

**CENTER FOR STRATEGIC
AND INTERNATIONAL STUDIES (CSIS)**

**THE COHEN-NUNN DIALOGUES:
PRESERVE, PROTECT AND DEFEND:
THE CHALLENGES TO AMERICA'S HOMELAND SECURITY**

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JESSICA STERN, AUTHOR,
"TERROR IN THE NAME OF GOD"

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JOHN SEXTON: (In progress) – a wise man and dedicated man, knowledgeable about the topic we speak of today. Doug?

(Applause.)

DOUG WILSON: Thank you very much, President Sexton. On behalf of the Center for Strategic and International Studies and its president, John Hamre, and the Howard Gilman Foundation and its board chair, Natalie Moody, and its president, Bernard Bergreen and my colleagues on the board of directors, we're delighted to be here. We want to express our deep appreciation to New York University and in particular, to the CCPR for a terrific job that they have done in helping us prepare. We really want to thank Brad Penuel and his team and in particular David Berman, the deputy director, who has done a yeoman's job in helping us. And on behalf of the organizers of the Cohen-Nunn dialogue and in particular my colleague in crime, Janet Langhart Cohen, it is now my pleasure to introduce the panelists and discussants for tonight.

Will you join me welcoming to the stage first, the former U.S. secretary of Defense and former senator from Maine, William Cohen. (Applause.) From the Council on Foreign Relations and the author of "America, the Vulnerable," the homeland security expert Steve Flynn. (Applause.) And the person who has welcomed us here to New York, the Mayor of New York City Michael Bloomberg. (Applause.) From Harvard University and the author of "Terror in the Name of God," Jessica Stern. (Applause.) And the co-chair of the Cohen-Nunn dialogues, the former chairman of the Senate Armed Services committee and former senior Senator from Georgia Sam Nunn. (Applause.)

And ladies and gentlemen, to introduce our topic tonight and to set the stage, it is my personal pleasure to introduce one of America's finest public servants, a former commandant of the United States Coast Guard, the first administrator of the transportation security administration, and the former deputy secretary of the Department of Homeland Security, Admiral James Loy.

(Applause.)

ADMIRAL JAMES LOY: Doug, thank you very much and we certainly welcome all in the audience to the second in this series of Cohen-Nunn dialogues. The date 9/11/01 is now one of those very special days we all have as a lifetime reference, sort of like Pearl Harbor to that generation before and even some of us, and to our wedding days; those kind of days that marks a before and after in all of our lives. I would offer that 9/11/01, in particular, challenges us to understand a very different world that we're living in, a very different set of threats and challenges, and often is referred to as a new normalcy. We can all recall those immediate moments and days and weeks after

9/11/01, when our quest was when are we going to get back to normal, and our normal reference was to 9/10/01 or before.

But this window of life after 9/11 is a new normalcy that we all have to begin to understand, to deal with, to understand its impressions and its pressures on our lives, and to go forward with it as a base of work. In the '90s, I can remember giving speeches and I can remember hearing speeches from several of our panelists when they spoke about the so-called asymmetric array of threats, and we wondered what would be the next big thing after the fall of the Berlin Wall in 1989 and dissolution of the Soviet empire. We thought about counter-narcotics; we thought about AIDS epidemics in Africa, and we certainly about terrorism.

Well, 9/11 answered that question for us as the next big thing, but I would offer part of the new normalcy is not relenting in our quest to understand those other challenges as well. Since 9/11, we as a nation have recognized many challenges and perhaps even solved some. And our discussion this evening should help highlight where we find ourselves six-and-a-half years later and help clarify, even to those who seek the leadership of the nation, what must be done about those things still to be done, still to be understood; the seminal issues that help formulate, if you will, the national will, and ask them to lead us to those ends.

The panel will focus its discussion around three basic points: the terrorist threat itself, understanding it, defining it, comprehending it; second, protecting America against that threat; and lastly, responding to catastrophes if and when that must be the case.

Let me just populate, if you will, a menu of ideas that you might consider posing to the panel or expect them to talk about through the course of their discussion. First, the threat: The notion of radicalization, and what is the West doing about it, that person on the fence between coming down and joining the forces of terrorism on one hand or making what we would think would be a better choice. How are we influencing that choice? The intellectual investment that seems to range from paranoia to one end of the spectrum to complacency, even only six years later, on the other end, and how do we regain a normalcy approach to thinking about intellectual investments.

Connecting the dots, not the way we failed to do it prior to 9/11 but what are the elements of connecting the dots in the 21st century. Does it require new competencies, does it require new investments, and are they being made? The notion of an offense versus a defense, and even suggesting that a good offense is part of a good defense; how do we weigh that out in this understanding of the threat.

Second, protecting America: I think one of the sustaining notions that we brought to the toil at the beginning of standing up DHS was these five magic words of awareness, prevention, protection, response and recovery. And I continue to advocate if we spend all of our time or a good portion of our time thinking about the awareness piece, we will be dramatically more able to build good protocols attended to the other four, prevention, protection, and even response and recovery.

Thinking about the protection of the critical infrastructure of this great nation, and what does that really mean, and how complex is that, and who is about the business of doing it. Grant programs, which I am certain the mayor will chat about just for a moment in passing. Civil liberties, the constant issues brought forth even by our founding fathers. When Franklin suggested that even he who would give up even a moment of safety – introduced the word security – for a lifetime of liberty, deserves neither. What is that balance and how do we play it through in this new century? Protection programs and tools, are they adequate to those public servants at the local level or at the state level as they deal with their routine challenges?

And lastly, response to catastrophe. What lessons do we continue to learn from Katrina? The House of Representatives did a report; the Senate did a report. Fran Townsend in the White House did a report. Even BENS, the business executives for national security, did a report on the private-sector contributions and the problems they had even making those contributions. Where do we pull those things altogether, learn the lessons, and actually do something about the response to catastrophes? Have we done something as simple, for example, as solved the interoperable communications challenges that bedeviled New York City on the occasion of 9/11 and bedeviled New Orleans and all of the state of Louisiana after Katrina?

The notion of resiliency as part of this response to catastrophe – there are those who would suggest some of these challenges, these negative events are inevitable. And we ought to be about the business of thinking more about response and recovery. Steve Flynn talks about resiliency in his second book, “The Edge of Disaster.”

Lastly, should DHS be the forum for an all-hazards approach? Is that the core set of issues that must be dealt with by this nation in a single Cabinet-level agency? Well, as one who was immersed in this effort inside, so to speak, for over five years, the 9/11 Commission and many observers have since offered priceless, I believe, direction and we remain frustrated often six years later with incompleting tasks. Congressional oversight, interoperable communications for first responders, I would still have on that list; compliance with notions like real ID and identity issues, information sharing, and perhaps a dramatically unbalanced investment of federal resources towards this menu of challenges.

Let there be no doubt: This is extraordinarily complex and difficult work. And it also suggests that we must be about the business of embracing change in this new normalcy in this new century. The panel today will give us lots of insights, I’m sure, as to their thinking on these and many other issues, and I invite you in the audience from this menu to offer them some challenging questions when it’s your turn. Thank you very much.

(Applause.)

WILLIAM COHEN: Admiral Loy, thank you very much for a very comprehensive introduction to the subject matter of the day. And President Sexton, thank you for welcoming all of us here today. I want to give you just a few words about why we're here. Senator Nunn called me last fall and he was quite agitated about what was taking place in terms of the level of dialogue on the part of our political aspirants. The quality of the dialogue, the focus of the media, and the fact that we were failing to really zero in on the major issues confronting this country. And so, we agreed to work together to start a series of dialogues that would cover a small range of subject matters that are vital to this country's success and survival.

The first one we held about a month and a half ago at George Washington University. We raised the subject matter of the loss of credibility on the part of the United States. Why have we lost credibility abroad and then here at home? And we had General Anthony Zinni who was a panelist; we had Christiane Amanpour from CNN; we had Andrew Kohut who is the head of the Pew Research Center.

And so we asked these questions. And basically, it came down on the foreign abroad question. They cited Iraq, hard power vs. smart power – that we have engaged in the use of hard power but not smart power; Katrina, which Admiral Loy just referred to – namely that the colossus was shown to have clay feet, that this superpower wasn't prepared for the consequence management of mother nature's mass destruction. And the third issue that they cited and talked about was hypocrisy on the part of people abroad who look at us and say, you talk a great game about democracy but you end up supporting dictatorships and authoritarian regimes. And so that has been an element of anti-Americanism: the loss of credibility.

Here at home, it's a little more direct. Namely, our political system has become dysfunctional. Our arteries are clogged now with sclerosis. And the nation has become polarized and the process has become paralyzed. And so, nothing is really done to address the major issues of our day.

And so, the outcome of that first dialogue was we need to listen more to the American people and to others. We have to learn more about other countries, their cultures, their history, their experience, how they see the world unfolding. We have to understand the limits of hard power. It's important but there are limitations on it and we have to engage in much more smart power. And we have the need for allies; we can't go it alone or be seen as going it alone.

That was the essence of what the Cohen-Nunn dialogue number one was about. This is different, as Admiral Loy has just pointed out. Today, we're going to talk about security because the first obligation of our government is to keep us secure. Physically, which we failed to do on 9/11; fiscally, we need to have a sound fiscal policy, which we don't have. Economically, we'd like to remain competitive and we're losing that edge. And environmentally, we've got to protect it and conserve it.

And so, today, we're going to talk about the threats. How real are they? What have we done to prevent them or protect against them? What have we failed to do? Why have we failed to take action? And where do we go from here? And that's the essence of this afternoon's program. And I yield the floor, as we used to say in the Senate, to my senior colleague from Georgia, Senator Nunn.

SAM NUNN: Thank you very much, Bill. And I too am delighted to be here at New York University. Mr. President, thank you for having us and hosting us. And also, congratulations on the center here where you are devoting a lot of time and research to preparedness for catastrophes, preventing them, and basically having dialogue. So congratulations to you because we need a lot more of that dialogue and that research and that thinking on college campuses and indeed throughout our country.

Several years ago – I'm not sure I can remember the exact date – but it made the front page when he said it and someone at the Pentagon leaked it. And I know that former Secretary of Defense Cohen knows about leaks. But Secretary Rumsfeld wrote a memo that he didn't intend to get leaked, but it did. And it basically was in the form of a question to his staff. And he said, quoting him, "are we capturing, killing, deterring, or disrupting more terrorists every day than are being created," end quote. I never saw an answer to that question. I never saw it come from the Pentagon. I never saw a leak. A lot of people have taken a crack at writing about it, but I think that's something we really need to talk about here today.

What are the dynamics and what is the scorecard? Can we use a body count scorecard? I don't think so. Jessica Stern has done an awful lot of research in that area and we will be exploring that with her. And as Admiral Loy said, there are all sort of questions. But to try to put an umbrella over two or three of them: What are we doing at home? Mayor Bloomberg and Steve Flynn will both be talking about that. And we hope all of our panelists will join in. And we certainly hope the audience will join in.

What have we done right here at home? What are the things we've done right? We've done a few things right. There's no doubt about that, maybe more than a few. What are the urgent tasks that we have not fulfilled? Where are the greatest dangers? Are we doing a better job of coordinating at the federal, state, and local level?

Intelligence is one area. But also things like preparing for an outbreak of infectious disease or a deliberate attack with bioterrorism; or a radiological attack where there is not a nuclear explosion but a radiological conventional type explosion exposing people to radiation and basically closing large segments of a major city.

How do we engage citizens? This is one that Bill and I are going to be talking about a good bit in the future. We're going to have a meeting in Atlanta in June where we talk about national service. I believe there was a time right after September 11th where the country could have been mobilized for a real sense of patriotism and a surge of people joining, not simply the military – although that would have been part of it – but also Homeland Security forces. I think there's an enormous amount of energy in our young

people, an enormous amount of patriotism if called on. So we're going to be talking about national service hopefully some today, what citizens can do, but also a program on that one in Atlanta in early June.

And finally, in terms of a fundamental question, what does winning mean in terms of the fight against terrorism? It is certainly not – winning is not definable in terms of the historical taking of territory and so forth. How will we know when we've won? Does it mean getting down to zero risk? I don't think so. Does it mean separating the terrorists from their constituency, from the population that either supports them or sympathizes them? To me, that's closer; but we're going to be exploring that too. So this is going to be – I think – a stimulating hour, hour and a half. And I thank each of our panelists for being here. And again, I thank New York University for sponsoring this.

Jessica, let me start with you. You visited with a number of – I'm going to ask one question – what should we call them – violent jihadists or should we call them murderers? But you visited with a number of young people who were on the edge whether they were going to be part of that movement or not. What is it that we can do, not simply on the operational side of terrorism. What is it we can do to try to prevent the growth of terrorism?

JESSICA STERN: Well, I actually visited terrorists who aren't just extremist Muslims, so it wouldn't make sense to call all of them jihadists. But most of them – the most effective terrorists operating, they are salafi jihadists. And what I learned is that they aren't completely committed to the mission they articulate. That's not the most important thing they talk about, when you ask them why they do what they do.

They talk about other things in addition to the political agenda that we all hear about. They talk about how they came in through friendships, through social networks. Sometimes increasingly they're brought in by what they see on the Internet. They are self-radicalized. They come in because they think that joining a so-called jihad would be an adventure. They think that the work they're doing is glamorous. In poor countries, violent jihad can be the best job available to some youths.

MR. COHEN: Can we follow-up on that? Senator Nunn asked you about jihadists or what's the proper term. There are many in the Arab or Muslim community who object to every time we talk about terrorists, we talk about Islamic terrorists or Islamists. And we're linking all of them under that particular term. In your book, you also talk about domestic terrorism with Timothy McVeigh, also some of the militia groups. And so, does it become important in terms of how we address the issue? Are we engaged in political niceties of trying to eliminate any reference to them in terms of being jihadists or Islamists? Or what's the proper term? And I think that's real important as we discuss this.

MS. STERN: Well, I'll do my best. Jihad – a mainstream interpretation of jihad – is a spiritual cleansing of the self. A jihad could be walking a little old lady across the street. But the terrorists, the Islamic Muslim extremist terrorists refer to themselves as

jihadis. And that, of course, has become the popular way to refer to the mujahideen – mujahid. They call themselves – I am a mujahid. And they'll say, one young man I talked to, I'll never forget this. I am a mujahid; I am addicted to jihad. The same way you're addicted to writing, I am addicted to jihad. That's how they refer to it.

MR. COHEN: Could I ask you just one follow-up question? Some people say that we are in this struggle against terrorism because of who we are. Namely, we're open; we're democratic; we're pluralistic; we embrace all religions, et cetera. There are others who say it's not who we are but where we are. We're over in their Holy Land; we're over in the Middle East. And therefore, we shouldn't be there. It may be both. But the question I would have for our discussion today, is it who we are, where we are, or both? And if you assume that we were to pull our presence out of the Middle East tomorrow, were able to achieve a Middle East peace process tomorrow – those assumptions – would that in any way, in your judgment, based on your interviews, would that take away the jihadists' either movement or threat to this country?

MS. STERN: Well, bin Laden himself actually answered the question whether it is who we are. He said, I am not opposed to democracy, liberal democracy. If I were, I'd be attacking Sweden. He has, on the other hand, not been consistent in his explanation for what he opposes about what we do. Initially, of course, he focused on our troops in Saudi Arabia. Over time, he's moved into describing his agenda as ending the new world order. And most recently, Zawahiri has talked about lifting all of the world's oppressed. So the agenda is getting very, very broad. And one has to be suspicious, is this a marketing ploy or is this a true agenda?

I don't think that – while I think our occupation of Iraq has been very exciting for the global jihadi movement, I don't think that they're going to stop their activities if we stop the activities they complain about on our side.

MAYOR MICHAEL BLOOMBERG: Jessica, let me estimate. How much of this is a lack of economic opportunity? The kids don't have jobs has been the argument that in this day in age, separating young men and women in adolescence is not healthy for development. Sociologists would make that argument. I mean, is it that they just are so frustrated with their lives; they don't see any opportunity. Nobody respects them or even recognizes them that this is just something where they can get involved?

MS. STERN: I think there's something to that. But let me go over some of the risk factors that people usually talk about. Is poverty a risk factor for terrorism? Well, the studies done by economists, econometricians show there's no correlation whatsoever between low GDP and terrorism. But those economists have looked globally. They haven't looked within countries. If you look at a poor country, are the poor more likely to be drawn into jihad. And I would say, based on my interviews, the answer is yes that the poor are poor and those with a low opportunity-cost of their time are more likely to be recruited as cannon fodder or even engineers in Indonesia who have trouble finding work.

What about lack of education? Is that a risk factor for terrorism? Again, the large N studies show absolutely not. Indeed, those who support terrorism, according to polls by Gallup and studies by Alan Kruger, an economist at Princeton. Those who support terrorism may be slightly better educated than those who don't. However nobody has bothered to look at the content of education. And we need to remember that if the Ku Klux Klan were running NYU, we shouldn't be surprised that the better educated students are more supportive of violence.

What about lack of democracy? Is that a risk factor for terrorism? Absolutely not; indeed, autocracy is a better bulwark against terrorism than democracy. And in fact, the most fraught period is the transition from totalitarian rule to democracy. So we might want to promote democracy, but we should not imagine that it's going to enhance our national security.

What are risk factors that are more promising? One, a high male-to-female ratio; second, youth bulges – how do you get a youth bulge, when women are undereducated. So this finding that lack of education isn't a risk factor may not be entirely correct. U.S. foreign policy – I think we need to see U.S. foreign policy as a risk factor based on Gallup's polling in 35 Muslim-majority countries. We find that the radicals, those who strongly supported the September 11th strikes, they are slightly better educated – but only slightly – they are certainly not more poor. They're different from moderates in that they feel deeply humiliated. They feel that the West disrespects Islam, and they also feel under threat by America and the West. There are other polls with similar results.

MR. NUNN: Jessica, when you take all of that, what do you do about it? Let's make you president of the United States for a moment. What would you do? What would you do in terms of changing policy, trying to prevent the continued growth of terrorism. Are there two or three things that we can do?

MS. STERN: Well, I think that we need to make very clear that the main victims of terrorism are – the jihadi terrorism itself – are Muslims. And we're not doing a very good job of making that clear. We need to undermine the message of the radical jihadis because their marketing strategy, their appeal to publics, this Rumsfeld question that you referred to, are they reproducing more quickly than we can take them out, the answer to that question is absolutely yes.

We're competing for the hearts and minds of those that they are recruiting. And the polls make clear that we are not doing a very good job. We're falling right into the trap of making it look as though we are going after the global Muslim community. And again, 79 percent of those polled in Pakistan, Indonesia, Morocco, and Egypt think that that is our deliberate strategy.

We also need to recognize that these groups are forming fleeting alliances. They don't – they work sometimes with groups that you might consider to be their enemies. They merge; they coalesce, and then they divide again with groups around the world.

I believe that we need to have a reserve intelligence for people who are prepared to come in and who are prepared to be fired. They come in because we suddenly need people who know Urdu, Arabic, Pashto, and they are prepared to be fired. I think the president needs to go around the world and make clear that we are not opposed to Islam. He or she needs to make clear immediately that we have made some serious mistakes in our so-called war on terrorism.

The mistakes include what happened at Abu Ghraib; we need to shut down Guantanamo. We need to make very clear that we will stick with the values that our nation was founded on. This is important as we compete with the terrorists. Those are a few things.

MR. COHEN: Steve, you want to get in here?

STEPHEN FLYNN: I just wanted to offer that I think there is something much more systemic at work, which makes the idea or the notion that somehow we'll be eliminating or winning the war on terrorism any time soon. And it basically is something I was first noodling over in the '90s. But it's the core reality. The United States is such a dominant military power in terms of conventional terms that the only way in which any current or future adversary can confront it is increasingly going to be to use the tools of terror, primarily driven at our civil and economic space.

The arithmetic is overwhelming. In 2004, the United States started spending more on conventional military capability than the entire world combined. And since that date, we've been leaving everybody in the rear-view mirror. And to put, really, an explanation mark on this, the total GDP for Iran – currently in the news as a potential adversary of the United States – is just under \$600 billion last year, which is about 15 to 20 percent less than our defense budget. That's the total gross domestic product.

So when we start looking at – in my view, there are either three possibilities looking in the 21st century. One, war is obsolete. People look at America's overwhelming military muscle and go, no way I'm going to mess with that power. Two, very dumb adversaries will take the hardware we have on. Or three, warfare changes.

So I think we need to be very mindful of the current terrorist threat and its components, how it's done. But we need to, as a society, come to broader grips with the fact that confronting power increasingly is going to have this civil economic component to it. And it's going to require a far different strategy than hunt and destroy missions around the planet for anybody who may pose us a threat.

MAYOR BLOOMBERG: And the one thing we're not good at is spending money to prevent. I mean, I never forget the end of – (applause) – for those that didn't see "Charlie Wilson's War" it was very funny, great. But you know, they spend billions and billions of dollars to go fight, and at the end couldn't come up with \$2 million for a school or whatever it was. And we do that in our medical care. Grateful patients give a lot of money, but nobody gives any money for preventing disease. The federal money

doesn't spend anything on saving lives; they only go in afterwards and try to recover and make you get through the last few years with not too much pain. And we do that in all of our stuff, just part of our psyche. And we've got to get over that because otherwise the Rumsfeld question is, no, we're not going to be able to stop more than get created every single day.

MR. NUNN: Steve, on the question of the jihad strategy – and Jessica touched on it – but if you described the strategy, is there a coherent strategy by the jihadists, the violent jihadists? I know there are different groups and so forth. But is there any kind of central strategy? If so, what is the closest thing to a strategy? What is it they're trying to accomplish.

MR. FLYNN: I often describe myself more as a catcher's mitt guy than the pitcher in terms of understanding who the terrorists are and what they're doing. I look at what they would hit, why they would hit it, and what would be the rationale. And I think that increasingly, with this adversary, giving essentially the positive good intelligence we have about it, we almost have to reverse engineer the problem. We have to look at our own society. We have to look at things that are truly critical and, if you hit it, would be really catastrophic.

I worry that clearly there has been a migration. You've seen it in Iraq, which is – there is still much in tension but it's grown – which is that the way in which you confront U.S. power there again is the attacks on infrastructure. You take down the grid. You take down the pipelines. You go after the bridges.

And so while there's obviously continued efforts to lob things across in the green zone, we see there's a growing skill set – one you couldn't develop in Afghanistan because there wasn't advanced infrastructure there – this expertise on sabotage is now captured in jihadist chatrooms. And so, this is not something you can self-learn by the way. It's a bit like trying to self-learn to tune your car. Sabotage is tricky business.

But the fact is, we're now seeing a growing number of people with that expertise, the information being more widely available. And we know that the soft underbelly of advanced industrial societies is the infrastructure that underpins it.

And so the extent to which I would forecast this strategy, it would be to increasingly target the things that are critical where you can get profound disruption both in the civil sector, the social reaction, and the economic disruption because, frankly, it is just an effective weapon. You get a big bang for your buck.

So that is where I would forecast the strategy going without being able to, as I am afraid we are still at odds – and our government have very limited ability to go and say, we can pull out this plan being done by this actor. But I would defer to Jessica much more on that sense of whether or not that is a potential end state for some of this terrorism.

MS. STERN: I am very concerned about the kind of training that jihadis form about this – former intelligence officers are getting in Iraq. And frankly, I think we need to start working right now on how to prevent exactly the kind of scenario you are outlining. We need to be working with the countries that surround Iraq to make sure that they don't find the kind of sanctuary that the jihadis found after Afghanistan, which of course resulted in the creation of al Qaeda.

We know that the next group of terrorists that come to attack us here and around the world are going to be much more sophisticated than the original al Qaeda because of the training that unfortunately we have been giving them in Iraq. And of course, even if they don't get the sanctuary they got in Pakistan and Syria, for example, if we do our job well, they have a virtual sanctuary. The Internet is playing the role of a sanctuary today.

I think this notion of worrying about root causes, which is so out of fashion because it seems so soft. I think that we really do need to pay attention to those issues, and the best way to think about it, I believe, is as a global counterinsurgency. Even military officers think about the perception of publics when they are talking about a counterinsurgency, we don't think about that necessarily when we think about war. But when we think about counterinsurgency, it is all about perception management. And so I think it should be a palatable message to the military if it is couched in the right terms.

MR. COHEN: Could I pick up on a statement you made earlier about don't look for democracy to resolve these issues? What is the short-term, long-term prospect then if we are promoting democracy in various parts of the world? Is that a good thing or a bad thing in terms of short-term? And I raise this because you have written about Pakistan by way of example and Pakistan is very much in the news. Are they moving toward a more democratic form of government now that Musharraf has been marginalized politically? Is that good for us or bad for us short-term, long-term?

MS. STERN: I think in the long-term, we have to believe that democracy is better for us. Indeed – liberal democracy. I mean, I think it is important to distinguish illiberal and liberal democracies. And some of the economists, actually Alan Krueger hypothesizes that lack of human rights may be a very important risk factor, but lack of democracy is not. And Fareed Zakaria, of course, has very clearly distinguished between these two. I think it is important.

As for what happens in Pakistan, I think that what is most important is that the tribal area be controlled. This is one of those undergoverned, in this case, ungoverned areas of the world where terrorists have been successful in setting up shop. And it is hard to know if at this point whether the new regime will be more effective than Musharraf was. He was not at all effective.

MR. COHEN: But Senator Nunn asked the question earlier, what do we do at this point? You have talked about our foreign policy being important. Should our foreign policy be to reinforce the moderate Arab states? How do we do that? Does our foreign

policy in terms of how we are seen in the Middle East peace process influence their ability to moderate the potential extremists in their country?

MS. STERN: I think it does. But I think we also have to be realistic. We are not going to win the war on terrorism. I think that Steve and I are going to be in business until we die. (Chuckles.) I think it is a new way of war and I think the American public has to get used to that. Second, we need to do everything we can, but those regimes need to change. And that is critically important if we are seen to be bolstering regimes that disallow, that don't protect human rights. That is clearly very bad for us, and that comes out of the polls. But we can't change the world, these regimes just by wishing it to be so. Imposing democracy does not work.

MR. COHEN: Mayor Bloomberg, Steve has written two books. And one of them talks about a brittle nation. It is ready to blow. It is inviting disaster. And so the question I would ask you number one, what are you doing in New York to make sure it doesn't blow? And are you inviting disaster? And is New York brittle?

MAYOR BLOOMBERG: Well, I hope we are not inviting disaster. I think we view our mission as prevention first and responding afterwards. And I find it fascinating that at a dialogue of homeland security, everybody worries about first responders. Our police department, our fire department, our officer emergency management and health, they are, to my way of thinking, there to make sure we don't have to respond. Now, there is always going to be things that slip through the cracks, whether they are natural disasters or crime or accidents, that sort of thing.

But there is probably three things that I think guide what we try to do. One, we believe that here in New York, we are unique. We have been hit twice by al Qaeda. There have been half a dozen other plots that have either not been carried out or we have stopped. New York is the seminal target. It represents everything that people who give their lives in suicide bombing hate. We are a bastion of democracy and tolerance and diversity and all of these things that they find so threatening.

So the first thing is we are unique and we cannot forget, which it seems to us that the federal government and the rest of the world has started to do. It is six and a half years since 9/11, and the amount of money the federal government through Congress allocates for bioterrorism goes down each year. We have still – for all the talk, all the times that Ray Kelly and I have been in Washington and testifying, we still don't give out federal funds based on risk. We give them out as peanut butter and everybody gets some. The founding fathers gave every state two votes, and therefore everybody has got to get something.

I have always said we will forgo all agricultural aid to New York City – (laughter) – if some of these states – there was a senator, who you and Sam would know, who actually looked me in the eye and he said, son, I just want you to know that this country needs to eat. And if they attack our corn crop, we are in big trouble. (Laughter.) So okay, Senate, not a lot else to say.

I think the second thing that guides our principles are that we don't think that an attack is inevitable. I think that kind of defeatism just is self-fulfilling, number one. And number two, on the facts, there is no reason why if we need a little luck, a little help from God, but we have got to do is be in charge of our own destiny.

And that leads to the third thing, and that is preparedness. We every day get up and say, okay, what can we do to make our city safer? What precautions can we take in terms of training and equipment and procedures? And it is not an easy thing to do when you have a city of 8.2 million people. And we have – we spend \$5.5 billion dollars, for example, on our police department. It is a very big police department. It is the best police department in the world. Most of the people do what cops have always done; fight crime, traffic, usual stuff, crowd control. But we have 1,000 police officers dedicated to intelligence and counterterrorism. Now, our intelligence division used to have one responsibility, and that was to squire around dignitaries, make sure that they didn't get stuck in traffic and they could get straight to their table in the restaurant and nobody ever thought about real intelligence.

Today we have 120-odd police officers detailed to the Joint Terrorism Task Force. We have police officers in a dozen cities around the world, so that we can get intelligence directly from other intelligence agencies and be able to put it in context. We spend an enormous amount of time in Washington. We spend an enormous amount of time with building owners and company managers to school personnel, to make sure that they can understand what to do and we can understand what their needs are. We focus on diversifying our police department, which is great when you are fighting crime incidentally because the public thinks that you understand them, and in fact, you do if your police department reflects the community. But more importantly, it gives you the ability to understand the world.

I dug out a list of the different languages and how many people are certified in our police department as experts in that language. Some of the languages, quite honestly, I wasn't sure – Fukienese. I'm sure you are very familiar with Fukienese. We have 13 Fukienese speakers, just for the record. That is a Chinese province. But whether it is Urdu or Hindu or Pashto or Farsi – we probably have more people in the NYPD than the FBI and the CIA together times five or 10. Generally if you take a look at the national security agencies, a foreign language speaker looks like me and went to school to learn the language. Well, you are just not going to survive if they drop you behind enemy lines. It is going to be pretty obvious when you are wearing a Yankee cap. (Laughter.)

And our police department, we recruit – the last time we had a class of 1,000-odd new police officers, which we add every year. And they came from 55 different countries. So we are trying to understand it. We are trying to get ahead of it. We are trying to devote the resources and not just sit back.

MR. NUNN: Mr. Mayor, on the intelligence side, two questions, three questions really. Are we doing better in terms of coordination between federal, state, and local

intelligence? There has always been a rap and usually a good rap against Washington and not sharing intelligence. But the flipside of that, you have got tremendous intelligence here in New York City. You know more about New York City, your police force, your firemen, and also your emergency workers and your social workers, your health workers. They are seeing people every day. Is that intelligence flowing up in a smooth fashion and so forth? And the third – I'll ask you the third question in a minute.

MAYOR BLOOMBERG: Senator, I think yes, we would say nothing but good things about the FBI and the CIA trying to help us. David Cohen, who is Ray Kelly's chief of counterterrorism, was a 35-year career veteran with the CIA. He ran two parts of it. Falconrap (ph) was a White House expert on security. We have great contacts. But the other side of that coin is the FBI and the CIA – number one, they are intelligence-collecting organizations.

And I have always thought that that is a problem because a collection of organizations never really want to – their instincts aren't to share because you can jeopardize your sources. And they are sort of structure to bring it in, they are not structured – and they work very hard at it, but they have got a clientele across this country of big cities and small cities and cities that have big diverse populations and cities that don't. And New York is so unique in terms of what our needs are. We work well with them. We have nothing but good things to say about them, particularly the FBI and the Joint Terrorism Task Force. But it is just we are a breed different because of the magnitude, the size, the diversity, the port of entry that we have got to do a lot of this stuff on our own.

MR. NUNN: How about the flow upward? How about the flow from New York City to the FBI and to the CIA?

MAYOR BLOOMBERG: I think that goes pretty well. You have to ask them, but I think that they are pleased. If you want to get something from somebody, the easiest way is to help them. And we are very cognizant of that. One of the reasons that I chose Ray Kelly as the police chief commissioner was that he had had experience in Washington and understands how Washington works. And so we have dinners for congressmen and senators and for cabinet officers –

MR. NUNN: That is not where your intelligence comes from. (Chuckles.)

MAYOR BLOOMBERG: I'll leave that for you to say.

MS. STERN: I would like to say I don't work for the mayor and I am so impressed by your counterterrorism effort here. The piece on radicalization that Mr. Kelly, well, Mr. Cohen's effort produced is the best I have ever seen anywhere.

MAYOR BLOOMBERG: Well, you are nice to say so. There is a lot of agencies involved. There is a lot of people involved. And it is in things you don't think about. Our Department of Health and Mental Hygiene monitors 60,000 data points a day of

check-ins to hospitals and ambulance runs and sales at the pharmacy, over-the-counter, prescriptions drugs because a bioterrorism attack, for example, you don't know that it is happening. It isn't like in the movies, everybody keels over all of a sudden. It is people getting sick and some get better and some don't and you don't know where. And we have all sorts of plans.

We role play on tabletop and out in the field everything that we can think of that might happen. And the one thing we know is what is going to happen eventually is not one of those things that we role play. But because you can't tell, but if we have people who can communicate and people who know how to work together and respect each other, and equipment that can be delivered everywhere, the understanding and the cooperation of making do and delegating down into the field authority to go along with responsibility, then your chances are will be able to respond whether it is a hurricane or a terrorist attack or anything in the middle.

MR. NUNN: Let me make you president of the United States a minute. I know that thought never crossed your mind.

MAYOR BLOOMBERG: Never. (Laughter, applause.)

MR. NUNN: Just hypothetically, seeing what you have seen from the New York City level, and you have seen the tragedy, and you have seen the tremendous effort being made here, you have seen the successes that we have heard about. But looking at it, if you were president of the United States now, what is it that you would do as president to greatly increase the homeland security – the effective of homeland security?

MAYOR BLOOMBERG: I think you would look at it two ways. One is overseas, one is here. Overseas we cannot fight terrorism without having cooperation. And the xenophobia here and the lack of appreciation and recognition and respect for other countries is keeping us from being able to get the help we need. These terrorists aren't – some are homegrown, but most are coming from other parts of the world. You have got to get those governments and the people that live in those countries to want to help you. So there is the whole overseas attempt. That is also for medicine and science and the economy and all of that. We have to do that.

Domestically, there is some simple stuff for a start. You do not give out – and Congress is really the one that you've got to sell on this. Remember the president's job is as much to manage Congress as to come out with the great policy speeches. You have got to get the homeland security money given out based on where the risks are. You have got to have practical programs. I think Katrina is a perfect example. In the end, a disaster strikes a city. The city has to take care of itself for the few days, weeks, hours, months maybe. Then eventually the federal can come in. But the federal government comes in with money typically. And the failure in Louisiana or in New Orleans in particular was the local government didn't have the resources and the training to help. The federal government's responsibility is to go around this country and make sure cities have it. And they have got to be the instigator to say to the local city, I know you don't

want to spend your taxpayer dollars on preparation and prevention, but you are going to have to do it and pass laws that encourage them to do it – not just give them money because if you give them money, the federal government tends to give out money for things you haven't done yet. And so we penalize those cities that do what is right to protect their citizens.

Ray Kelly is on a budget. Our taxpayers – surprise, surprise – don't want to pay any more. And we have to fund schools, and all the other departments, and all the other functions of the cities. So you can't say to Ray Kelly, you have just got this blank check or to Scoppetta, our fire commissioner, or any of these people. But you can say, if there is something that is critical to keeping these people safe, go ahead and do it. And then it is my job to come back and fund it afterwards.

The trouble, of course, is the federal government doesn't give you money for things you have already done. And so I just have never understood how I could explain to the public I am not taking these precautions because until we get funding from the federal government, we will just run the risk of not having it. But if we go ahead and buy that truck today or spend money on training today, we are never going to get it back. And in fact, the biggest thing that you need to spend money on is people. It is the firefighter and health commissioner and planner on cop on the beat and intelligence officer.

Those are the people – if you just gave them an abacus and they had to run messages around – I would rather have that than all the technology in the world and dumb people. And I think the city is blessed with – people always say to me, well, you came in as a business guy. What impressed you the most? What didn't you expect? And I think in retrospect it is the quality of the people that work in a city like this. Yeah, we have 300,000 employees. There are some bad apples, there are some lazy people, stupid people, all that. But 99 percent of these people are the best I have ever seen. They could be very successful in business. They would run a hell of a company.

MR. NUNN: President Bloomberg, if you would yield – (laughter) – I thought you were going to say you were most impressed with the quality of the men and women who serve in the United States Congress, but you didn't say that. (Laughter.)

MAYOR BLOOMBERG: I know, but I was getting to the armed forces.

MR. NUNN: I want to turn to the Secretary of Defense Flynn. And you take a little bit of exception with the notion that the next attack is not inevitable. And you have written that it is coming. It is just a question of when and where, but there is a wave of inevitability about your writing saying that we have to try to prevent it. The best defense, you say, is a good defense. But beyond that, you say that it is coming and we need to do something. What do we need to do in addition to what Mayor Bloomberg has said – President Bloomberg?

MR. FLYNN: (Chuckles.) Well, first, it is very much the story in New York City that with the leadership combined with commitment of resources, you can get the kind of preventative capability, as well as ability to manage a response. I think the city is something that creates a model that the rest of the country can emulate. But just to put where we are – you have 1,000 police officers dedicated to counterterrorism. The entire police force for the city of Seattle is 1400 for a city of about 600,000 people on the waterfront with critical infrastructure. So you see the kind of asymmetry of resources, as well as the asymmetry in terms of leadership that we have around the country.

I would make a case that with the benefit of hindsight, we actually drew the wrong lesson from September 11th. The lesson that the president ultimately took away, and we all as a nation followed, was what happened on the first three airplanes. And basically it was that we have to do whatever it takes to prevent that kind of attack ever happening again. But there was another narrative running side-by-side on that on September 11th. It is what happened aboard United 93. United 93, the plane that got off the ground a bit late out of Newark, and because the terrorists were a bit cocky, they didn't prevent them from grabbing the phones in the back of the seats. And those passengers found us something that the people in the first three planes did not know – that planes were going to be used as missiles that day. And they did something extraordinarily important with that information. That plane never hit its intended destination, which is almost certainly the 9/11 Commission found was going to be our nation's capital, probably the Capitol building itself.

So there is a tremendous irony here. Our government, which we constituted to provide for our common defense, the people had that sworn duty and were there that day where themselves defended by one thing alone, alerted courageous everyday American people.

(Applause.)

I would argue that that is the greatest strength that this society brings to this threat. It is how to engage us. In that case, the prevention led to the loss of life of those folks, but they protected something that was critical for the rest of us. But the reality is if a new battlespace is going to be in the civil economic space, you can't get there from here without including as many of us who are in it as possible. And I think the fundamental failure of leadership on September 11th was you go to the mall, we will take care of you.

The failure to draw on that critical moment when we were all there forward-leaning, ready to help, whether it was lining up as they did not far from here in bloodlines to give blood or the construction workers who rolled in to try to deal with the catastrophe down here town (?). That automatic – what existed through our national DNA when the nation was threatened or challenged to want to offer help that we failed to tap on that.

I hope the next president draws on it. And I think there are critical programs, which here in the city has that are reaching and engaging businesses and citizens. But most people, I hear, it has been a tough sell. And because largely we have been told

essentially to go to the mall because we are just going to put our national security apparatus on steroids. We are going to have our intelligence right (?). We are going to go off and deal with this threat.

So I think in terms of the overarching problem – what I can say is inevitable is natural disasters. In fact, it turns out nine out of 10 of Americans now live in a place at a moderate or high risk for major natural disaster if you hang onto a full mortgage. If you just stay in one place for 30 years where we live today, you are going to get hit by something. On the East Coast, the Gulf Coast, it is going to be a hurricane. In the heartland, it could be floods, it could be tornadoes. On the West Coast, they have got this big crack running down the side there and the ground is going to move at some point.

So one of the things we can start dealing with is the inevitability that things go wrong from time to time, and we, as a nation, have to be far more resilient than we have been in the past. And I think we are recognizing also that the value of engaging in terrorism for an adversary is not the actual military advantage you get from the act of terror itself, but our reaction, or more specifically, our overreaction to that event. And I think we should assume that we can't prevent every act of terror, but we can and have in a democracy – within our advanced democracy, the ability to control, or should be able to, how we react. And so if we invest in resiliency for preparing for disasters, improving our infrastructure, making sure our public safety, public health has the kind of investment New Yorkers have been willing to make in their city department. At the end of the way, you snip away at the appeal for engaging in acts of terrorism. It doesn't eliminate it, but it is a different way to think about how to go forward.

And just accentuating the cost differentials – the Department of Homeland Security has a program to engage all of you in trying to be better prepared for dealing with the fact that we will have not just terrorist acts, but we will have disasters. Most of you in this room probably don't even know the name of it. It is called the Citizen Corps. Well, the United States government has invested a total of \$15 million in that program this year on top of the \$15 million they put in last year. To put that number into context, each day and every day this year, we will spend \$300 million in Iraq. So about one hour of what we are spending in Iraq is what we have committed to mobilizing our citizenry to deal with the reality that we are not going to be able to prevent every act of terror that we will ever have here.

But I think fundamentally here, the pushback often for us is to think that this is somehow an act of pessimism or paranoia appeal for these things. I think the great appeal of building a more resilient society is that it is an open inclusive one. And ultimately it is built on a foundation of optimism and confidence. We are going to be resilient whatever comes our way. That is a part of our American DNA. We are not afraid. If something happens, we will bounce back plus. And so I think in there you have a way in which you can draw the professionals that we have, but also the citizenry in a way that will be far more meaningful. Well, we need a president who basically stops telling us that he can do it while we basically go to the ballgame or go to the mall.

MR. NUNN: Steve, let me ask a follow-up on that very line of reasoning. The private sector in Katrina, many companies really performed better than the federal government according to all I have read, including the power companies, including some of the fuel companies, including transportation, and so forth.

MR. FLYNN: About everything performed better than our federal government. (Laughter.)

MR. NUNN: We have these orange alerts, red alerts, all of those alerts. And basically, the way I see it, as someone who has not been in government recently, it is basically saying to citizens, start worrying, we will explain it to you later. It seems to me we ought to mobilize people when we have an alert, not the whole country, but mobilize a sector of the infrastructure. For instance, a transportation mobilization, pre-schedule, but basically telecom, exercise telecom because the infrastructure is what is likely to get hit. Why not take six, eight, 10 segments of the key infrastructure and when we have an alert, basically exercise it. And we would basically be saying to terrorists who want to rope and dope us anyway – I mean, a lot of the stuff are false warnings. We are going to be stronger after every alert. This country is going to be stronger. And then it seems to me you can involve the private sector. You can involve the citizens. What would be wrong with that kind of approach?

MR. FLYNN: (Chuckles.) I would very much applaud it. What we recognize and must at the outset is the overwhelming majority, of course, of infrastructure that we defined as critical is in the private sector's hands, not in the public sector's hands. And if it is in the public sector's hands, it is almost all at the state and local level. And this has been part of the problem is since the federal government basically has said we really don't want to get in the business of providing meaningful resources and certainly not people to support this enterprise when it deals with protecting critical infrastructure, then we are really in a place where there hasn't been much resources dedicated to it.

But ultimately, the people who understand the systems, who have designed them, who operate them, are the folks who are going to be the best folks who want to understand the vulnerabilities, but most importantly, how we actually respond collectively when these things go wrong. But again, there is a good news story for this. This is not an act of paranoia. Maybe we will use the issue of terrorism as a way to mobilize these sector drills. That gives it a national security – (inaudible). But I recall, Mr. Mayor, we had a little problem with the grid here in the summer of 2003, and it wasn't an act of terror. So having a nimble ability to manage those kinds of events is something that Mother Nature is going to throw plenty of curveballs at us. So this is a capability that we need to ultimately embrace.

MAYOR BLOOMBERG: The reason that we didn't have any civil unrest during that blackout and did on the previous one was we live in a different city. People today want to make the city work. They understand we are here together. We keep reaching out, whether it is Ray Kelly or I going to town meetings and talking about crime fighting. But I think there is something else here. Sam, you touched on it. There is no free lunch.

And those and national office and at both ends of Pennsylvania Avenue in both parties, I would argue, are afraid to tell the public that if you want more security, it is going to cost you. Now, you say Seattle doesn't have the resources. I can only tell you I raised taxes in this city. I have closed a bunch of firehouses. I put a smoking ban in. It wasn't exactly popular, but in the end, people come around and say, oh, those are things we needed and it turned out to be okay. And the taxpayers in New York City reach into their pocket because they want the security and they understand unless we pay for it, they are not going to get it.

And I would also argue the reason we have the wherewithal is exactly because of that. There is this belief that you cut taxes, cut the size of government, and all will be better. I would argue exactly the reverse. If you don't have a civilized society where you are taking care of the poor and you are improving the public schools and you are bringing down crime, you won't have an exciting place. And it is the exciting place that gets the best and the brightest and brings the business. So you have got to build up rather than build down. But somebody has got to stand up and tell the American public. If we want to wean ourselves off foreign oil, we can't have a tax break to use gasoline. I mean, some of this stuff is just insanity.

(Applause.)

MR. COHEN: Let me come back to the politics of it all now because you have talked about what is taking place in Washington, what is not taking place in Washington. You have proposed in your book and the Homeland Security director has followed that creating a BRAC-type process. And that is a Base Reduction and Closure Commission. And what that does is it speaks to the failure of our political system. Our elected officials are incapable of making a decision, identifying, and prioritizing what the threats are to our national security. And therefore, when it goes to the budget, everybody gets some peanut butter, as you have talked about. But we are not really getting the meat that we need in terms of being a resilient society. So you have recommended creating a BRAC-like process. I think you call it the Infrastructure Resiliency Commission.

MR. FLYNN: There is a real sleeper for you here, right? (Chuckles.)

MR. COHEN: And it comes to what Mayor Bloomberg, President Bloomberg, former President Bloomberg has talked about – (laughter) – and that is how do you pay for it? And Steve, you talked state taxes, income taxes, gas taxes, and the DOD budget. Do you want to say a few words about that?

MR. FLYNN: Well, I think – this is what is truly insane, I would argue, where we are right now. The infrastructure that built this city and built this country was largely an investment made by our grandparents of most of us in this room or great-grandparents in some cases. And we have been treating it much like a generation that has inherited our grandparents' mansion and we are not even going to take care of the upkeep. We just take it for granted. People drive by and go, nice house. Problem is the wiring is falling apart, the plumbing is coming down because we are not making prudent investments.

What was clear was the generations who built the infrastructure that have improved the quality of life made us the strongest, most prosperous society in the world saw it as an investment.

And somehow the political language today is all of cost that we can't afford. We can't afford to pay for maintenance. Now, what kind of bizarre behavior is that? You can't maintain trillions of dollars of investment of labor and ingenuity and blood, in some cases, that built the society?

So I think, one, is you've got to change the language. It's an investment. Having infrastructure fall apart, bridges fall out on commuters doesn't make any economic sense and it's certainly not good for the public's safety. The fact is, infrastructure is critical to the way we go as an advanced society. This city invests in a lot of it and that's why people come here. So we somehow have to wean people off of this notion that because the stuff was – they inherited it, that they can live on the cheap forever.

And I think the way you do that is you do have to BRAC the process, in this case, which is this base-realignment commission process, which we came to realize. And we wanted to reallocate resources for the national security apparatus we frankly built for the Second World War. That was too politically charged, so you created a way in which you could vet the recommendations.

So my recommendation going forward is we ask, task mayors and governors to come up with their must-do list of things within their jurisdictions that absolutely have to be fixed, that have been neglected for too long. And then they circulate up and then we bring organizations – the great thing here is that we don't have to rely all on our government. We have, in the case of preparedness, we have a wonderful institution in this great city, the Red Cross, the New York Red Cross. And we have that as an organization throughout the country.

We also have this thing called the National Academy of Sciences, where basically academics give free help and consulting advice to our government. So this BRAC commission can draw on this expertise to define what is the must-do list and then you try to embarrass our politicians into doing what should be at the top of the list. I think that's a way that you can think about this much more creatively. But what we get out – what we have to recognize is this, is that our politicians don't have much credibility in spending our dollars now on infrastructure. People think they are going to get bridges to nowhere. They don't really spend time writing checks.

So if we build a process that's credible and it's clear that we make the case and we start talking about this as it is, an investment in our children's, in our grandchildren's future – and I just really want to accentuate this. My daughter just turned – is 12 years old. When she was six years old, these twin towers came down as an act of mayhem. But then, when she turned eight, the lights went out here in the Northeast. And when she turned 10, a city was drowned because the flood-control system wasn't maintained. And as she would turn 12, we have a bridge that fell apart in Minneapolis.

I look at the world through her lens and I'm appalled. And I think we should be, as a society, appalled as well when we have been just so blessed as a nation to have the gifts that were given to us and we must make this investment. And when we do it, we'll be more resilient, we'll be more secure, we'll be more prosperous. Let's get out of this cost –

MR. NUNN: Let me raise two other questions before we get out of time here.

(Applause.)

MR. NUNN: One is radicalization here at home. Are we exposed to serious radicalization from violent jihadist types here at home? And, second, the flipside of that: civil liberties and constitutional rights – long story in the New York Times this morning about that very subject and is it a real danger at home? We know it is in Europe. Are there fundamental differences between the United States and Europe in terms of radicalization? Any of you all and I'll ask the panel that question.

MS. STERN: I think you know something about this as well. The consensus in your police department is that America is about five years behind Europe in terms of radicalization – I think that might be a slight exaggeration – because Muslim Americans are actually, on average, better off than typical Americans. It's a very different situation. When I interviewed Moroccan youth in the Netherlands, it's very easy to understand why they're so easy to tap. There's so much prejudice against them. There is such an effort to radicalize them and, unfortunately, it has been working.

At the same time, Zawahiri, in his last statement, was deliberately targeting African-American soldiers. Al Qaeda is now trying to seek recruits in America. And I think that it is something we need to watch. I can't answer the question, are there sleeper cells? Where are they? But I would be very surprised if there were, unlike my colleague Mark Sageman (ph) who insists that they don't exist.

MAYOR BLOOMBERG: I've always wondered why it was in London, where you have some well-educated doctors, they happen to come from Pakistan, but they're there – why were they the terrorists? I mean, you talked earlier before – education is no predictor of terrorism. Clearly, these are well-educated people. And the difference between – the real advantage that New York City has – and maybe America, but not quite as much, but certainly New York City – we are as diverse a city as any other city in the world, but we have a mixture and they tend to have mosaics.

And the difference is, in New York City, in one block, you can have: mixed-use residential, mixed-use buildings: residential and retail and industrial and commercial; You have subsidized housing and market-rate housing for wealthy people; you have all different ethnicities and religions all in the same block. Now, they might not like each other, they might not socialize together at dinner parties, but they do buy their coffee at the same Starbucks and they do get on the subway at the same station and they do get the

cab at the same corner and the newspaper at the same kiosk. And so the smells and the looks and the behavior is not threatening.

And so you have here – I would be shocked if the Muslims in the city – there's probably 250,000 Arab descent, mostly Muslim, not all, but mostly – I'd be shocked if they didn't feel anything other than they're middle class and they want – they have the same aspirations as you could take 250,000 of any other group in the city. You go elsewheres and that's not true. And I think it's the separation.

In London, there is this community and that community and that community, but they don't cross the street; they don't walk together; they don't do anything together. And that's New York's great strength and I think America's great strength.

MR. COHEN: Senator Nunn, we're going to have to close down this part of the program because we want to take questions from the audience. So, first question goes – Doug, have you got it? We're going to get a mike here for whoever is getting the first question.

Q: Can you hear me okay? What are the –

MR. COHEN: Could you identify yourself?

Q: Yes. My name is Adam Safer. I'm the private security business. What are the top-two or -three things that you think the Bush administration has done right in the last seven years – (laughter) – that the next president should build upon?

MR. COHEN: Well, one of the things we've tried to do, very sincerely, is to keep as much of the politics out of our dialogues because what's happened in this country is that each of the parties are really trying to defeat the other. And what's being lost in the middle is the real issues that affect our lives. So it hasn't been an effort on our part to try to identify what the administration has done right or wrong to pin the tail on the donkey, so to speak, but rather – or the elephant – in this particular case, but rather to talk in a living-room fashion.

What are some of the issues? What are the areas that we have missed? What have we done right? What have we done wrong? What have we failed to do and why? And that's what this discussion has been about, but I think Steve Flynn has outlined pretty much what we have failed to do.

Q: (Off mike.)

MR. COHEN: It's a good question. It's one of the sentiments we really have to address because there's this notion, because it hasn't happened, somehow, we've been fighting them over there so we don't have to fight them over here. We have to fight them both places and the question is, how do you wage it over there and here? And that's what the panel is really designed to –

MAYOR BLOOMBERG: If we're going to defeat terrorism –

MR. NUNN: Let me say just a couple of things. One is, I really think we had to take action in Afghanistan. I thought Iraq was a profound mistake, but I thought Afghanistan was something we had to do. Now, in my view, we let up too soon and we've got all sorts of continuing problems there. But taking out the Taliban when they were basically protecting the people who struck New York City, to me, was the right thing to do.

The second thing I would say is, I think we're doing a better job. We heard from the mayor. I think we're doing a better job on the federal level on intelligence sharing. I think that there's been a real effort made to get the FBI and the CIA to work together to have less just pure stovepipes. I think there's been a real effort from federal, state, and local.

And the third area that I would say is on the vaccines. There's a big bioshield program. Now, it's not the smoothest operation in the world. There's going to be a lot of waste, probably. But we've got – we have to have emergency capability far beyond what we have in the public health sector now and the real resources are being put in that area.

The fourth thing I would list is nuclear materials. I run a foundation where we're trying to protect against catastrophic nuclear terrorism by helping countries all over the world secure their nuclear material and eventually get rid of it. We've made progress in that regard. I would want it to be a lot faster, but we have made progress in that regard.

We just were able to announce the other day, the federal government was, that Russia has basically converted about 600 bomb's worth of highly enriched uranium to low-enriched uranium. We've got to do that all over the world. So there are some things that we are doing right.

Unfortunately, we are not listening to other people in the world and the perception is that America does not listen and is moving in a purely unilateral fashion. And that perception has got to be changed because, as I view it, in a lot of arenas, we're in a race between cooperation and catastrophe. You have to listen to lead.

MAYOR BLOOMBERG: If you want to defeat terrorism from a tactical point of view, you've got to deny terrorists geography and leadership and resources. And all of the things you do, try to do one of those things. Break up their communication so they can't talk to their leaders and go after them and kill them if you can. Keep them from being able to move around and being able to build bases. Keep nuclear weapons and other things out of their hands. But everything comes back to really those three things on a tactical basis whether you're dealing at a local level here or you're dealing at a world-wide level.

MR. COHEN: The single most important thing that we have failed to do is what Steve Flynn talked about a few moments ago. We have failed to mobilize the American people that the threat is real, the responsibility is a shared responsibility, we've delegated it to a small slice of our society, our military, to go over there. A small segment of that society is bearing all of the risk over there and we are not doing enough here. And so I think what Steve was talking about mobilizing the American people to understand not to appeal to fear, but to build a resilient society that can cope with anything that Mother Nature throws at us or that the jihadists or others may throw at us. Steve?

MR. FLYNN: Well, I give two points of credit here. (Chuckles.) One is, there actually has been some good analysis about the vulnerabilities that have been done. Part of my frustration is, we're not acting on the analysis. And that's partly because the administration has also been tied up in the sort of secrecy mode of, if we actually started talking about these problems, we'll give the bad guys road maps and we'll spook all of you Americans. And the reality in a democracy – we have to be candid about what we have. So there's a lot more information we simply didn't have before about what we really should be doing and where we should focus. And some beginning efforts have coordinated with the private sector in how to address that and I applaud that.

The Department of Homeland Security has had a very difficult time getting on its feet, but the agencies that it inherited were probably, arguably, the most dysfunctional, broken agencies, not in the case of my old service, the Coast Guard, but from the standpoint that we were starved of resources for almost 20, 30 years and there's been investment in those basic agencies so that they can at least provide some basic services. They've still got a ways to go. Americans almost can't imagine how bad they were when they came into the department. And there have been investments that have been made there.

But, again, the big missing piece of getting the federal act together is clearly a priority. And some effort has been made in that regard. But it is just – that is just the baseline of where we really need to be going.

MR. COHEN: The gentleman over here?

Q: I'm David Roberts – (off mike) –

MR. COHEN: There's a microphone I think coming your way here.

Q: I'm David Roberts, a private citizen, ready to be mobilized. (Laughter.) So, Mayor Bloomberg, if we could pretend for another moment that you're president, how would you specifically ask the private citizenry to be mobilized? What specifically could we do? Would you ask us for more money for security? What would you ask us to do?

MAYOR BLOOMBERG: At the level of what you can do, the answer really is, if you see something, say something. Pay your taxes. Generate more of it. Make sure your family is safe. I mean, the individual doesn't do things at this level.

What you've got to do is urge your elected representatives, whether they are in the House or the Senate or at state or city level and say, my priorities are to make the investments in infrastructure so that we can protect ourselves down the road, make the investment in services like a better police department, better-trained fire department, all of these different things. You've got to say, do I want the money spent where they will do the most good, not building these bridges to nowhere or giving a truck to some fire department in the Midwest that doesn't need it, but they just get the money and they have no choice but to spend it or lose it. And the politics are, you don't send it back, or whoever that local elected official, mayor, will probably be thrown on his ear.

It's at that level you've got to tell Congress or the state government or the city government that we've got to get serious about fighting terrorism and making the investments that will give us a better world for our children and stop this business of, there's a free lunch and, trust me, I've got a secret plan to end the war. Just elect me and then I'll tell you what it is. And we're not willing to do that.

MR. COHEN: President Flynn?

MR. FLYNN: (Chuckles.) Here's what you can do and everybody in this room. First of all, get a ready kit; be able to be self-sufficient for three days. You do that for your fellow man because when things go wrong, resources, as tremendous as they are here in New York City, are going to be under stress and you've got to be able to take care of your family and your kids. If you're an employer, you provide the same capability within your company so people can shelter in place. The second thing that you do is you create a plan to make sure you can communicate with your family members about what's going on. And the third is, you stay informed about what the threats and the problems are that you might have to address. That's just 101.

Now, if you do that, and want to go beyond, which I encourage you to do, reach out to organizations like the Red Cross. Get trained for – there's a wonderful program, which is called "Ready When the Time Comes." Companies, in fact, Mayor Bloomberg's company, Bloomberg, has got a number of volunteers. (Off mike) – has got 300 volunteers that, basically, when something goes wrong in this town, the call can be made to the company and 25, 30 employees can go help people out because they're trained to do it.

Those are kind of grassroots thing that we can all do. And we must do and not do it as an act of paranoia or pessimism. Now, we do this as an act of prudence, on the one hand, but good citizenry. You know, we model the behavior for our children, that we need to be more resilient, and we need at some times to be more self-reliant.

Now, that being said, we also have, I believe, about 20 percent of our population in this country who simply won't have the means, you know, because they're handicapped or because they don't have the resources, obviously, to provide those kinds of capabilities. And that's a knock on your neighbor's door; that's sending our kids out

and saying hey, if something goes wrong, do you have a plan to get out, how could I help. And that's the great thing about building this preparedness and culture of resilience, is that it reminds us why we came together as communities in the first place, that when things go wrong we can't entirely rely always on ourselves but we need our neighbors and we need our friends and we need services. And when we take this kind of effort on, I'm convinced we'll be a far better society. We'll be far less partisan; we'll be far more like what the rest of the world admired about us that I'm afraid we're losing some of.

(Scattered applause.)

Q: My name's Lester Gen (ph). I just wanted to get us back to the business of, you know, what we were talking about, terrorists and their motivations. And I was just wondering about the terrorist mindset that allowed them to do that, and I'll just make this quick observation that some 500 years ago, Europeans were just as rabid and as mad and as much, you know, trying to kill each other as now are the Muslims in the Middle East. And the difference between them and us is our attitude toward religion. And of course, we cannot attack their attitude to religion because of all this political correctness and all that sort of thing, but aren't we doing ourselves a huge disservice by not openly and critically discussing their religion, Islam, attitude to it, and really being critical and not really being afraid of being labeled anti-Islam or whatever it is.

MR. COHEN: Jessica, over to you.

MS. STERN: I think, unfortunately, every religion can be misinterpreted to motivate, legitimize violence against civilians. And I don't think that Islam is unique in this way at all. And it is possible, and I can tell you then when I've asked terrorists for a reading list – I've asked Christian terrorists for a reading list; I've asked Jewish terrorists for a reading list – there are also Buddhist terrorists, by the way, but I didn't interview them, and I talked to Hindu extremists. They always find passages that they believe justify violence against innocent noncombatants, which of course is prohibited by a mainstream interpretation of all these religions. So I don't think it's actually helpful to imagine that it's all about Islam.

And frankly, I don't think that we're going to be dealing with Muslim Salafist, jihadi terrorism forever. Terrorism runs in fads. I think we will be dealing with sub-state threats; I think that the nature of war, however, has changed. But I don't think that it's going to be Muslim radicals who even I and others are worried about 20 years from now. It'll be some other group. I can't tell you what it is, but it's not going to be Muslims.

MR. COHEN: Can I say I think one of the most constructive programs about how to deal with this problem is what I would commend the NYPD has been pursuing, which is not go to these communities and say, you know, you need to take on this responsibility of cleaning up your religion, essentially. It basically – there are outreaches to go to them and say look, you're a community who needs lots of services. We've got school violence, we got a whole bunch of things, and one of the problems you run into is the terrorism issue. Maybe you have somebody in your – that's clearly a radical going in the

wrong direction. We need to be able to work together. And when the faces of the police look like the faces of the people you're talking to, and when you talk about the problems as a collective series of challenges within our communities, then I think you avoid the radicalization or you at least provide a substantial insulation to radicalization.

But I think we do ourselves a disservice to basically say essentially you're the other, and the other needs to, you know, conform into a certain range of behavior, and you need to police that behavior. When we're talking about the radical jihadists, we're really talking about – and people have gone over to like the psychopath – a psychopathic kind of killer mindset, which again has a family that police themselves when somebody's in that mode. So there's clearly ways in which we have to address this as a community that recognizes that there is a line that's crossed that is out of civilization, and we need to figure out how we manage that in the most constructive, I think, and humane way.

MR. COHEN: We've got time just for two more questions, and they're going to come from the people who are watching us on the Internet. Senator Nunn, you have one?

MR. NUNN: My question, and I'll let anybody on the panel take a crack at this one, what should voters look for from presidential candidates to judge their ability to address our security challenges? Mr. Mayor?

MAYOR BLOOMBERG: I think giving you concrete answers. I've always said that I'm looking for a candidate not who I agree with, because the things that that president's going to have to make – the decisions that president's going to have to make and the issues they're going to have to face aren't things we know about today. I want somebody that is intelligent, comes up with a concrete plan. But a reasonable person, even if I don't agree with them, could have – tells me how they get it through Congress, tells me how they fund it, tells me what other things we can't have. And I think that applies to our domestic problems as well as our international problems. It applies to fighting terrorism as well as it applies to education or anything else in this country.

MR. NUNN: I would add to that the knowledge of the world that basically indicates a willingness to listen, a willingness to meet other leaders in the world and to really listen to what's on their mind, and a realization that, in most of our major problems – whether it's infectious disease, whether it's biological terrorism, whether it's nuclear terrorism, whether it's energy, whether it's the economy or whether it's the environment – all of those things require cooperation, require cooperation from the world. So I think that, to me, are the main things I would add to the list.

MR. FLYNN: I would look for the ability to engage the American people on this critical enterprise. And that's a combination of being able to reach out to us, communicate in adult-like terms the threats and challenges we have and importantly, give us things to do, and playing that critical leadership role. You know, we hear a lot about this commander-in-chief, and it's really in extraordinary language. He's commander-in-chief of the Army and Navy, not the commander-in-chief of the rest of us.

And actually, there's a letter to Abraham Lincoln inviting him, of course, to come to Gettysburg as an afterthought to give his famous Gettysburg address. And it was in his capacity as chief executive, would you come and give us a speech. That was when the nation was at war with each other, all right. So what we need to do is move out of a mindset that basically is the president as the ultimate protector, and one that is about the leader of a free nation, of a nation with extraordinary strength, which is its civil society, its private sector that taps that strength, at the same time while responsibly, courageously, and capably manages the tools we have in the national security arena.

MR. COHEN: We have a second question. What threat to America keeps you awake at night?

I can give you four things that keep me awake at night: first, the threat of nuclear terrorism, a small 50-pound suitcase that could be easily smuggled into this country. If you think about it, we can't stop thousands of tons of illicit drugs coming into our country through customs now; what are the prospects of preventing a suitcase weighing 50 pounds and getting through and being – (off mike). That keeps me thinking at night.

Second would be the spread of avian flu that we don't have a capacity to really protect our people against it nor to distribute and disseminate the medical supplies that would be necessary to cope in the aftermath of it. The third thing would be cyber-terrorism, the ability to shut down critical infrastructure, whether interfering with air traffic controlled communications, transportation systems, et cetera. Those would certainly cause me to stay awake at night.

And the other thing that we haven't really talked about tonight, and we had hoped to do so, and that is in terms of technology. We are racing ahead with the ability of technology to watch, listen to, and hear everything that we do, and we are going to depend more and more upon technology to protect us. And there needs to be a healthy balance between calling upon technology to protect us, and then seeing technology being used in order to really enslave us. So we haven't talked about that, and it's a subject matter which deserves wide discussion. But the threats that we see coming at us, and then the notion that we're going to depend more and more upon watching individual citizens and monitoring everything we do, that's something that we have to be aware of and be equally vigilant against.

MR. NUNN: I'd say beyond the security side, and I agree with everything on Bill's list. And I would underscore cyber-security; we haven't talked a lot about that today, but I think that is a tremendous vulnerability. Also, infectious disease, bioterrorism is a tremendous challenge for us. It'd be just as – (background noise) – just as difficult in the long haul as nuclear.

But I'd add to the list economic strength. I think the economic strength of this nation and the private sector of this nation is the underpinning of our society. I believe that we basically are jeopardizing the future of our children and grandchildren with a fiscal policy that has no basis in reality, and I don't think our political process is

encouraging candidates to have anything resembling a say in fiscal policy for the future while the challenge abroad is clearly a deterioration of the American dollar. A huge increase in the price of commodities that relate to the American dollar, among other things, that is really causing problems all over the world in terms of food and cost. I think those are things that are real; they are things we can do something about.

And I think candidates really have to be asked questions by the public about how they are going to pay for their programs, how they're going to do it on the tax side and how they're going to do it on the spending side, particularly entitlement programs, particularly Social Security and Medicare, Medicaid, prescription drugs. Everybody wants them, nobody wants to pay for them, and so that is a huge challenge and I believe we owe it to our young people to start asking that question of ourselves and of the candidates.

MAYOR BLOOMBERG: And if that doesn't keep you up at night, let me – I mean, I would look at it slightly different and say it's the quality and the honesty of the decisions that are made in Washington. The isolationism and xenophobia are destroying the future for our children. We are driving science and medicine and entrepreneurship out of this country because it's good politics. The energy bill, which was good politics because every one wanted the votes at the caucuses in Iowa, will kill millions of people; that energy bill is probably the single most damaging piece of legislation that's come through Congress in decades. People are starving to death because of it. It's just this business of focusing on ethanol. Everybody wants to do something to wean ourselves from the independence on foreign oil, but we are unwilling to build a liquid natural gas plant in the middle of Long Island Sound, where it can't hurt anybody. Teddy Kennedy doesn't want windmills of Hyannis because he can see them; nobody wants a power line going through their backyard. We don't like nuclear, we don't want to invest in any of the other kinds of energy.

I mean, it's – there's a joke in Albany, when all else fails, argue the merits and it never does. (Laughter, applause.) I think that's true in Washington as well. I just don't see any leadership and I spent some time in Norma, Oklahoma, a group put together by David Boren (sp) with the secretary and the senator, and it was fascinating listening to them – there were some smart people there; Danforth was there, and Jim Leachman, a whole bunch of smart people – talking about how, 20 years ago, there was much more camaraderie, there was much more focus on going to the middle and working together. And think that change is very damaging to this country, and it certainly should keep you awake at night.

MR. NUNN: Bill, you and I were there too, but we weren't on his smart list – (laughter) – I'm going to work.

MAYOR BLOOMBERG: I said you two were there.

MR. COHEN: We're running out of time, and I just want to take a moment to again, thank everybody who has come tonight, especially our panelists, and to emphasize

again why we're doing this. We're doing it because we're concerned that the political process as it's structured today is more interested in defeating the other party. And what Mayor Bloomberg just talked about is we need to get back to the center.

The one thing that Senator Nunn and I did – we spent some 24 years on Capitol Hill – is that we always tried to find a way in which we could agree on issues that affected our national security. And these are all the issues we've been talking about this afternoon affect our national and homeland security, and yet if you watch the political process that's unfolding you've got a focus on something that's quite trivial compared to the need to find out how are the candidates when they finally get selected, how are they going to bring the country together. What's going to be required from the leadership?

We've heard words tonight, this afternoon, vision, courage, the ability to communicate to persuade, and say we need people to follow this lead. Admiral Loy quoted from Franklin earlier today, and there are books being written comparing us to Rome; Colin Murphy, "Are We Rome?" I recall one of my favorite books is called "America," written by Alistair Cooke, and Cooke also looked to see whether we were repeating what Rome had done or failed to do. He said, are we like Rome basically, giving up and sacrificing that which we profess to cherish most, liberty. He said in America, I see a country where there's the most persistent idealism and the blindest of cynicism, and the race is on between its vitality and its decadence. And then he paraphrased Franklin; he said, we have a great country and we can keep it, but only if we care to keep it. And that's what we're seeking to do with these dialogues, is to go out and lead with the American people, raise these issues for the next president, for the next Congress, and to call upon experts in the field, front leaders.

Mayor Bloomberg has just done an outstanding job in this city and for this country. Steve Flynn, who has raised all of the warning flags in "America the Vulnerable" and "On the Edge of Disaster." And Jessica Stern, who has actually gone to the terrorists, meeting them on their home turf trying to understand the mindset, to understand them, not to sympathize with them or empathize with them, but to understand them. So hopefully the combination of things that we're doing in the coming months will be able to help concentrate the minds of the American people, and Senator Nunn's going to lead the effort on national service in Georgia, will be all over the country, but hopefully with your support we can bring the country back to the middle where we all live.

(Applause.)

MR. NUNN: Mr. President, one final word. Thank you, Mr. President, for letting us be here today and for hosting this gathering. And I'll thank all of our panelists: Steve, Mr. Mayor, Jessica. And also thank the people of New York City for being resilient, as Steve has advocated, in setting an example for the country and the world. Thank you very much.

(Applause.)

(END)