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9/11, KATRINA AND THE FUTURE

OF INTERAGENCY DISASTER RESPONSE

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KEYNOTE SPEAKER:

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P R O C E E D I N G S

AMB. PASCUAL: Good afternoon and welcome to the Brookings Institution. My name is Carlos Pascual. I'm the Vice President and Director of the Foreign Policy Studies Program.

It's a delight for us today to be able to feature this event on the U.S. Coast Guard.

A recent article on our guest speaker in *U.S. News and World Report* was entitled "Always Ready for the Storm," and that about says it all about Admiral Thad Allen. He is the 23rd Commandant of the U.S. Coast Guard, and he's going to lead us today in a discussion of disaster response interagency operations.

But, in reality, what I would claim is that he's going to lead us in a discussion of what the role is for the Coast Guard in the 21st century because it's really those issues that he's touching on right now. To some extent, they might involve issues of homeland defense, in other cases, disaster management, in other instances, immigration control or, in other cases, counter-narcotics operations. The reality is that all of these are a part of his life and a part of the functions and the roles of the U.S. Coast Guard today.

It, in effect, demands the integration of defense and civilian agencies and functions. It demands an integration of international and domestic capabilities perhaps in a way that is unique internally within our government.

Most of the situations that he faces are situations of tragedy. By definition,

the Coast Guard is there and he is there in a situation where there is a problem, and his job is to instill stability, to protect human life and, to the extent we can, to turn that situation somehow to America's advantage.

Admiral Allen's career has pretty much navigated all of these fronts, and let me mention three examples. First, in 2001, he led 26,000 military and civilian employees as Commander of the Coast Guard Atlantic Area Operations in response to the 9/11 attacks. In a recollection that afterwards he was quoted as saying, "I was getting my blood drawn at a physical, of all things, when the first plane hit the North Tower," and within hours of that attack, he had ordered high endurance Coast Guard cutters to block the mouths of every major East Coast port.

Second example, in 2005, Admiral Allen directed the federal response to both hurricanes Katrina and Rita in the Gulf Coast region from September of 2005 to January of 2006. Taking over those responsibilities in the midst of a political turmoil, which all of us know well, he is perhaps one of the few federal officials, if not the only one, who came out of this tragedy with burnished credentials, and here's why. The Coast Guard rescue teams had pulled roughly 33,000 stranded Katrina victims off rooftops and overpasses. He was personally responsible for injecting some capacity for interoperability among the various civilian agencies at different levels -- local, state and federal -- integrating with that an effective military response.

When he took over the Katrina response, Admiral Allen said he relied on a "bias for action," the practice of moving and not endlessly deliberating.

Finally, a third example, and let me take you back to 1999 on the shores off the coast of Florida. At that point, Admiral Allen took on a decision which had massive consequences when he ordered his forces to bring five-year-old Elian Gonzalez onto U.S. soil after it was found that he was hypothermic. Even though the Cuban boy's presence ignited a custody battle, Admiral Allen acted out of a regard for human life, and he has said he has never regretted that decision.

At last week's Coast Guard Academy commencement, which featured President Bush, perhaps the prize for eloquence actually went to the class' distinguished graduate, Marc Mares. Mares, in the spirit of his commandant, told his 227 fellow graduates to remember not only their military service but also their service to humanity. He said, "We wear permanent uniforms of empathy and compassion."

Admiral Allen is now faced with yet another major challenge, and that challenge and how he addresses it will likely affect America's homeland security for the decades to come, particularly in creating a modern, state-of-the-art fleet to replace those ships and aircraft that should have been retired years ago so that those Coast Guard men and women can execute their "mission of compassion."

Again, Allen is coming into this challenge mid-journey, taking over a program that has been riddled with technical, financial and political controversy,

and he is trying to get order over it both in the reorganization of the Coast Guard itself as well as dealing with the technical issues that are involved in building confidence within the Administration and the Congress. These are no small tasks, but I think what we have today and with us for this presentation is a national leader who has a "bias for action" and is always ready for the storm.

Admiral, it's our pleasure to welcome you today and to allow you to have this podium at Brookings. Thank you.

(Applause.)

ADM. ALLEN: Thank you, Ambassador. It's great to be here today.

So many topics, we live in the Coast Guard, in a target-rich environment. We are task-saturated and challenged every day. I thought that the best use of our time today would be for me to talk about two things. Number one would be to talk about unity of effort in the federal government based on the experiences that relate out of my introduction and pass on some thoughts to you regarding the experiences I had down at Katrina and also thoughts about not only organizing the Coast Guard for the future but the Department of Homeland Security for the future and, hopefully, frame some challenges that are presented to the entire federal government in terms of interagency response and coordination with the Department of Defense assets when we are faced with large catastrophic or anomalous events.

After that, I would like to talk a little bit about the Coast Guard and what

we're trying to do to reposition ourselves for the 21st Century. This is an era the Coast Guard has rarely seen before in terms of the breadth and the scope of the hazards and the threats that we face right now, and it requires a rethinking of our organizational structure. It requires a rethinking of how we interact with our operating environment and a rethinking about how our business processes support that inside the Coast Guard.

I would be glad to make a couple of comments on that, but what I would really like to do as soon as possible, when I get my work done, is to hear from you all and have some conversation and listen to your questions and have really an open dialogue today because this institution is known for that. Because of that, it's an honor to be here today.

Let me take you, if I can, back to the summer of 2005 just briefly and make a couple of comments regarding the Katrina response as it relates to unity of effort in the federal government.

Just to recap my involvement in the response, I was called by Secretary Chertoff on Labor Day, the fifth of September, one week after the storm had come ashore, and he had asked me at that point if I would proceed to New Orleans in a newly designated position called the Deputy Principal Federal Official to focus on the issues that were in and around New Orleans that were so traumatic and troubling to everybody. This, of course, had come after the incidents of the Superdome and the convention center.

I mobilized resources and was on a plane and, by that evening I was in Baton Rouge and Tuesday morning, I arrived in New Orleans about the same time the Iwo Jima arrived, which was the large combatant amphibian ship that the Navy brought in, that basically was our lifeline there to conduct operations from.

Early on, it was clear to me that a couple things were occurring down there that we needed to, in naval parlance, take a round turn on. That's wrap a line around a bollard twice because it can't slip if you do that. A round turn was certainly needed in New Orleans at the time.

First of all, it was clear to me that this was an unprecedented event. It was off the scale, anybody's scale. I wouldn't restrict it just to federal response. Everybody was overwhelmed by this. It was anomalous in nature. It had not been dealt with before, and it was asymmetrical. The scope and complexity were presented to the federal, state and local responders in such a manner that they had no way of knowing what they were dealing with, walking into this.

I've told many people and many groups since then that I consider this a hybrid event, and I think our failure to understand that it was a hybrid event was part of the problem of getting our arms around the scope and the enormity of what had to be done down there. Here's what I mean by that.

The National Response Plan lays out three basic scenarios for organizing federal response and support of state and local governments in response to an incident. They are: a national security event, similar to the Super Bowl or a

political convention, a natural disaster and a terrorist attack, which would be a law enforcement event. There are certain procedures and certain roles that are ascribed under each one of those events.

Under the hurricane event, though, and a natural disaster event, the primary premise is that the local community is responsible for first response. After that, the state supports them. They invoke mutual assistance pacts. Finally, if resources are still short or capability and capacity are needed, the federal government is available through the Stafford Act. This was the legacy of the old federal response plan.

Under the other two events in the National Response Plan, a senior federal official is responsible for the event itself. For a national symbolic security event, the local FBI office and the local Secret Service office are the people in charge, managing the event and creating the effects on ground that are desired either to create a non-event or to respond. Again, in a terrorist attack, it would be a senior law enforcement official.

I think here's where the paradigm started to break down a little bit. We really had a hybrid event. We had something between a natural disaster and a terrorist attack. I've often described the breaching of the levees and the flooding of New Orleans as the equivalent of having a weapon of mass effect used on the city without criminality. That's an important consideration. If you have no criminality, then there's no federal law enforcement role. Then you default to the

response paradigm under the National Response Plan which is you support the state and local governments when their resources have been exceeded.

In fact, in New Orleans, there was such a loss of critical infrastructure and command and control capability and the ability just to get in and have access to the area, that it was almost incapable of carrying out the normal functions of government at the local or the state level. I believe that there was a loss of continuity of government down there, notwithstanding the fact there was a standing political leader both at the city, the parish and the state levels. There was no premise for a federal role absent a designation of a federal senior law enforcement official. Therein laid the conundrum of bringing resources in and then not having them be able to be applied to mission effect because of the lack of command and control capability in the city itself.

So what you had was for the first week of the event, you had resources rolling in at the request of the state, at the request of the local leaders, coordinated from the joint field office in Baton Rouge where we had co-located with the state. Nobody was forward to organize and coordinate all the federal effort that was going down there nor was the city or state capable of receiving it and applying it to mission effect. Nobody did anything wrong. It was an issue of scope, scale, capacity and, in some cases, competency.

When I arrived in New Orleans on the morning of the sixth of September, it was clear the following things had to be done: First of all, it had to be made clear

there was one, single person representing the federal government on scene in New Orleans, responsible to the President and accountable for performance. Number two, we had to communicate to the people in New Orleans, Louisiana, Mississippi and Alabama and Texas that there was a unified response; there was a single person in charge; there was a single person accountable. Three, there had to be a way to coordinate and pull together the disparate operations that were going on by the federal government in support of the local government in New Orleans.

As I said at the time in speaking to the press, my immediate goals were to cut through red tape, increase the velocity of the response. The first tasking I gave to everybody working for me down there was to treat everybody they came in contact with, that had been affected by the hurricanes, as if they were a member of their own family, as if it were their mother, their father, their sister or their brother because if they did that, they would inevitably err on the side of doing too much, overwhelm the response. If they did that and if there was a problem, they had done what I had told them and the problem would be with me because I gave the order.

On Friday, the ninth of September, I was called to Baton Rouge and advised by the Secretary that I would be assuming the role of the entire PFO for the response across three states: Louisiana, Alabama and Mississippi. That also spanned two FEMA regions, Region 4 and Region 6.

The challenge then became: How do you approach this on a regional level?

How do you adjudicate the resource requirements across three different states that were impacted by this? How do you coordinate the operation of three federal coordinating officers from FEMA? And, how do you focus on achieving the desired results for the event itself?

It became clear to me in the prosecution of this response that we were lacking a doctrine, and this had never been called for in this country. I think the lessons learned and the analysis that has been done on the Hurricane Katrina response lead to this point right now. We don't have an overarching federal doctrine that allows us to unify these types of operations. If you look at the lessons learned reports from Fran Townsend, the Senate and House committees and the GAO, the need for a national coordinating governance structure that bring together the various elements of government under the National Response Plan, under the duties assigned to Secretary Chertoff as the principal federal official or the national incident commander in this country, is sorely needed.

Somebody once asked me if I was ever going to write a book about my deployment down in Katrina, and the answer is no, at least not yet. If I were, though, I would already have a title picked out for it, and the title would be *Bayou One*. The *Bayou One* is intended to evoke Desert One which was the failed rescue of the Iranian hostages in 1980, followed by a somewhat mixed performance in Grenada in 1983 and the Goldwater-Nichols legislation in 1986, followed by the stand-up of the special operations combatant command in 1987.

I think we understand now from the events of 9/11, we understand now from the events of Katrina, that coordination and an effective response by the federal government to large catastrophic, anomalous, asymmetrical events is going to require a governance or coordinating mechanism that does not exist potentially in this country right now.

We've come a long way with the passage of the Homeland Security Act, with the issuance of Homeland Security Presidential Directive 5 which lays out the incident command responsibilities of the Secretary. We are evolving the National Response Plan in response to lessons learned. But I think it is apparent, moving forward, that there has to be a more effective way to muster the forces of the interagency, coordinate, collaborate and apply those to mission effect, and then how those forces might interact with the Department of Defense.

But I think it goes beyond that. I think it points to the need for a national doctrine that allows us to identify, recognize incidents, put parameters around them, classify incidents and have a way to assess what objective needs to be achieved, what effects will bring about that objective, what resources are required to achieve that objective and then the development of what I would call exit criteria so you know when the incident is done, not only when the incident is done but as you are moving between phases of incidents.

I think if you don't do that, you're going into a response open-ended and you're trying to figure out what the effect you're trying to achieve on scene is

rather than negotiating up front and deliberately planning what it is you intend to achieve, not only with the federal resources but with the state and local, non-government faith-based organizations and private sector resources. It has to be something that is worked ahead of time, that everybody understands roles and responsibilities and then are allowed to effectively collaborate at the time of an incident.

This is a very hard thing to do. In fact, in the Coast Guard, we almost say it's in the "Too Hard To" locker. The fact that it's hard does not mean that it does not need to be done. It is apparent to me from the leaders that I'm working with in government right now, that's exactly what we are about.

With the creation of the National Operations Center that replaced the Homeland Security Operations Center following Hurricane Katrina; with the review, revision and rewrite of the national response framework which will be a much more expansive approach to a response than is currently included in the National Response Plan; with new mission assignment agreements that are developed in advance, whether it's between the Coast Guard and FEMA or the Department of Homeland Security and U.S. Northern Command, they are moving ahead.

But this will be a long path. It's something that won't be dealt with overnight. We have stovepiped jurisdictions and authorities among agencies. We have stovepiped budgets. We have stovepiped oversight on the Hill. The ability

to cross those stovepipes to create an effective coordinating mechanism will be the challenge of the future.

I would tell you coming out of the Katrina response, if there was one lesson learned I would put above all others, it is the need to take on this task no matter how hard and create an interagency governance structure.

To that end, when I was interviewed by Secretary Chertoff to be the Commandant of the Coast Guard in the fall of 2005, I made it as a center point of where I wanted to drive the Coast Guard to. I'll make segue here to Coast Guard issues.

Around October of 2005, I was hunched over a laptop computer in Baton Rouge. I was trying to generate a three-page position paper to put in my portfolio under the potential that I might be interviewed to be the Commandant. Not the best environment to be writing a resume, folks.

One of the things that was abundantly clear to me was that this notion of unity of effort and flexibility and agility in response to a national event like this was something that had to be the centerpiece, not only of the Coast Guard but what the Coast Guard could bring to the Department in terms of our competency, our capacity and our capability. Then maybe that could be looked on as a model for interagency operations and then interagency operations with DoD and even coalition partners.

So, to that end, I took several lessons learned that I came away with from

not only the events of 9/11 but the events of Katrina and proposed to the Secretary that I would create an adaptive force packaging capability inside the United States Coast Guard. For the last year, inside the Coast Guard, we have been moving towards standing up what's going to be called a deployable operations group. It will be commissioned in July. It will unite all of our deployable specialized forces including our environmental strike teams, our marine safety and security teams, our law enforcement detachments that deploy both in the Caribbean and overseas, our tactical law enforcement teams into a single command that we'll be able to force package in response to a specific event, surge operations or a heightened threat level.

I believe this is the kind of doctrine and approach that we ultimately need within the Department of Homeland Security and across the interagency. Accordingly, I have said to Secretary Chertoff on several occasions, we need to make the Coast Guard capable of being interoperable with our other components inside the Department of Homeland Security. Let me give you an example of what I'm talking about here.

When I arrived in New Orleans, I saw a spectacular display of coordination, teamwork, empathy and humanity in the search and rescue operations that were going on in Zephyr Field which is the minor league ballpark to the west of New Orleans in Metairie. It's also where the New Orleans Saints have their training facility. The urban search and rescue teams that were being flowed in, as I noted

earlier, there was not a lot of command and control. There was nobody to report to.

So the urban search and rescue teams, the Fish and Wildlife officers, the state police, the people there under mutual aid pacts, the Coast Guard search and rescue teams that were there, Customs and Border Protection, the TSA people out at the airport -- everybody was out there operating every day, saving lives, and they were able to coordinate all of this in an incident command base that they set up at Zephyr Field where they all simultaneously organized under the incident command system. They were starting to set up incident action plans, and every day they organized what they did to achieve mission effect, to save lives, recover bodies, the very difficult things that had to be done down there. The real problem was they weren't reporting to anybody technically because of that lack of command and control infrastructure that I talked about earlier.

But it did occur to me that if you looked at the FEMA urban search and rescue teams, the national disaster medical system, the U.S. Coast Guard, the ability of Customs and Border Protection to bring assets to bear, that the Department itself had a large capability if we were able to force package, to put teams together, multidiscipline teams that we could go in and throw at a problem in a port or any place in the country. From that, I proposed a doctrine of adaptive force packaging to the Secretary.

I might add that even the concept itself being discussed has had a salutary

effect on the Department. Homeland Security performed admirably during the evacuation of Lebanon a while back in forward deploying screeners, transportation security officials, ICE agents and so forth to do prescreening of the folks coming out of Lebanon, so we weren't dealing with that problem out of BWI here in the country.

So this notion of having an adaptable agile force package in response to a problem set, I think is a basic skill set the Coast Guard needs to have going forward and a basic skill set that we need to offer to the Department of Homeland Security. Moreover, it's the type of thing that we should use to drive interagency doctrine and create a larger governance structure for the country.

Shifting to Coast Guard challenges moving forward, when I was interviewed to be the Commandant, I knew a couple things had to happen. Number one, I knew that the Coast Guard was looking at a radically changed threat and hazard environment, much different than when I entered the Coast Guard in 1971 during the Cold War in which the Coast Guard was largely irrelevant in my view. We were not going to materially impact an attack by Soviet forces through the Fulda Gap or deal with ballistic submarines in the U.K.-Greenland gap or deal with issues like mutually assured destruction.

However, during those years, we were slowly acquiring critical skills, working inside the interagency in an international setting with coalition partners, and it really started with a very, very negative event in 1970 with the Simas

Kudirka affair. Some of you may remember. We had a Lithuanian seaman jump on board a Coast Guard cutter during fisheries talks with the Soviets, and ultimately that Lithuanian was given back under much, much protest and much discord inside the U.S. Government. But from that came a presidential directive that required interagency consultation when you had a case involving a foreign national. I see that as the seeds of interagency governance that has grown and is getting much more competent and capable, that needs to continue to grow.

I see that further in Coast Guard operations in 1980 during the Mariel Boatlift with several hundred Cubans arriving at this shore, the requirement for operating units to be down there, for us to coordinate with other agencies inside the federal government with foreign individuals -- again, growing our competency in interagency operations, coalition operations and in dealing with partners.

We entered the drug war in the mid-1970s. That required a new level of integration, and in 1989 the Defense Authorization Act allowed defense capability and capacity to be used for detection and monitoring. That required us to become joint. I've told many people the micro example of interagency excellence in this government right now is Joint Interagency Taskforce South which is co-located in Key West. It is commanded by a Coast Guard admiral, the director of the center, working for U.S. Southern Command. It is interagency. It is joint. It is a coalition. You have European and South American countries that are represented there.

So I think we've arrived at a place today in the Coast Guard where we understand our role and we understand the competencies that have evolved over the last 20 years that make us unique in this time and place. Secretary Ridge once said, if you didn't have a Coast Guard, you'd have to invent one. If you look at the particular skill sets that are required in most nations in the world right now, if you look at immigration issues, drug trafficking, protection of natural resources, environment response, those all call for a Coast Guard. We are poised to help where we can. We have assigned people to be on the planning team for the new Africa Command, and we will continue to do that.

The base problem for the Coast Guard right now is we need to understand that we're not living in the same world we did in the past. As I said in my recent State of the Coast Guard Speech, we need to understand that we're not a small business anymore; we're a Fortune 500 company. Our doctrine, our command and control structures and our mission support structures and our business practices have to match that.

On assuming the role as Commandant last May, I made the decision to reorganize our acquisition program in the Coast Guard because my view of the acquisitions in the Coast Guard from my time as Chief of Staff led me to believe that we had not organized properly to be able to execute the large Deepwater contract, a $17 billion to $24 billion program over the next 20 to 25 years. I thought that we needed to take proactive steps to meet some of the problems that

we encountered. Many of the problems we encountered were made public last December in a lot of press reporting regarding structural issues with our cutters and what was reported to be cost growth.

In actuality, we had elected to make the acquisition reforms that are being announced right now last year. It has taken until now to plan them and put them into place, and in January we'll stand up a unified acquisition directorate in the Coast Guard.

We also look to establish a unified mission support organization that focuses on the life cycle of management of our assets. As we acquire them and maintain them over the life, we will do that in a more effective manner. I've challenged the Coast Guard folks to look at two things, mission execution and mission support. I've told my people this: If you come to work every day and you can't describe what you do for mission execution, what you do to execute our mission or what you do to support the mission, then one of two things are wrong. We haven't adequately explained your job to you or we don't need your job.

So we've taken a bottoms-up look and leaving our operational units intact because they're the ones that have to do the work out there every day. We are building a structure behind them so this can be a more effective mission support organization.

We are looking at our command and control structures and trying to eliminate layers and arbitrary geographical boundaries that might inhibit the

performance of our mission. That's going to require us to take a look at some real fundamental stuff in the Coast Guard. We are transforming our financial accounting system. We are transforming our entire logistics and maintenance support system. These were driven not by Deepwater but by the fact we had to do this to be a modern Coast Guard in the 21st Century.

We are looking to remove the number of layers in headquarters and move people out of headquarters into functions in the field where we can more properly support our operating units.

But, moreover, we need to be able to demonstrate our competency, our capacity and our accountability to recapitalize the Coast Guard to give our men and women the cutters and the aircraft they need to be able to be in their hands to support mission execution. That has been my promise to the people in the Coast Guard, and I intend to carry that out. That's going to require us to think and act differently. That's going to require some new sets of skills we will have to develop. We will have to look to organize and have partnerships different than we have in the past, especially with our friends in the United States Navy particularly the Naval Sea Systems Command and all the technical support that they can provide us which they are now in the process of our acquisitions.

I consider myself somewhat a transitional Commandant. I would like to leave this organization three years from now when my tour is up with an initial operating capability that reflects our ability to field cutters and aircraft out there,

support them properly, but moreover that we have the respect, the confidence and the credibility with the American people, the Congress and the Administration, and that we can have our business practices match the operational excellence that we've been known for.

Thank you very much. I'd be glad to take questions.

(Applause.)

AMB. PASCUAL: Admiral, as they mic you up, I just want to say thank you for an extraordinary presentation. What you really did help us grasp is the central role that the Coast Guard is playing on our homeland defense, on recovery from tragedies, on being a key actor in the coordination of any future events that could take place. It's fundamentally a security organization in dealing with the homeland, but it's also one that has a humanitarian mission. I think you did an excellent job of laying out the dual nature of those functions and the change and the kinds of changes that are necessary to adapt in order to be able to make that viable.

Throughout the discussion, one of the things that I certainly took from your comments was how often you used the words, interoperability, joint activities, interagency, that we operate in a different world, that this is no longer an environment where you have one enterprise or operation that is controlling everything or is able to do everything, but in fact you have to bring in a whole series and range of actors in order to be able to achieve your mission.

I want to go back to the analogy that you drew early on in your talk about Goldwater-Nichols because here the U.S. Congress determined that we needed to change the way that our military functioned and imposed a legislation, imposed a law on the U.S. Military and basically said that it was not the law that you had to have the capacity to be interoperable among forces or services. It provided the resources to actually do it. There was one budget or account, essentially, from which all of this came. You had a history of being a hierarchical entity within the military that understood what orders actually were.

In effect, one of the things that I hear you saying is that if we translate that back to the civilian world, that what we have today is no functional equivalent of what creates that interoperability among agencies. Do you need, in fact, some form of a joint staff?

Here, let's stick with the homeland security kinds of issues. Is there a need for something comparable of a joint staff? If that is the case, what are also the implications for how one deals with the kinds of stovepipes that you were talking about both in personnel and in resources which are very much segregated across accounts to make it much more difficult to be able to operate in a unified fashion?

ADM. ALLEN: Well, I think you first have to understand the similarities and dissimilarities of the two systems. Operations in the Department of Defense right now are actually an artifact of statute, Title X. That legislation was passed in the late 1940s. Even the National Security Council, all that structure, is an

artifact of statute, I would say.

A good deal of what has evolved since 9/11 has some statutory underpinnings as the Homeland Security Act does for the Department of Homeland Security, but the Homeland Security Council and Homeland Security Presidential Directive 5, which lays out incident management, are policy documents.

The question is when you move out of a single department to multiple departments, the ability to coordinate across those departments presents significant challenges. That notwithstanding, the utility of what they would call the 3 and 5 functions in the military, the operations and the plans and policy functions, are the types of cross-cutting functions and governance type structures that would significantly enhance interagency operations and operations between the interagency and the Department of Defense. As I said, all of this is very, very difficult. I think it's a task that needs to be taken on.

AMB. PASCUAL: Let me turn to the audience and give others an opportunity to throw their questions in.

QUESTIONER: Andrea Eschelon, Reuters.

I'm wondering about your Deepwater reform and your acquisitions reform. There has been a lot of discussion about the concept of using a lead system integrator and there has been certainly been questions raised by lawmakers about whether the military and the Coast Guard and other government agencies ought to

be giving that much power to private contractors.

I wonder if you can reflect on that and now that you've decided to sort of increase the role that the Coast Guard is playing in that, whether you think that you'll still use lead systems integrators for projects down the road. Thanks.

ADM. ALLEN: That's a great question.

First of all, I don't impeach out of hand the notion of a lead systems integrator. I think there are proper places for them. I think you have to have the right contractual mechanisms in place to enforce it, make sure you have accountability and make sure of the role of the government as the stewards of the public trust and that the ability to make decisions is not diminished.

In fact, I testified several times before Congress with David Walker, the Comptroller General, that those types of structures in and of themselves are not bad. The issue is creating is governance capability, capacity and competency to be able to effectively execute it and make sure that when the responsibilities are divvied out, that the responsibilities of government, the statutory responsibilities of government aren't somehow inadvertently given away to the private industry or somehow, in the absence of acting in the perception of the American people, have abdicated responsibilities to the private sector.

My position is that there are going to be very complex problems, moving ahead, for the Coast Guard, the Department of Homeland Security and government that will be difficult to handle within the jurisdictional boundaries

and the scope of the agencies that are involved or the budget authorities of the folks that are involved. It's going to require the need to deal with lead systems integrators. The question, I don't think, is whether or not you're going to need them in the future. Rather, how are you going to deal with them?

I think the lessons learned from Deepwater, how we move forward, how the Department is dealing with SBInet are all going to lead us to a framework or a governance structure whereby we can award these contracts and execute them because I think we are going to need to do that because of the lack of capacity and bench strength. There is some we can do, and we will take on some of that in the Coast Guard. Where we don't have the capacity, we will look to our partners as in the Naval Sea Systems Command to support us. So what you may see is more government to government partnering to fill in some of that capacity gap.

QUESTIONER: How close are you now? I know it's a question of building the capacity within the Coast Guard, but how far along that spectrum are you in terms of oversight?

ADM. ALLEN: We will stand up the new acquisition directorate in the Coast Guard in July, and then we will start a transition where we are using the systems integrator to provide some support. We will start providing more of that support. As we provide more people to our organization and we make more partnering agreements with the Navy, let's say, we will slowly diminish the role of the systems integrator.

This is something you just can't turn the switch off or just shut down overnight. That's the reason it's important that we maintain a contractual relationship. Whatever issues are inferred to be with this contract right now don't force us to terminate that contract until we can make the transition where we don't have a loss of continuity in the program or a loss of production.

QUESTIONER: Hello, Admiral. Commander Joanna Noonan, Coast Guard.

The lead systems integrator made me think a little bit more about what you're talking about in coordinating how we do very large missions and this concept of lead agency. I just want to hear what your thoughts are because it seems like not every department is necessarily in a position to be a lead agency just in terms of what they do. I mean building that capacity at the very top to be in charge of a giant catastrophe, manmade or otherwise.

Can you talk a little bit about that in terms of does every department need to be a lead in something? Do they need to be preparing for that? Do we need to have those duplicative efforts?

Or, should it be more of a specialized, there are a few departments that are in that role and there are other departments that provide special expertise depending on what the circumstances are?

ADM. ALLEN: I think it's pretty clear from the existing policy documents and decisions taken to date that for a non-Title X incident, the expectation effect

in law and in policy is that the Secretary of Homeland Security will be the incident manager or the principal federal official, if you will.

Now having said that, there's an interesting term that's used in the DoD world, that I think the interagency needs to become more familiar with, and that's the supported and the supporting commander. For the purposes of unity of command and clarity of who's in charge within the Department of Defense, they will establish a lead entity that will have command of the event itself and everybody else is supporting them. I don't think you're ever going to get a unity of command, strict chain of command outside DoD. I think this notion of providing supporting capacity and capability when you have that within your own department is a very, very good one.

But there are still some issues to be worked. One of the issues we need to work out is when you have the presence of a senior law enforcement official and you try to do a response at the same time, there needs to be a governance structure over the top of that, so our ability to deal with a terrorist incident from the Department of Justice/FBI standpoint is not diminished. However, we are conducting an empathetic and responsive support to the state and local governments to the extent that there are human impacts out there, and you could have the Stafford Act involved. That in itself requires a coordinating function over the top, and we haven't brought DoD into the play yet.

So I think there's room for that, but I think everybody needs to understand

there's a difference between having a lead for a mission and having the responsibility to coordinate what everybody is doing to produce a mission effect and providing subject matter expertise that's critical to the execution of the mission and the supporting role.

AMB. PASCUAL: If you were to take this concept further of a supported and supporting command or organization and apply it to let's say the three levels that you talked about earlier -- a national security event, a terrorist event or a natural disaster event -- do you think after Katrina, that there have been lessons that have been learned to quickly come to a conclusion, let's say in something like a national security event, that we would have the capacity to quickly understand who is the support command, who has the lead and where others would fit in or are we still evolving from the experience of Katrina?

ADM. ALLEN: Actually, in a way, the national security event is easier because you predesignated the lead official. You already set up the coordinating structure. You know who is supported and who is supporting. What you're really trying to do is create a non-event. So I think that's a little more clear-cut, and I think that's less problematic.

I think the issue of simultaneously handling a response and a major law enforcement effort at the same time. We've been talking with the General Accounting Office, for example, on how you might interact if there was a large issue regarding a catastrophic event on a ship that was also a terrorist event and

maintain the integrity of the crime scene and allow them to do their job but also have the response that you need. I think in that case there's going to be a duality of responsibility, and sooner or later you're going to have to make tradeoffs.

Some of those coordinating structures actually were recommended in Fran Townsend's lessons learned report after Katrina, where you have a coordinating group at the department level that meets and adjudicates those. The problem is that the urgencies of the response and the timeline that's involved may not allow you a lot of time to be able to do that. To the extent that you pre-negotiate relationships and establish who has primacy or leader support, I think will help, but I still think that we haven't put as much time into developing the doctrine to support that as we maybe need to.

QUESTIONER: Peter Singer with Brookings. Thank you very much for joining us.

What is the role of Congress in these types of reforms? Can we support this kind of capacity-building with the current committee structure?

ADM. ALLEN: You're a little above my pay grade right there.

I certainly think that as we come up with solutions, interagency structures that allow us to do this, there's always going to be the issue of how do you flow resources which are required to achieve the response. Now, for a natural disaster, that solution has already been given to us in the form of statutory authority under the Stafford Act to use the Disaster Relief Fund. That's not always applicable in

every situation.

So I think what we need to do moving forward, we need to figure out not only how are we going to constitute the forces to achieve the mission effect, who is supported and who is supporting, but how do the resources flow to make that happen.

It's a much easier problem on the DoD side for the current Global War on Terrorism. The recent supplemental was passed. Everything is in one request, and everything is accounted for regarding military operations related to the War in Iraq and Afghanistan.

There are limits to what the Stafford Act can be used for, for a natural disaster. Then after that, you're falling back on the base budgets and the resources of the agencies or the departments that are involved. There's not an easy way to aggregate those resources, apply them to mission effect or to seek reimbursement if that's the decision that happens. Then you're dealing with multiple jurisdictions on the Hill, so it becomes a pretty tough matrix type issue not only from an operations execution side but from the appropriations side. It's a tough problem.

AMB. PASCUAL: Just to understand correctly, in the defense budget, there are two differences here. One is just the magnitude of the budget that allows a certain degree of responsive capability within the financial flows that exist, then being able to supplement that with some form of supplemental appropriation.

Secondly, you have one account which allows for some degree of flexibility.

When we're going onto the civilian side, what we're dealing with, in effect, are multiple accounts and each of those accounts, much more constrained in what it can fund and less flexibility in being able to have the resources that are necessary to deal with these kinds of crises, so that when you get into a crisis situation, your ability to move quickly like that has become much more constrained because you simply just don't have those resources to be able to grab onto.

ADM. ALLEN: I think there are probably restraints even within the DoD budget that would require them to go to Congress and consult if they moved a certain threshold of money between programs, but it is easier.

I think the other issue is that there's an assumption, a rightful assumption, that the structure of the U.S. Military is made to be able to project power overseas, to take forces from garrison and move them to achieve mission effect some place outside the continental U.S., and they are constructed to do that.

When you move outside the DoD realm, most agencies are not constructed to have the capacity to take resources from their current job and assign them outside the country, and I think that becomes a problem too. To the extent that you have border issues outside of the country, then you're faced with the tradeoff of we don't have reserve capacity to choose to just defend the country and project power forward. We've got an everyday job, and there's an opportunity cost to

any of those resources that are moved. So I think the added thing is the capacity issue in the interagency.

QUESTIONER: Yes, Admiral, I just want to say thank you for coming. Thank you for your service. Watching you and your team in action two years ago made me proud to be an American.

I have a rather specific question looking back at the Hurricane Katrina response.

ADM. ALLEN: Could you introduce yourself as well?

QUESTIONER: My name is Tony Margen. I'm an employee at the U.S. Maritime Administration. My question reflects my personal view. It doesn't reflect that of the agency at all. I'm very happy to be here and to be talking to you today.

A rather specific question, looking back at Hurricane Katrina response, interagency cooperation and lessons learned, what were your own personal views or comments regarding the support roles provided by the three ships owned by the U.S. Maritime Administration, the three training ships -- the Empire State from New York, the training ship State of Maine from Maine and also the training ship Texas Clipper from Galveston?

You might recall that these training ships are owned by the Maritime Administration but operated by the three state maritime academies and they provided feeding and berthing for thousands of first responders, military, police

and port workers. I just want to know what your anecdotes or comments are.

One additional follow-up, these training ships are designed and operated as traditional training ships to provide training for merchant mariner officers, future Navy officers, future Coast Guard officers. They are not really designed and configured as primary emergency response platforms. I was just wondering. Would you favor a more collaborative approach with the Maritime Administration to maybe configure these training ships better suited for emergency response platforms in case of future hurricanes or earthquakes or what have you?

Thank you and, again, thank you very much for being here.

ADM. ALLEN: That's a great question.

Let there be no mistake. Let me thank Mar Ad and the state maritime universities and anybody that sent resources down to Katrina for their service here. They were invaluable. We were able to take local responders and berth them and feed them. We were able to take rolling stock, emergency vehicles, put them on the roll-on, roll-off vehicles. They demonstrated a unique capability that I don't think was ever understood well by the country how they could be employed in a catastrophic response.

In fact, I have talked with Sean Connaughton about this in the past. I think there is a significant role in a maritime environment for those types of assets when they're needed. The real issue is a resource issue. We talked about that earlier. How do you sustain those ships and keep them ready to operate when there is not

a threat an emergency, to have them ready when you need them and a proper funding source for that? I know that's problematic.

But make no mistake. They were critical to our support, especially in some of the communities that were farther down the river from New Orleans, St. Bernard Parish and so forth, absolutely critical. We thank you for the response. They should be factored into future planning. Again, there's always going to be the resource issue. Should they be supported specifically for that purpose or for the reserve role which they have for the ships? But I couldn't thank them enough for everything they did down there. Thank you.

QUESTIONER: My name is Jeff Fine from Defense Daily.

What's going to be the impact of not having the 123s available this summer and what are you going to do to fill that gap not having those ships available?

ADM. ALLEN: That's a good question.

The 123s were the cutters that were extended under Deepwater. We intentionally intended to extend 49 110-foot patrol boats to 123-foot patrol boats. After we made the conversions, we found out that we were having problems with the hulls. We stopped that program at eight hulls, and then the problem became what to do with the eight hulls that were left after we terminated the program.

I made the decision last November to remove them from service because they had gotten to the point where the hulls had deformed. Instead of being elastic like ships are intended to do at sea, they had become plastic and had gotten

to the point where you couldn't keep shafts in alignment. I could not use them operationally without endangering our crews or endangering the mission. So I removed them from service, and then we elected to take them totally out of service.

Two issues, one is the accountability and responsibility for recouping the government's interest and the money that was invested. We are taking care of that. In the meantime, we took the crews from the existing eight 123-foot cutters and the funding base for those cutters, and we have double-crewed four patrol boats in Miami and four patrol boats in St. Petersburg. That has allowed us to recoup about 12,000 hours a year that would have been supported by the 123s with multiple crewing of the existing 110-foot cutters, and we're using the resource base to help pay for the increased maintenance costs of operating at a higher level of hours.

AMB. PASCUAL: If I could raise a different type of question, especially in the context of the number of media that are here. The media clearly played a very central role in the response to Katrina, and I wonder if you could just reflect on that and what some of the positives were and what some of the negatives might have been or where the difficulties arose.

ADM. ALLEN: I think we all have to understand that we're in a 7 by 24-hour news cycle, that there are going to be times when media on-scene are going to have greater situational awareness than anybody else does because there's

nobody else there but them. They happened to have stumbled onto a part of town where something is going on. It's very, very difficult to bring all that back and kind of make a cohesive what we would call a common operating picture and create what we would term in the military, situational awareness.

I think one of the enduring challenges going forward is how we create and maintain situational awareness, an operating picture and provide decision-makers information for them to make the best decisions they can when there's a continual reporting 7 by 24 and while the reporting is specific to where that particular media person may be. That may or may not be the most important event that's going on or the greatest need to apply resources. So it creates a real adjudication problem when there's a perception out there of a certain set of needs that are generated by reporting that may or may not align with the actual reality, but there's a lot of pressure to respond to what's reported.

That's natural. I think that's human instinct, and I think it's something that as we move forward, at least I've learned from being down in Katrina, we're going to have to be ever mindful of. To the point where you're going to have to make sure that you're following up if something has been reported that you weren't aware of and you're being responsive to that, rather than just relying on your own channels of communication and saying I think I know everything by what my people are telling me.

QUESTIONER: Hi. Emily Rutherford, U.S. Navy.

On Deepwater, has it determined what amount of money you're going to seek from ICGS for the reimbursement of those eight patrol boats?

Also, has there been any response? I believe the date was May 17th that the letter was sent to ICGS, saying that the acceptance was being revoked.

Then third, in general, how satisfied or not satisfied are you with the level of cooperation from ICGS on Deepwater with those patrol boats issues.

ADM. ALLEN: Well, first, as you stated, we revoked the acceptance of the eight cutters. That is the first step to laying out the government's position which there will be a number of steps leading to accountability on whether or not we achieved the proper value for the money that was paid. That will take its course. We have not had a response yet from them. That is currently in progress.

We have a very, very in-depth, complex relationship with Integrated Coast Guard Systems. As we transition and take a larger role in the lead systems integrator role and logistics integration, we're going to have to continue to work with them because right now they are a good deal of our capacity in those areas, and we can't just summarily terminate this. It would cause an incalculable effect on costs and schedule and other things.

What I've done personally is meet with the CEOs myself from Lockheed Martin and Northrop Grumman. In fact, just last week on Thursday, we were down. Actually, all three of us walked the ship, the National Security Cutter that's being built in Pascagoula. We meet periodically and are agreeing on a

collaborative basis on the way forward as we transition from the role that we need to be in and the role that they currently are in now. I have no pushback from them. They understand exactly what needs to be done. They understand we are the customer. I think the relationship is right where it needs to be right now, but we're in a transition period as we assume a larger role which we really need to do and be the customer we need to be for the country.

QUESTIONER: Do we know how much is going to be sought for reimbursement? I believe in the letter the figure had yet to be determined for those eight patrol cutters.

ADM. ALLEN: There's a lot of material provided with those boats that is usable in other areas, so we need to figure out. For instance, they all came with a short-range prosecutor small boat. They are electronic suites. All those have use elsewhere. I think we need to figure out exactly how much of that is redeemable. We're talking about the amount of money that was invested was just below $100 million. How far can you drive that figure down to what is left to be the figure that's accountable for, and that's what we're doing right now.

AMB. PASCUAL: One final question over there on the side.

QUESTIONER: I'm Ashley Roque with Congress Now.

I wanted to know. Going into the budget mark-ups right now, a House Appropriations Committee just took a huge chunk out of Deepwater for next year. How much of a cut can you incur next year?

ADM. ALLEN: This was a pretty austere budget for the Coast Guard. In fact, I would call it a current services budget. There was not a lot of growth of programs in our budget. Quite frankly, we need every cent of the President's request.

We realize that this is a process that goes through stages. The Senate will mark up, and there will be a conference. We will work with both the House and the Senate to make our case. This is not a time not to fully fund Deepwater.

AMB. PASCUAL: Admiral, any final comments or observations on your part?

ADM. ALLEN: I appreciate the opportunity to be here today. I thank you for the comments earlier, and I appreciate the chance to have the dialogue with the folks here today. Thank you very much.

(Applause.)

AMB. PASCUAL: Admiral, unlike the military, we don't do coins. We do books at the Brookings Institution. So we're very pleased to give you three books by a number of our scholars who are here and reflective of some of the work that we do.

We thank you again very much for the thought that you are giving to the world that is changing out there, that requires an integration of capacity services, civilian and military functions, international and domestic in ways that we've never really faced before as a nation because we just operate in a much more

complex and different world, and all of these things have become fundamental to our security and also to our prosperity.

We thank you for your creativity, your ingenuity, your willingness to push the envelope. You continuously use the words, adaptable and agile, and you're certainly demonstrating that in the way that you command the Coast Guard. Thank you very much.

ADM. ALLEN: Thank you.

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