism in the U.S. He also noted the same problem exists at agencies throughout the Federal Government. His goals for the hearings were to hear what each agency is doing, what they should be doing, what their coordination efforts are and who they answer to.

Chairman Gregg also announced that President Bush was asking Vice President Cheney to oversee a homeland defense task force in the development of a coordinated national effort (White House Press Release attached). The President has asked the Director of the Federal Emergency Management Agency (FEMA) to create an Office of National Preparedness in order to implement the results of the Task Force that deal with consequence management.

Commenting on the President's new initiative, Senator Hollings (D-SC) pointed out that it is FEMA's responsibility to limit the damage caused from a disaster (i.e., hurricanes, flooding, terrorist attack), but it is important to find the culprits and the Federal Bureau of Investigation (FBI) knows how to do this. He noted that FEMA is now being given a new initiative at the same time their budget is being cut.

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Senator Roberts (R-KS) emphasized that FEMA is only being tasked in the area of consequence management not crisis management, and it is expected that the Vice President Cheney's task force will have the results of their findings by October. He went on to say the Nation has much work to deter and detect a terrorist threat through coordinated efforts by the Federal Government and noted the Nation is not ready for such an attack.

Senator Byrd (D-WV), Ranking Member of the Appropriations Committee said these hearings serve as a wake up call and confirm our fears that a terrorist attack within the United States is a reality, even though the Federal Government has spent a lot of time and money in the area of counterterrorism. He offered three suggestions for improvement: (1) establish baseline of what programs exist, money being spent, and accomplishments of these programs, (2) establish a single nationwide phone line to dispatch trained responders, and (3) establish training for first responders.

Senator Stevens (R-AK) wants to make sure the Departments and agencies involved in counter terrorism have the money needed to be ready to respond to an event and to ensure there isn't any redundancy and wasteful spending.

During the hearing, Senator Warner (R-VA) provided an organizational chart (attached) of the United States Domestic Preparedness Program and noted how confusing it was.

Treasury Secretary Paul O'Neill outlined his department's responsibilities for counterterrorism which include protecting U.S. borders, protecting American leaders as well as foreign heads of States visiting the U.S., and protecting the Nation's financial system infrastructure against cyber attacks and other threats. There are seven law enforcement bureaus and offices within the Treasury Department that are very involved in the Department's role to combat terrorism. The Treasury Department is focusing a great deal of attention on cyberterrorism to make additional improvements.

Paul Wolfowitz, Deputy Defense Secretary said the Department of Defense stands ready to deploy military forces as needed in the event of a terrorist attack. He said the deployment would require authorization by Secretary Rumsfeld and the Secretary has ordered a review of DOD's activities to combat terrorism and will consolidate these activities into one office to ensure policy issues receive the personal attention of top management.

In his testimony, Secretary of State, Colin Powell, informed the Senators that the State Department focuses on international terrorism by the protection of U.S. embassies and informing U.S. citizens abroad of the global locations of concern. The State Department participates in several interagency groups dealing with counterterrorism and works closely with the FBI and the Central Intelligence Agency. They also regularly exercise their response capabilities. Secretary Powell noted the need for financial support to continue to protect U.S. citizens and assets overseas. Senator Warner suggested that a NATO-like organization be formed for countries to pool their resources and information to help act as a deterrence towards terrorist attacks.

Transportation Secretary Norman Mineta testified regarding the Department's efforts to protect the Nation's transportation infrastructures. He described the close coordination his department has with the intelligence community and other Federal agencies in order to heighten security awareness. Senator Mikulski (D-MD) asked Secretary Mineta who the Department of

Transportation alerts if they should hear of a pending terrorist event at an airport. He responded that the Federal Aviation Administration Operations Center would notify the airports and the FBI would be notified at the same time.

In the afternoon session, Joe Allbaugh, Director of the Federal Emergency Management Agency (FEMA) was the first witness to testify. He spoke on FEMA's role as lead Federal agency for terrorism consequence management and their coordination efforts with Federal, State and local agencies. He also mentioned FEMA's training programs for State and local emergency management personnel and first responders, and their participation in the TOPOFF exercise last May. Mr. Allbaugh stated that emergency preparedness is the key in responding to any event whether it is a natural disaster or terrorist event. He emphasized that FEMA is not involved in crisis management only consequence management.

General John Gordon, Administrator for the National Nuclear Security Administration, gave a review of the Department of Energy's role in combating terrorism. He said the DOE expends a great deal of effort to protect and defend the possibility of terrorist reaching the Nation's nuclear weapons, nuclear materials, and nuclear components. He noted the close relationship DOE and NRC maintain in these efforts, and DOE's emergency response assets available to respond to any type of radiological accident or incident worldwide.

NRC's Chairman Richard Meserve addressed NRC's programs related to safeguards and security for NRC-licensed commercial nuclear facilities and certain types of nuclear materials. He discussed NRC's activities in safeguarding nuclear facilities, threat assessment, emergency response and physical security.

Senator Gregg asked the Chairman about NRC's role in overseeing the movement of nuclear waste. He responded that NRC does have a regulatory role and noted these materials (i.e. spent fuel) are currently stored at reactor sites and their protection would be encompassed within the protection system that exists for the reactor. The Senator asked a question regarding transportation of material to Yucca Mountain, should it be used for waste disposal, and whether that would increase the question of how we deal with the terrorist threat. The Chairman said the casks used in transportation are very robust and guards are used to ensure protection.

Senator Roberts read from a document regarding the Commission's responsibilities in responding to an event at a NRC-licensed facility and asked several questions on the Headquarters Operations Center and the exercises NRC routinely conducts. The Senator appreciated NRC providing recommended legislation to help their mission. He noted that NRC was the only agency to do so.

In closing, Senator Gregg asked the Chairman whether the NRC had any suggestions relative to the organization of the Federal Government's efforts to address terrorism -- how the NRC relates to the rest of the Federal Government or commentary on how the government as a whole should address counterterrorism.

The Chairman commented that NRC has a good working-level relationship with other agencies, particularly the FBI, DOE, and FEMA. The Chairman also endorsed Mr. Allbaugh's comment on the need for a national cohesive plan. Then the Chairman noted that the organizational chart that Senator Warner frequently referred to did not include NRC as a player in the Federal scheme of things. In addition, Chairman Meserve said NRC is not mentioned by name in

Presidential Decision Directives 39 and 62 or directly in the annexes that implement them. In light of NRC's extensive engagement with our licensees on security issues, the plan's failure to include NRC could create confusion.

Attached are the testimonies provided at the hearing.

cc: SECY
 OGC
 OGC/Cyr
 EDO
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 OCAA
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 CFO