

STATEMENT OF
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BEFORE THE
COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS
U.S. SENATE
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Good afternoon, Mr. Chairman and Members of the Committee, I am David Paulison, Director of the Preparedness Division within the Emergency Preparedness and Response Directorate of the Department of Homeland Security (DHS). On behalf of Secretary Ridge, I appreciate the opportunity to appear before you today to support the 5-year reauthorization of the nonpermanent provisions of the Defense Production Act (DPA).

The DPA is the President's primary authority to ensure the timely availability of industrial resources for both military and civil emergency preparedness and response. Expiration of these provisions would severely undermine our Nation's ability to prevent, as well as to respond to a disaster that is truly catastrophic -- whether natural or man-made.

The Department of Homeland Security combines many government functions that focus on protecting our Nation's borders and airports, among other activities, and ensuring that we are prepared for and able to respond to terrorist attacks and natural disasters. The Defense Production Act authorities are critical to the Department's strategic objectives to prevent terrorist attacks within the United States, reduce America's vulnerability to terrorism, minimize the damage and hasten the recovery from attacks that may occur.

Since 9/11, we have seen the effectiveness of the Defense Production Act in reducing the Nation's vulnerability to terrorism. Specifically, the Defense Priorities and Allocation System authorized under Title I of the DPA was used by the Transportation Security Administration to expedite the production of explosive detection and communication systems for our major airports. Without the use of these priority orders, the manufacturers could not have delivered these systems in a timely fashion. In addition, we expect to request assignment of a DPA priority rating from the Department of Commerce to support the Bureau of Customs and Border Protection within our Department to obtain equipment that will enable us to track containerized shipping arriving at our borders.

The Defense Production Act can also be used for preparedness, response, and recovery activities in catastrophic disasters such as an earthquake, a hurricane or an incident involving a weapon of mass destruction. This use is being integrated into planning for such catastrophic occurrences.

DHS understands the need to have a priorities and allocations system ready to ensure the timely availability of resources to meet civil emergency requirements. Such a priorities and allocations system will enable Federal, State and local governments to acquire items needed urgently to meet the needs of the affected population when such items are not readily available in the marketplace. Without this system our response and recovery operations could be severely hindered.

Other DPA authorities are important to the DHS mission. These authorities include the use of:

- financial incentives, subject to Presidential designation, to establish industrial capacity for products and services, such as vaccines to protect against biological agents (under Title III);
- industry agreements to enhance preparedness and response capabilities—for example, critical infrastructure protection (under section 708); and
- an executive reserve to provide expertise from the private sector during an emergency (under section 710).

Within the new department, DPA authorities reside with the DHS Under Secretary for Emergency Preparedness and Response. DHS is preparing departmental guidance on the use of these DPA authorities. Specifically, DHS is implementing its DPA responsibilities by:

- Serving as an advisor to the National Security Council (NSC) on DPA authorities and national security resource preparedness issues and reporting on activities under Executive Order 12919;
- Providing central interagency coordination of the plans and programs incident to the authorities under Executive Order 12919;
- Developing guidance and procedures under the DPA for approval by the NSC;
- Resolving issues on resource priorities and allocation;

- Making determinations on use of priorities and allocations for essential civilian needs supporting the national defense; and
- Coordinating the National Defense Executive Reserve (NDER) program activities of departments and agencies in establishing NDER units and providing guidance for recruitment, training and activation.

The DHS National Defense Executive Reserve (NDER) program is being evaluated in terms of what private sector expertise can be mobilized when needed to respond to today's threats. NDERs are valuable assets to several Federal departments and agencies and the reauthorization of the DPA is required to continue this program.

DHS also recognizes the importance of Section 708 of the Defense Production Act that provides authority for the creation of voluntary industry agreements to support preparedness for national defense and civil emergencies. This authority allows industry and the Federal Government to work together to solve problems that inhibit the availability of resources in an emergency. The Homeland Security Act authorized the use of this provision for critical infrastructure protection planning and information sharing. Section 708 provides narrow antitrust and limited liability protections for infrastructure sectors and industry that are asked to prepare preparedness plans. DHS will be reviewing the guidelines for this program and determining if they need to be revised or streamlined to meet the current environment.

We will work with the National Security Council, the Homeland Security Council and appropriate Federal departments and agencies to ensure that DHS issues proper guidance and procedures for the implementation of these DPA authorities. We view DHS responsibilities under the DPA seriously and recognize the potential of the Act to support the efforts of other departments and agencies to prevent, prepare for, respond to and recover from potential terrorist incidents and other emergencies.

In summary, the Department of Homeland Security is committed to fulfilling its responsibilities under the DPA and recognizes the Act's potential to enhance significantly the Nation's ability to respond to a homeland security threat.

Thank you for the opportunity to appear today. I would be pleased to answer any questions that you may have.