

TESTIMONY
SUBMITTED BY RICHARD L. CAÑAS, DIRECTOR
NEW JERSEY OFFICE OF HOMELAND SECURITY AND PREPAREDNESS
REGARDING “STATE AND LOCAL FUSION CENTERS AND THE ROLE OF DHS”

BEFORE THE
HOUSE HOMELAND SECURITY COMMITTEE’S
SUBCOMMITTEE ON INTELLIGENCE, INFORMATION SHARING,
AND TERRORISM RISK ASSESSMENT
RAYBURN HOUSE OFFICE BUILDING, ROOM 2118
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Thank you very much Chairman Simmons, Ranking Member Lofgren and members of the Subcommittee on Intelligence, Information Sharing, and Terrorism Risk Assessment.

My name is Richard Cañas, and I’m the Director of New Jersey’s Office of Homeland Security and Preparedness. It’s my pleasure to appear before you this afternoon to discuss New Jersey’s new state fusion center and some of the roles that we would suggest that the Department of Homeland Security play in relation to this new center.

To put things in context, however, I first want to outline the responsibilities of my office and discuss some of our key initiatives.

My office is just about six months old. In March, New Jersey Governor Jon Corzine signed Executive Order #5, creating the New Jersey Office of Homeland Security and Preparedness as a cabinet-level agency. Previously, the responsibilities of my office were spread among a number of agencies and a statutory task force. In that configuration, New Jersey made considerable progress in safeguarding its citizens against potential terrorist attacks, but there was no single person or agency responsible to coordinate all counter-terrorism and preparedness activities.

Executive Order #5 resolves that issue of authority. The Executive Order indicates that my office is responsible “to administer, coordinate, lead and supervise New Jersey’s counter-terrorism and preparedness efforts.”

We are charged with coordinating “emergency response efforts across all levels of government, law enforcement, emergency management, nonprofit organizations, other jurisdictions and the private sector, to protect the people of New Jersey.”

The Executive Order also requires that we function as the Governor’s clearinghouse for all legislation – state and federal — related to counter-terrorism and preparedness issues. As a result, as you can imagine, we regularly track the work of the House Homeland Security Committee, and its subcommittees.

In brief, my job is to bring all of New Jersey’s homeland security efforts, at all levels, into a coordinated and unified whole. While doing this I am focusing on three watchwords:

Inclusiveness, Regionalization and Transparency.

“Inclusiveness” means that all relevant agencies — state, federal, local and private sector — must have a seat at the table. As I will discuss, our fusion center, New Jersey’s Regional Operations Intelligence Center, commonly called the ROIC (and pronounced “rock”), clearly will embody this principle.

“Regionalization” refers to concerns that overlap between and among municipalities and counties — even between New Jersey and our neighboring states. The ROIC, which already has “regional” in its name, will embody this principle as well. We aim to reflect the concerns of our 566 municipalities, 479 police departments, 21 counties and countless other first responder and other agencies that populate our disparate state.

My third watchword, “transparency” means — simply enough — that the people of New Jersey and you, our federal partners, must be able to understand what my office does. Our actions must be totally open, explainable to the average person and understood by everyone. Again, the ROIC will help us meet this objective with true two-way communication to and from our various partners and constituencies.

To sum up, with these watchwords, my office will serve as a place for single-stop shopping for counterterrorism information, intelligence and analysis. We also serve as the state’s coordinating agency for emergency management functions. These roles carry a very diverse portfolio.

We have divided our office into two major branches: a Division of Operations and a Division of Preparedness. We work closely with the State Office of Emergency Management — which in our state falls under the New Jersey State Police. New Jersey is one of only two states nationwide in which the emergency management function is contained within a statewide law enforcement agency; the other is Michigan.

In this regard, the role of my office is — in short — to make sure the New Jersey Office of Emergency Management does its job properly, and has the appropriate resources it needs.

Since I took office we have been involved in a number of key issues. To name just a few, these include planning for hurricane preparedness, pandemic flu preparedness, fostering communications interoperability and plans for continuity of operations and continuity of government. We are also the central point — or State Administrative Agency — for New Jersey’s federal homeland security grant programs.

In this role, my office is distributing more than \$52 million in 2006 federal homeland security grants throughout New Jersey. This year, the federal government gave us good news and bad news: in effect, we are receiving a larger share of a smaller pie.

Funds for our Urban Area Security Initiative, or —UASI region — covering Jersey City, Newark and the counties of Bergen, Essex, Hudson, Morris, Passaic and Union, is up approximately 77 percent from the year before, to \$34.4 million dollars. Ours was the fifth highest UASI grant in the nation.

On the other hand, New Jersey is only receiving \$17.7 million in homeland security grant funds to be distributed statewide. This is a decrease of more than 52 percent from the year before.

New Jersey's homeland security needs will always exceed the availability of funds. But it is very disappointing that the entire pot of federal funding to the states shrank by almost 30 percent this year. I certainly plan to work with you to reverse this federal trend.

As we approach the fifth anniversary of 9/11, I do not understand why some think we are safer now than just five years ago. I believe that we are better prepared — and federal funding has certainly helped us in that regard. But I also believe that the threats against us — though they may be more diffuse — have increased. We have been successful also because we are more vigilant, not because the enemy has stopped planning against us.

To hone in on today's hearing, my office is also responsible for intelligence and information sharing in my state. Clearly, the relationship of state fusion centers and the ways in which DHS can help foster and support them is paramount to our effectiveness.

As I mentioned earlier, the New Jersey Regional Operations and Intelligence Center (ROIC) is a collaboration that incorporates the three different phases of information fusion — law enforcement intelligence, public safety, and private sector information.

It is managed by the New Jersey State Police, which as I mentioned, also houses the State's Office of Emergency Management. The ROIC has been operating in its current form since the beginning of this year, though in cramped quarters which constrain its effectiveness.

A building housing a new Regional Operations Intelligence Center is just being completed. It encompasses 55,000 square feet of space and we are already adding another 11,000 square feet, which is currently under construction. It is being built at a cost of approximately \$28 million, which has been totally state-funded. We believe the ROIC, which we expect will open its doors next month, will be one of most cutting-edge fusion centers in the country. Once it is open, I invite any member of this committee to take a tour and to see its capabilities first-hand.

In developing the ROIC, New Jersey built on guidelines developed by the U.S. Justice Department and the Department of Homeland Security for establishing and operating fusion centers. In that regard, the ROIC follows the recommended focus on the intelligence process, where information is collected, integrated, evaluated, analyzed and disseminated.

Because of its broad function, the center draws from a diverse population and includes representatives from federal, state, local, and private agencies who reflect the entirety of New Jersey's law enforcement, intelligence and emergency response community.

In the area of homeland security, the fusion process supports the implementation of risk-based, information-driven prevention, response, and consequence management programs.

It also embraces the principles of intelligence-led policing, community policing, and collaboration.

The ROIC centralizes information on emergencies, crimes, and suspicious activities in support of a robust analysis process that develops trends and patterns and other aids that ultimately increases the ability to detect, prevent, and solve crimes while safeguarding our state.

Mr. Chairman, and members of the subcommittee, I believe our fusion center is on the cusp of being the ultimate authority on the threats posed within our state by home-grown terrorists and other criminals, as well as the center that can best inform us on the response and mitigation of natural disasters. That is how it should be: we should know more about New Jersey than anyone else.

But Mr. Chairman, what I am less sure about is that the national effort is making the best use of this home-grown information.

DHS has visited the ROIC and offered to place a full-time representative there in the near future. In anticipation, my office has detailed a full-time analyst to DHS' Intelligence Office. The State Police also has detailed a trooper to DHS' National Operations Center. We have invested in this cross-pollination because we believe that it is important that we understand each other's missions as we move forward in this information-sharing effort. But we have yet to receive assurances that Washington is interested in systemizing the use of local data.

Let me try to describe what I mean. Early in my career as a young federal agent, I assumed that all of my investigative reports, which were carefully marked for headquarters distribution, were routinely read and that they somehow factored into a sophisticated and systematic analysis that lead to macro decisions on strategy and support.

It was not until years later when I was a federal administrator charged with producing strategic intelligence for the country on the threat of drugs and gangs that I saw that the volume of local data and the fusion of that data with all other sources was an expensive and resource-intensive proposition. And, in a local, operational-support-starved environment, it did not add much value if it was not timely and specific.

Conclusions such as these probably helped to foster the birth of the state fusion center concept, which does not rely on federal support.

Currently DHS and other federal entities such as the three FBI Joint Terrorism Task Forces that affect New Jersey (Newark, Philadelphia and New York City), and the High Intensity Drug Trafficking Area program in Newark, and the other locally based federal agencies provide my office and the ROIC with almost daily general information on external threats with only occasionally some specificity to New Jersey.

The communications links among us are excellent, and I could not think of how to better improve the inclusiveness federal agencies have demonstrated since 9/11.

But there is a missing piece; something which is critical and something that only the federal government can do.

Mr. Chairman, New Jersey will synthesize its internal threat information through the ROIC as I mentioned before, by drawing from the myriad of municipalities and their local reporting. We are doing that now and we will continue to produce an annual intelligence estimate for our state. It is a time-consuming process, but we can do no less. We need that assessment to manage our homeland security program.

But that is all we can do.

We do not have the time or resources to regionalize this effort or to blend our efforts with national trends and patterns. Nor do I see an effort by anyone at the federal level to standardize state efforts by building a national fusion center, a center that takes my information and looks for links with other similar events across the country. A center that builds a national data bank from local information, from the ground up as we are doing locally. If there is such an effort, the intelligence and emergency response communities of New Jersey are not routinely being informed about it.

If there are home-grown terrorists plotting in another state to harm us in New Jersey, we would like the opportunity to defend ourselves. In many ways, New Jersey is a microcosm of the entire country. We do not have the ability, enjoyed by the New York or the Los Angeles Police Departments, to place people in other fusion centers or in countries that they perceive may present threats to their city or region.

We need a national effort that views homeland security in terms of the lowest common denominator. As I noted, we have 479 police departments in New Jersey. As small as some are, each is the security expert within its area of responsibility.

We need an effort that views all intelligence, like emergencies and politics, for their local value.

As I say, we are getting the international and intelligence community information from DHS and the FBI like never before, but we are not getting routine intelligence from the other fusion centers.

We will continue to harness all-source information for the state of New Jersey as other states are doing. If the federal government were to tap into that resource and sift through that data and share relevant information, we could protect ourselves better.

I think that we are generally on the right road to creating a national information-sharing system that has potential to better protect all states and the nation. However, we need DHS to step up and provide a clearer road map, or a template, if you will, so that intelligence and information from states such as ours can be easily synthesized with information and intelligence from other states, as well as from the national perspective.

If that is the reason DHS plans to place representatives into our fusion centers, no one would welcome them more than New Jersey.

Right now, there is a considerably robust flow of information from the federal government, much of it of a sensitive nature that was never previously shared with state and local entities. But it is not information that we can easily “operationalize.” It is information that is good to know, but it is not good information on which we can routinely act.

As New Jersey’s ROIC shortly becomes one of about 40 fusion centers on line across the nation, we still have many questions to answer regarding how all the information we will be generating will be “fused.” By whom and to what ends.

In my view, to sum up, this is still a national work-in-progress. I am excited by the prospects, but we still have much more to do on the state and national level to bring the promise of fusion centers and a national intelligence-gathering system to fruition, a fruition that will prevent events from 9/11 from ever happening again. Nonetheless, I have great hopes that we will make great progress in the short months and years to come.

I thank you for your attention. I will be happy to take your questions.

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