

Testimony of

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Chairman Lieberman, Ranking Member Collins, and members of the Committee: Good morning, and thank you for inviting me to testify.

It's a pleasure to join three distinguished members of the 9/11 Commission: the Commission's Vice-Chair, Congressman Lee Hamilton... Senator Slade Gorton...and Congressman Tim Roemer.

First, I want to congratulate Senator Lieberman on his recent selection as chairman. As one of the principal authors of the legislation creating the Department of Homeland Security, you've shown a formidable commitment to the fight against terrorism. And I look forward to working with someone who truly understands the needs of New York City and the region.

I also want to acknowledge Senator Collins for her great service in leading this Committee.

The work that you are all doing is absolutely critical to New York, to other big cities, and to every jurisdiction in the nation. Our country's security is inter-dependent. So it's vital that we work together and hold each other accountable.

This morning, I want to talk about the progress we've made since 9/11 in improving our counterterrorism capabilities in New York City. I also want to discuss a few critical areas where the federal government can do more – and must do more – to help us in this mission.

As residents of the world's media capital... the nation's financial hub... a center of international diplomacy... a vibrant intersection of diversity and new ideas... we understand that the attack on the World Trade Center was not intended to be a single, solitary event.

The freedoms and opportunities that New York symbolizes mean that we remain a prime – if not the prime – target for al-Qaeda and other terrorist groups. It's a daunting reality – but it presents challenges we are determined to meet head on. And we are sparing no expense.

During the first days of my administration in 2002, we took steps to strengthen our first line of defense – the NYPD. We created a unique Counterterrorism Bureau and began transforming the NYPD's Intelligence Division from a unit that primarily provided criminal intelligence and protection for dignitaries into a nimble, ground-breaking, and innovative intelligence-gathering machine.

Both of these groups – which now employ a total of 1,000 officers – have become models to other big city police departments around the nation – and crucial weapons in the global fight against terrorism.

One of their many achievements came in August 2004, when they foiled a plot by two homegrown extremists to bomb the Herald Square subway station in Midtown Manhattan. The NYPD arrested those would-be terrorists just a week before the Republican National Convention, acting on a tip from an informant whom the Intelligence Division had cultivated in our city.

Today, the NYPD's intelligence and counterterrorism program also reaches around the world. In fact, we currently have 10 of our best detectives posted in Tel Aviv, London, Singapore, and other foreign cities that have been targeted in recent years. They're there to work on law enforcement issues of mutual concern and to obtain a full picture of the global terrorist threat – a threat which can rear its head in our city at any time.

Our Counterterrorism Bureau and Intelligence Division also oversee the successful Critical Response program, which protects the city's landmarks and critical infrastructure

through the carefully orchestrated, rapid deployment of specially-trained police units, including our heavily-armed “Hercules” patrol teams.

The effectiveness of such security was demonstrated in 2003. After repeated reconnaissance, Iyman Ferris – an avowed member of al-Qaeda – called off the attempted bombing of the Brooklyn Bridge, telling his handler, Khalid Sheik Mohammed, that “the weather is too hot” – a coded reference to the intense security on the bridge and in the waters of the East River.

Many other City agencies play a key role in counterterrorism detection and response. In the FDNY, we’ve thoroughly expanded training for chemical, biological, and radiological emergencies, providing our firefighters and EMS workers with the latest and most effective equipment.

We’ve also created a subway simulator at the Fire Academy to train for emergencies underground – and we’re expanding the length of training for new recruits, making ours one of the longest, most intensive firefighting training programs of any major city.

The Health Department’s Syndromic Surveillance System is up and running, scrutinizing 60,000 pieces of health information each day –including ambulance runs, emergency room visits, and pharmacy sales – for the first signs of a bio-terror attack. Our response last year to an isolated incident of anthrax – although unrelated to terrorism – demonstrated our enhanced capability to react to a potential attack.

Our Office of Emergency Management, which recently moved into a new state-of-the-art headquarters and command center, also has taken the lead in organizing dozens of inter-agency simulations. They have, for example, tested responses to natural disasters like a Category 4 hurricane... or attacks employing bio-terrorism and other weapons of mass destruction at Shea Stadium, and on our subway and commuter rail systems.

We've significantly improved communication and coordination among our City agencies. A prime example is our 'Citywide Incident Management System' – or 'CIMS' – which adapts the new National Incident Management System (NIMS) to America's largest city and clearly spells out the division of responsibilities for first responders at major incidents.

CIMS has frequently been put to the test during our day-to-day operations and response – from aviation accidents to building collapses and explosions. And in each case CIMS has ensured that we responded swiftly and expertly.

In New York, we understand that preventing terrorism and responding to any large-scale emergency also depends on smooth coordination among key Federal, State, and City agencies. Over the past few years, our Police Department has developed an exemplary working relationship with the FBI's New York field office and its assistant director, Mark Mershon. We've assigned more than 120 officers to the FBI-NYPD Joint Terrorism Task Force.

The result is genuine two-way information sharing that is unique in America. Classified global intelligence about possible terrorist activity is quickly relayed to our police officers working on the front lines, while local intelligence collected by the NYPD is routinely passed to the FBI to supplement their efforts.

And when we encountered a threat to our subways in 2005, we stood shoulder-to-shoulder with the FBI and assured the public that we were taking the appropriate measures to keep our transit system safe.

As strong as our relationship is with the FBI... we still need robust, effective partnerships with the federal government to ensure the safety of our citizens. And the simple fact is: the federal government has not been as good a partner as it should be.

From Day One, I have urged that Homeland Security funding be distributed based on risk alone. I first made this case in front of members of the House Appropriations Committee in April 2003. And I've repeated this call before Congress and at the White House many times since.

I talked about threat-based funding when I testified before the 9/11 Commission – and I was glad that Vice-Chair Lee Hamilton, Senator Slade Gorton, Congressman Tim Roemer, and the other Commission members heartily endorsed my recommendation.

Yet time and time again, our appeals for fully risk-based Homeland Security funding have been ignored. And instead, we have seen huge sums of Homeland Security money spread across the country like peanut butter.

More than \$3 billion has been distributed in this irrational way so far. Some communities don't even know what to do with it when they get it. For instance, one town spent some of its share on a custom-built trailer for its annual October mushroom festival. And one state has used some of its funding on an initiative to prevent terrorists from raising money at their local bingo halls.

Meanwhile, New York City – which has enormous needs... which has been attacked before, has been targeted many times since, and will most likely be targeted again – goes wanting.

The Administration and the Congress need to stop pointing fingers about who is to blame for the politicization of homeland security funding. The fact is, they are both responsible. For the sake of New York City – and the security of our nation – I hope you will stop writing politically-derived formulas into your Homeland Security bills.

Instead, you should give DHS complete flexibility to allocate 100% of Homeland Security grants funds according to risk, threat, and return on investment – and then challenge the Department to exercise this flexibility in a coherent and rigorous manner.

To their credit, the Department of Homeland Security recently expressed a willingness to bring more common sense into the process, and to better address our concerns. Last Friday, DHS released new guidelines for the distribution of funds in Fiscal Year 2007 which gave greater consideration to threat, vulnerability and consequences of a terrorist attack. For the first time, the Department's Urban Areas Security Initiative program will recognize six high-risk urban areas – including New York.

Establishing this high-priority group is a step in the right direction – but when you actually compare the percentage of funding that these six cities received last year with what's being set aside for them as a group this year... it's virtually the same. Until we find out New York's precise allocation, there's no guarantee these new guidelines will make a difference for us. The devil is in the details.

Some definite good news is that, after years of vigorous lobbying on our part, DHS plans to loosen some of the restrictions on how Urban Areas Security Initiative money can be spent. For New York City, that means we can use up to 25% of our allocation to support the daily activities of the some 1,000 New York City police officers who are dedicated to our counterterrorism and intelligence units. We've always believed that one of the strongest defenses against terrorism is good old-fashioned "boots on the ground." And now we may finally get federal support to help keep them there.

We'll continue to work with Congress and DHS to increase the flexibility of their funding guidelines. Homeland Security grants, for instance, still cannot be spent on construction – despite the fact that hardening sensitive targets could significantly reduce the risk of attack in the first place.

We'll also work with Congress and the Department of Health and Human Services to fix the distribution of bioterrorism preparedness funding. This is a process that's lagging even further behind in moving to risk-based distribution. New York is only one of a handful of places in the nation that's ever experienced a bio-terror attack. Yet in Fiscal Year 2006, we received \$4.34 per capita, putting us an incredible 27th out of 54 eligible states and cities.

We will also continue challenging Congress on another necessary issue – making funding available for our wireless emergency communications networks, which we've been developing now for several years. This year, the federal government will be distributing one billion dollars for the development of state and local interoperable communications systems. This is a very sensible effort – and it speaks directly to one of the 9/11 Commission's recommendations.

But we're concerned that, as of now, New York City is essentially ineligible for that funding because our systems operate on frequencies other than the ones specified in the federal government's new grant program. For New York, this restriction punishes us for our aggressiveness in protecting our city: We've already invested more than a billion dollars in the development of our network's infrastructure. And we're building it on a frequency that works best in the subways, skyscrapers, and incredible density of our urban environment.

We've tried to develop a solution that makes sense for our city's needs – because one size does not, and will not, fit all. And for Congress to move forward on their plan without making sure New York City is part of it is the height of foolishness.

When you think about it... this is the heart of the problem. Time and time again, the federal government has tried to apply uniform solutions to localities like New York City which deserve more nuanced and individual attention.

What this country really needs is a federal policy-making process that recognizes New York City for what we truly are: One of the largest, most densely populated areas in the world... a powerful symbol for what our enemies deeply despise...and a city that already has been targeted many times before. This is our reality – and it is one that defies a mathematical formula – no matter how well-intended.

I appreciate the chance to be here with you today. Hopefully, this hearing will begin the process of creating a system that more fairly and equitably attends to the security of our homeland.

Thank you for your time. I'll be happy to answer any questions.