

NATIONAL PRESS CLUB LUNCHEON WITH SECRETARY JANET NAPOLITANO

SUBJECT: THE STATE OF AVIATION SECURITY SYSTEMS

MODERATOR: ALAN BJERGA, PRESIDENT, NATIONAL PRESS CLUB

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ALAN BJERGA: (Sounds gavel.) Good afternoon, and welcome to the National Press Club. My name is Alan Bjerga. I'm a reporter for Bloomberg News, and the President of the National Press Club. We're the world's leading professional organization for journalists and we are committed to our profession's future through our programming and through fostering a free press worldwide. For more information about the Press Club, please visit our website at www.press.org. To donate to our programs, please visit www.press.org/library.

On behalf of our members worldwide, I'd like to welcome our speaker and our attendees at today's event, which includes guests of our speaker as well as working journalists. I'd also like to welcome our C-SPAN and Public Radio audiences. After the speech concludes, I will ask as many audience questions as time permits. Now, I would like to introduce our head table guests.

From your right, Anthony Shop, Principal of LiftOff Solutions, and an MBA candidate at the George Washington University. He's also a 2004 Harry S. Truman Scholar, a distinction shared by our speaker today, who is among the first class of Truman Scholars in 1977. He's a new member; Todd Purdum, national editor for *Vanity Fair*; John Hughes, reporter for Bloomberg News and National Press Club board member; Joe Anselmo, senior business editor at *Aviation Week* magazine; Rand Beers, Undersecretary for the National Protection and Programs Directorate, and a guest of our speaker.

Skipping over the podium, we have Andrew Schneider, an associate editor for Kiplinger, and Chairman of the Press Club Speakers Committee; skipping our speaker for the moment, Shawn Bullard, National Press Club board member and President of the Duetto Group. He is the Speakers Committee member who led organization of today's event; Gale Rossides, acting TSA Administrator and a guest of the speaker; Linda Kramer Jennings, a member of the Speakers Committee and Washington editor of *Glamour* magazine. She also helped put together this event; Chris Chambers, journalism professor at Georgetown University and commentator for "Russia Today." He's also a new member of the Press Club; Marc Raimondi, director of communications for the Harris Corporation, and a former Homeland Security spokesman; and a current Homeland Security spokesman, a guest of the speaker, Press Secretary Clark Stevens. (Applause)

Our guest today has spoken before at the National Press Club. Although her title has changed since she was last our guest here three years ago, she's handling many issues that were the same that she did during her time as governor of Arizona, immigration and border security. Today, she'll be talking about aviation security and terrorist threats.

Janet Napolitano runs a massive federal agency that is still new, by Washington standards. She has seven federal organizations under her leadership, around \$60 billion in her annual budget, and is responsible for about a quarter of a billion employees. And those employees' jobs are about as diverse as any federal agency, including the Coast Guard, the Federal Emergency Management Agency, the U.S. Secret Service, the U.S. Immigration Customs Enforcement, U.S. Citizen and Immigration Services, U.S. Customs and Border Protection, and the Transportation Security Administration, or the TSA. Whether purchasing mobile radios for federal law enforcement officials working in the border region, search and rescue helicopters for the U.S. Coast Guard, or body scanners to discourage another would-be bomber from boarding a plane bound for the U.S., today's guest is vital to securing the nation from many of the threats we face, be it terrorism or a catastrophic surprise from Mother Nature. Please welcome today's National Press Club guest, the third Secretary of the Department of Homeland Security, Janet Napolitano. (Applause)

JANET NAPOLITANO: Well, thank you and good afternoon. It's a pleasure to be back at the National Press Club with a different job. Some of the same issues, but some additional ones as well, as was mentioned in the introduction. Very briefly before I turn to the actual topic today, which is aviation security and the ever-changing threat environment in which we live, let me briefly describe our department. It is an amalgam of 22 agencies. It was formed in the wake of 9/11 out of the realization that there were aspects of the federal government that were squirreled away or pieced together in different departments that really should be under one roof.

I'm often asked how one can manage such a large and diverse organization. And what we have done-- I was going to give a sarcastic answer there for just a moment, but I think I won't for this audience. (Laughter) But we have done a quadrennial review, which is basically federalese for really doing a long-term plan for the department, the first one

ever since it's such a young department. And we have really boiled ourselves down to five major mission areas. One is the counterterrorism mission, the reason for our founding and a primary thread that runs through almost every area of the department.

The second is securing the borders of the United States, be they land borders, be they at sea, or be they air. The third is enforcement of our nation's immigration laws. And to do that smartly and effectively, even as we advocate for reform of those laws. The fourth is the protection of cyberspace. And I think we're probably the first department, or major department of the federal government, to identify cyberspace as a separate and discreet mission area deserving of our protection.

And then the fifth is the ability to prepare in advance for, and then respond quickly to, any type of emergency that might occur and be it tornadoes, floods, ice storms, forest fires, hurricanes, tsunamis, we see all of that. And by way of further nuance, we are not the first responders per se, but what we do is we work with the first responders in states and in cities to make sure they are ready to respond and then come in when their resources are overwhelmed. So viewed that way, through that prism, you can see now why the department makes sense and how it all comes together.

But the topic I wanted to talk with you about today was the issue of the threat to aviation and what we are doing both domestically and internationally with respect to aviation security. Now, we know that al-Qaeda and al-Qaeda related groups continue to believe that taking down a commercial airliner or to weaponize a commercial airliner would be a great leap forward in their terrorist view of the world. We also know that they are a very smart and determined adversary. And so they are very familiar with the steps we have already taken as a country, and indeed as a world, in the wake of what happened on 9/11.

And so our task is not only to respond, but to really think ahead, not just reactive but proactive, in dealing with that continuing threat to aviation security in a world where aviation is a key engine. It's a key engine of the economy, both domestically and internationally. It's a key engine for tourism, it's a key engine for families who live in different places of the world, or different states within the United States to be able to get together. You can't imagine a world, quite frankly, without a safe and secure aviation system.

And so our job is to really focus on that and what we need to do to keep it safe and secure. And to give you a sense of scale, because this adds some complexity to the issue, every week there are some 2,500 commercial flights carrying a half a million people that come into the United States just from Europe, just from Europe. And we have 2.2 billion passengers who fly every year. And 10 million business people, students, visitors, board an international flight bound for the United States each week. Those numbers give you a sense of scale. So not only do we need to deal with threats as they emerge, we have to be thinking in anticipation of future threats. And the things we do have to be things that enable the system to continue to work.

Now, a lot of what we are doing right now, quite frankly, is because of what happened on Christmas. Many of the things were kind of in the works. We were already planning, for example, the purchase and deployment of advanced imaging technology. You called them body scanners, we call them AITs. But I think Christmas put a very stark reminder in people's minds about the fact that aviation continues to be the target of threats. And that the new kinds of threats don't necessarily involve large scale conspiracies that took months, if not years, to prepare. But deploying individuals who are carrying not things that are metal that can be picked up in a magnetometer, but powders or liquids or gels that could be detonated in an airplane.

Putting those materials in harder to find locations, making greater use of individuals who don't fit what we think of as a terrorist profile. They may have no derogatory information about them at any intell. file, for example. We are seeing the use of women and the recruitment of women for these kinds of missions, which is also a change. So, it's an ever-evolving world that we deal with and an ever-evolving threat situation.

So what have we done since what happened on Christmas? And let me be very precise of what happened on Christmas. On Christmas, the day before, Umar Farouk Abdulmutallab got on a plane in Lagos, Nigeria. He was screened there, then he transferred to Amsterdam, Amsterdam's Schiphol Airport, where he was again re-screened. He did not appear on any screening watch list that would be available overseas. And he got on a plane bound, of course, for Detroit on which he was unsuccessful in detonating a load of what is called PETN, which is basically a powdered form of explosive material.

So, the President in response to that, we did an immediate review. What went wrong? What went wrong to enable Abdulmutallab to get on this plane and possibly kill not just himself but individuals from 17 other countries? And what went wrong was twofold. One was he wasn't on the right watch lists. There was information, but because of some practices in the watch listing community, he didn't make it onto what's called the selectee list, or the no-fly list, the two lists that are actually pushed abroad before someone boards a plane.

Not only have organizations like the NCTC and the FBI addressed that and repaired, fixed, that issue, but we are also pushing a lot more information overseas so that individuals at foreign airports, even though they're not U.S. employees, per se, but they have the opportunity to have the benefit of that intelligence. And then, of course, the second thing that happened is that because he was not on a watch list, he wasn't given a secondary inspection. And, of course, because he wasn't carrying something that was metallic, it didn't get picked up with standard screening equipment.

So what does that mean, and how are we addressing this at the TSA and at the Department of Homeland Security? Well, I already mentioned the watch list issue, which is primarily in the hands of the NCTC, and the FBI. But we have done some things, too. For example, pushing more lists overseas. We have domestically in the airports that are

under our supervision, our direct supervision, deployed different types of equipment and mechanisms designed to give us greater granularity, more layers of security. So if you get through one, you might not get through the next, and you might not get through the next. And by the way, we don't do the same thing at every airport. So when you ask your question, "How come this happened to me at this airport, but not at this airport," that's because it's designed to be unpredictable. And why is that? Because those who seek to attack the aviation system depend, in part, on predictability.

But we have added more behavior detection officers. We have added more K9 teams. We've added more explosive trace detection for passengers where your hand is waved to see if there's any explosive trace on it. And, of course, we have been deploying the advanced imaging technology machines into more and more airports and really by the end of next year, I think there will be a thousand-plus such machines that are actually installed in airports around the country. By the way, the people who actually go through them, and have gone through them, like them. And the more they're used, and the more, quite frankly, we buy and other countries by, the better the technology gets.

In addition, we have formed a kind of innovative and new partnership with the Department of Energy, and the Department of Energy has, of course, within it, the National Labs. And in the National Labs reside some of the best scientific minds of our country. And we have asked them to really help us design the 21st century checkpoint. Not just what do we need to do now, but what do we need to be thinking of that would really take us beyond even the kinds of advanced screening that we can do today? So that work is all under way domestically.

But perhaps the greatest area of reform has been internationally. Because one of the things that became so clear on Christmas was that the aviation system is global. And if you get into the system, you potentially have access to airports around the world. And so, immediately after Christmas, I think within a week or so after Christmas, I sent the Deputy Secretary of the Department of Homeland Security and the Assistant Secretary, and several others, we put them on a plane and they went around the world in 12 days and meeting with ministers of the like; ministers of interior, home secretaries, transportation ministers, to begin talking about what we need to do internationally to make sure the global aviation system remains safe and secure.

And then we followed that up with a meeting with ICAO. ICAO is the international civil aviation organization. It is the United Nations branch that deals with global aviation. It was formed in the wake of World War II to keep global aviation safe. And so Undersecretary Rand Beers, who is here, went to Montréal to meet with ICAO. And we began a joint initiative where we have been going region by region around the world reaching an international consensus on improved aviation security. Better information collection and sharing, better passenger vetting and the sharing of information about passengers before even they get to the airport, a stronger cooperation on the development and deployment of technologies, newer technologies. And modernized aviation security standards shared across the world that can be audited and enforced across the world.

We began in Spain meeting with the ministers of interior of the European Union and reached a very strong consensus there that resulted in what is now called the Toledo Declaration, for Toledo, Spain. We then went to Mexico City. We had the countries of the western hemisphere there from Canada to Argentina, Chile, Brazil and others. And that resulted in a regional international consensus known as the Mexico City Declaration. Several weeks ago, we were in Tokyo, Japan. I've been at all of these, by the way, where we again forged an international consensus with 20-some odd countries of Asia directly represented there. That's known as the Tokyo Declaration.

And then just this past Sunday, Monday and Tuesday, we were in Abuja, Nigeria, with ministers from dozens of countries from Africa which resulted, again, in a strong international consensus known as the Abuja Declaration. We will finish up in a few weeks in a meeting focused on the Middle East where we will meet at the UAE to forge, I think, and hope, another international consensus information collection, information sharing, better technology screening, at airports themselves. And then we will have a global general assembly under the auspices of ICAO in September. So we will have gone, basically in nine months, from zero to a revised global consensus on what we need to do to not only react to the threats that we know exist, but build capacity to be proactively dealing with the safety and security of global aviation.

In there, we will need to deal with capacity and resources. Not every country has the same kind of resources, we know that, that's part of our discussions moving forward. But, I think it is highly significant that in all of our discussions with all of the issues involved in possible tensions that could have arisen, it is remarkable to me, anyway, that on this issue, the need to have a safe and secure global aviation system that allows people and goods to travel the globe with every bit of safety and security we could have, there's been no resistance or pushback whatsoever.

Let me close, if I might, on the following. Even with all of this that has gone on, there is no guarantee. There is no guarantee that somewhere, somehow, someone will manage to successfully destroy an airplane or turn that plane, again, into a weapon as was done on 9/11. We don't live in a world of guarantees, that's just not the environment in which we exist. So, I'm not here to say that there's a guarantee now being provided. What I'm here to say is that every step, reasonable, and that we can conceive of both domestically and internationally, is being pursued to make sure that aviation remains safe. And I'm also here to say that if something were to happen, we are prepared to respond swiftly, to respond effectively, and to respond strongly. That is our tradition as a country and that is a tradition that we will uphold regardless of any circumstance because this nation is one that is very, very strong, and indeed, extraordinarily resilient.

So, with that let me close my remarks. Thank you for having me here. I want to especially thank Rand and Gale Rossides, who have been leading our efforts. I will share with you that when I say that we've been pushing more information overseas, that has been a remarkable effort, not only to push information overseas, but in such a fashion that it's based on intell. and threat based and more precise information so that we no longer

have to say that if you've traveled through this country, 100 percent of you will get screening, which in the aftermath of Christmas Day was something that we had to do. So we've been able to turn that system into a more intelligence-driven system as well.

So I'd like to thank Gale and I'd like to thank Rand and the men and women of the Department of Homeland Security. When I accepted this position, some described it as the ultimate in thankless positions. I don't need thanks, the men and women of the department do because they do a great job. Thank you very much. (Applause)

MR. BJERGA: And thank you, Madam Secretary, and thank you to all the people who have brought in questions. I don't know if I've ever seen so many questions sent in to a National Press Club luncheon. There are a lot of good ones, so apologize in advance if they don't all get asked, but we're going to do the best we can here. First question, coming from a member of the audience, how can you insure that planes bound for the U.S. are safe when you cannot compel foreign governments to set up the security regimes that you would want?

MS. NAPOLITANO: Well, I think part of it is that irrespective of U.S. compulsion, there are passengers from all over the world and from every country that are on those planes. So just because a plane is bound for the U.S. doesn't mean that it's a U.S. plane. And as I mentioned before, there were individuals from 17 countries in addition to the United States that were on the flight on Christmas Day.

In addition, we have the ability at last points of departure for the United States, to insist on certain protections, particularly at the gates. And we ultimately always have the ability not to allow planes to be a last point of departure to the United States if security is not being maintained. So that is a stick that we have not employed, and I don't believe it's ever been employed. But it is among the legal authorities we possess.

MR. BJERGA: Are those the sorts of authorities and contingencies that you would then discuss in some of these international summits?

MS. NAPOLITANO: You know, we really haven't had to. I think everybody recognizes that the global aviation system is linked and that the United States is a key part of that linkage for everybody. So, everybody has a stake in making sure that the system remains safe.

MR. BJERGA: What are the most challenging issues for aviation and aircraft manufacturers today as it relates to airline security?

MS. NAPOLITANO: I think manufacturers obviously, to make the aircrafts themselves as resilient as possible, as tough as possible, to be able to have a catastrophic incident, particularly a catastrophic incident while the plane is in the air. But from a scientific and engineering standpoint, that is an extraordinarily difficult issue, given the vast array of different kinds of material that could be used in the interior of a plane. And so that's why it's so important that we have good information, intelligence sharing,

passenger vetting, and different screening mechanisms used at airports to give us the greatest likelihood that no one, like an Umar Farouk Abdulmutallab boards a plane.

MR. BJERGA: How does the Department of Homeland Security develop security standards, either for international or domestic flights, supports land borders, in such a way as to not unduly restrict trade?

MS. NAPOLITANO: Our job, and our function, always has to be sensitive to several things. One is the safety and security mandate. One is the protection of privacy and civil liberties, which is a great concern as you add layers on in the protection world. And so one of the things we do is we have a chief privacy officer and a civil rights and civil liberties bureau within our department, and they work on and help us, even as we are developing changes in policies, equipment, standards, requirements and the like at the outset rather than shoehorning those things in at the end.

And then we have the sometimes competing demands of the legal trade in commerce versus port security, be it land ports, be it seaports or be it airports. And there, we work with the private sector. For example, in the aviation environment, I have met now with the association that represents airports, both domestically, that I met when I was in Abuja with the association that represents international airports. And we have also met extensively with the U.S. flag carriers through their association, and the international flag carriers through their association. Because they have to be part of the solution. They have issues. They have issues about cost, they have issues about passenger throughput. We all have issues like that. I mean, nobody really enjoys waiting in line, at least I have not met anyone who has volunteered to me they really enjoyed that line at the airport.

So we know that, and those things have to be thought through and accommodated to the greatest extent possible, even as you are adding new or different types of security regimens and putting those in place. And quite frankly, here technology can also be of assistance because as I suggested before, as we employ the new generation of technologies, they get better, they get faster, they're more efficient and passengers know more how to deal with them.

Remember the first time, well some of you will, remember when magnetometers were first installed in airports? Raise your hand if you remember when magnetometers-- thank you very much. And many of the same arguments were made regarding they would slow people down, they were an invasion of privacy, et cetera, et cetera. And it turns out no, and that they are an objectively better way to protect the air environment. The new generations, the explosive trace detection models and the AITs are the next generation, and they are objectively better. Are they 100 percent? No. As I said in my concluding remarks, nothing, nothing in this environment is 100 percent. Is it objectively better, safer? Absolutely.

MR. BJERGA: Following up on that, what steps is the department taking to reduce false positives on individual identification, either because they share the names of

individuals on a watch list, or due to imperfections in facial recognition or other technologies?

MS. NAPOLITANO: The false positive problem is a real problem, and if you are one who's caught in that, it is very difficult; in part because we rely on passenger names for example. Now, some things are happening now that over the next year or two will reduce greatly the incidence of false positives. Through something called ESTA and something called Secure Flight, these are initiatives under way being implemented that will assist us in keeping that number down.

The other thing we are working on, and it is a work in progress, is a quicker, more efficient redress system. In other words, if you still a false positive, and you keep getting pulled aside regardless of what airport you are at because your name and your DOB, or whatever, matches and that occurs, there has to be a way to be able to clear the list. We call that redress. I think our redress system right now is not where we want it to be from a consumer standpoint, among other things. And so over the next months and year, we will be working to make that a more efficient system as well.

MR. BJERGA: Also for timeline of implementation, this person asks when will we implement a trusted traveler program that the TSA has been touting for years?

MS. NAPOLITANO: As soon as we can.

MR. BJERGA: Related, how goes for the search in the timeline for a new full time TSA administrator?

MS. NAPOLITANO: As soon as we can. Look, as you know, the President has not-- he's nominated two people, but they have not completed the confirmation process. And I'm going to embarrass her right now, but it has been my fortune as the Secretary to have as the acting head of TSA, Gale Rossides, who knows this business, knows these issues and has been able to run this department and keep me advised of what is being done on an absolutely class A level. We have civil servants in the government who do a wonderful job, even as the President decides on who the next nominee will be.

MR. BJERGA: There are, of course, many issues that people in the audience and watching on C-SPAN would like to hear about. This question is about the nuclear security summit that's been taking place in Washington this week. How will the Homeland Security Department execute or carry out the spirit of the summit by tying border enforcement for issues such as drugs and immigration to the smuggling of potential bomb materials under the scenario that some smugglers or gangsters could be hired to bring in fissile material?

MS. NAPOLITANO: Well, let's switch out of aviation to land borders, because the question really goes to that, although sea would be also applicable here. And the United States has immense land borders north and south with lot of ports of entry, lot of lanes of highway. And remember that in addition to the security issues, as I said before,

we also have the trade, the commerce, the tourism issues that need to be taken into account.

Mexico, by way of example, is the number one or two trading partner for 22 states in the United States. That border has to work. Traffic needs to be able to flow. And so the issue becomes how do you keep out contraband like narcotics, how do you keep out illegal immigration? And then at another end of the spectrum, as it were, actual nuclear or fissile-type material? Well, there, on that, we deploy scanning technology, both land and sea, designed to detect that sort of material. But there again, we don't want to wait until something's actually at the physical border of the United States to pick up something. Now, that's why it's so important-- I begin everything by saying this is about layers, and the layers begin with good information gathering, good intelligence analysis and sharing. Good ways of picking things up as they go through the supply chain, if I can use that phrase, of getting actually to the physical border, be they land, air or sea in the United States.

And so we have responsibilities in all of those areas. And as you might imagine, our country is unique in the amount of border, land border in particular, that it needs to protect.

MR. BJERGA: More questions on the land border. Recently Arizona rancher, Rob Krentz, was killed by someone who was in this country illegally. What does that say about our current border security needs on land, and will American ranchers and landowners see an increase in federal activities along Arizona's southern border soon?

MS. NAPOLITANO: Well, as you mentioned in the intro, I'm the former governor of Arizona, the former attorney general of Arizona, and the former U.S. attorney for Arizona. I know that area very well. I did not know Rob Krentz personally, but I know other ranchers from that area who knew him. That's a long time ranching family in Arizona. In fact, I spent an hour on the phone a week and a half or so ago with a number of ranchers from that part of Arizona, which is near Douglas, for those of you who know the state.

The investigation is still ongoing as to the identification of the murderer or murderers. We are working, by the way, closely with Mexican law enforcement on this, which is a growing trend with us, working very closely with Mexican law enforcement, which we need to do, not just in this area but along the U.S. Mexico border.

We had, prior to Rob Krentz's murder, put a lot of additional resources into the southwest border, particularly Arizona because there was so much activity there. We had increased the number of border enforcement teams. We had increased the number of mobile radar machines, we had increased the number of checkpoints. I could go list by list by list, everything was increased. Nonetheless, this outrageous crime occurred.

So number one, working in every law enforcement investigatory tool at our command, identify the perpetrators, bring the perpetrators to justice. And then number

two, working to see what, if any, additional resources would be helpful not just in Arizona, but other parts of the border as well. I think the visit by the President of Mexico next month is a very important visit because he is engaged in a real effort that deserves our applause; but more important than our applause, our absolute cooperation and commitment with him. And that is to really go after these big drug cartels that are the cause for much of the violence along that border and break them up.

They've been there for a long time, they've been there for as long as I've been in Arizona, which was many, many years. And it's time that, for our security as well as Mexico's, both countries have a stake in this, that they are broken up.

MR. BJERGA: Following on that, looking at the Texas border, who's running Ciudad Juarez these days, and what does that have to say about U.S. Homeland Security needs?

MS. NAPOLITANO: Ciudad Juarez is right across a bridge from El Paso, Texas. It has been the site of literally thousands of homicides, drug related, over the last several years. And when I say thousands, I mean I think-- I may not know the exact number, but I think last year was something north of 6,000 homicides drug related, 550 of whom were law enforcement officers, right? Right over our border. And so, this is something that is intense in importance, both to Mexico and the President of Mexico, President Calderon has been investing major resources in restoring the rule of law to Ciudad Juarez and the State of Chihuahua, and we are working with Mexico on that. And we are working on our side of the border to assist in things like inspecting southbound vehicles for arms or bulk cash that's transiting the border to go back to the cartels.

For the first time, for example, we're inspecting all rail traffic that is going south into Mexico. That hadn't been done before, looking for the type of contraband. The drugs come north, the arms and the cash go south. So we have a role to play both in preventing the drugs from coming in, but also trying to keep the arms and the bulk cash from going south to the cartels. And we're working on that as well.

MR. BJERGA: As the search for the alleged perpetrators continue in the Krentz case, with that as a backdrop and with the violence we're seeing around the border, earlier this week the Arizona House of Representatives passed a bill that increases the power of local police to stop, question and detain people they suspect may be illegal immigrants. Are such powers necessary? Is it a good thing for states to be so in front of the federal government on immigration policies? Given your experiences as the Arizona AG and knowledge of the legislature, based on what you know of the law, is it constitutional?

MS. NAPOLITANO: I know a little bit about the law. It is, I think, the kind of law that evidences why the Congress needs to take up immigration reform because immigration reform needs to look at increased enforcement tools that we need. It needs to look at the flows of workers now and in the future. And it needs to look at how we deal with those already in the country illegally. And without that kind of commitment by the Congress to really deal with it, I think we're going to see more and more states take up

the issue of immigration and the danger we run is having a patchwork of laws in this area. And I say this as a former state AG and a former state governor, while I do not believe the federal government has exclusive power where immigration enforcement is concerned, the kind of wholesale turnover that I believe this draft Arizona law represents really, in my view, doesn't strike the right balance that we need.

But quite frankly, until we can move forward on immigration reform, I know the President is very committed to this. He's asked a number of us in the cabinet to be working on it, which we have been. We look forward to when Congress begins to take up this important subject.

MR. BJERGA: How does that balance come into play when you hear folks who are frustrated with immigration policy say, "Just build a wall between the U.S. and Mexico?"

MS. NAPOLITANO: Well, I think I was the originator of the quote that said, "You show me a 15 foot wall and I'll show you a 16 foot ladder." And just building a wall doesn't reflect, A, first of all, the reality of the border. I mean, it's a physical place and it is thousands of miles long across some of the most rugged terrain you can imagine. So to build and maintain a wall with the notion that you don't do anything else and that that in and of itself is an immigration policy is neither wise nor effective.

You've got to have a system. You've got to have a system down there that includes boots on the ground, that has to include technology, and fencing and infrastructure as part of an overall system. But again, you also have to deal with the demand for illegal labor. That means you've got to have the tools to go after employers who continue to employ illegal labor intentionally, knowingly exploiting that market.

One of the things that needs reform in an immigration bill is that the law governing employers and the sanctions for employers that continue to hire illegally are not strong enough and they need to be reformed to match economic reality. So, while reform is something that is complex, it is also something that is so very, very necessary in this day and age.

MR. BJERGA: There have been several examples in the news showing a rise in self-radicalized or homegrown terrorism. Individuals who may be younger and inexperienced compared to foreign terrorists but are captivated by the radical sects of Islam. Many times, these people are turned in by friends, relatives or coworkers due to some obvious changes in behavior. What actions is DHS taking to educate the American public to increase their own awareness of the threat presented by homegrown terrorists of any origin in hopes of identifying them before they attack?

MS. NAPOLITANO: This is really a change that I have seen even in my 14 or 15 months as the Secretary of Homeland Security. And that is the increase in the number of U.S. citizens who themselves are radicalized to the point where they may travel to the Fatah or to Yemen or someplace, be in a camp, learn the trade craft of a terrorist and then

return. Or, learn much of it just simply via the internet, among other things. This is something that we are focused on right now in working with local law enforcement on. In other words, there are 800,000 some-odd pairs of eyes and ears out there around the country known as law enforcement; what to look for, what are the markers from when somebody is moving from First Amendment activity, plain old angry rhetoric, which we have had as a country since we began, to actually planning a violent act?

It means being able to share threat or threat stream information. For example, if there's a threat that someone is planning to build bombs of a type that requires the purchase of abnormal amounts of hydrogen peroxide, then making sure that police and others are watching to know, and know how to get information about whether someone is making abnormally large purchases of hydrogen peroxide. It is that exchange of threat and threat information that really, I think, as we move forward, will give us as a country the architecture that will enable us to minimize the risk that threats will actually materialize into reality. So we begin right now and are working very closely with local law enforcement on how do we deal with the homegrown threat.

MR. BJERGA: In early February, Dennis Blair told lawmakers that al-Qaeda and its affiliates had made to a high priority to attempt a large scale attack on American soil within the next six months. Raising citizens awareness of the domestic risk of international terrorism can help thwart an attack. What is DHS doing on this front?

MS. NAPOLITANO: Well, I think we inform, I already mentioned particularly with state and local law enforcement, making sure that is spread around the beltway also makes it out of the beltway to fusion centers and other places around the United States where it can then be employed on the ground.

The other thing is to make sure that people are prepared for emergencies of whatever type, that they know what to do, where to go, how to reunify if a family happens to be split up if an event were to occur. It could be a terrorist related event, it could be a natural event. But the plain fact of the matter is that preparation and knowledge are ways to make sure that as a people, as communities, as a country, that we're resilient and that we respond with strength and resiliency. And that way, you minimize living in fear. We shouldn't live in fear. We should live with the fact that we are in an ever-changing threat environment. We deal with it, we react and we also proactively deal with it and then we're able to respond should something happen.

MR. BJERGA: Early forecasts by AccuWeather and other organizations suggest that this year's hurricane season will be unusually severe. What steps is DHS, through FEMA, taking to prepare for this?

MS. NAPOLITANO: You're just trying to cheer me up with these questions, aren't you? (Laughter) We've gone from nuclear to the hurricanes.

MR. BJERGA: We had Dennis Quaid here on Tuesday, the actor, and it was a very different tone. Maybe you want to do a job switch some time.

MS. NAPOLITANO: We already, through FEMA, are working with communities around the country on hurricane preparation. And it's a number of things. It's grants to localities for their own mitigation. It is making sure that warehouses are ready, MREs are stocked, potable water is ready, equipment is prepared, exercises have been done, all of the rest. We have, fortunately as the FEMA administrator, Craig Fugate, who was the Emergency Management Director in Florida for a number of years, and really knows the hurricane business inside and out. And so he's leading our preparation efforts there. And if I might suggest, would be a very good speaker for this group at some point.

MR. BJERGA: Taking your point and going away from the discussions of disasters and catastrophes and terrorism and homeland security threats to something that may be easier for you to address, there's a vacancy on the Supreme Court coming up.

MS. NAPOLITANO: Really? (Laughter)

MR. BJERGA: And given your background as a former Arizona attorney general and governor and with your legislative, executive and legal system experience, who do you think would be a good nominee?

MS. NAPOLITANO: Whomever the President appoints will be an excellent nominee, and he has many good choices.

MR. BJERGA: Switching back, this week with the nuclear summit in D.C., you'll like this one, there were military trucks in the street and a bicyclist was actually accidentally killed, which leads to this questioner's question. Are we striking the right balance between security and freedom as we protect public events?

MS. NAPOLITANO: Yeah, I think there's still some review being done of that accident with the-- I think it was a National Guard-- truck. But it was a terrible thing, and my sympathies to the family of the individual who was killed. In terms of the question presented, which is are we striking the right balance, I think as I mentioned before, we build those issues into our analysis and our development at the outset before we even are doing major programmatic change. And we want to be thinking those things through. That being said, the balance is not always so obvious. And sometimes, you're in the middle of implementing something and you realize you don't have it quite right and you have to make adjustments and you have to be flexible and agile enough to do that.

I mean, the goal is to protect America while we protect American values. And American values include freedom, right? So, it is something that we work on constantly. We adjust for constantly. And we think about, really, in every major programmatic development that we do.

MR. BJERGA: You've talked about other speakers at the National Press Club. Earlier this year, we had the head of the Coast Guard, who will be leaving later this

spring, from his position. We had several questions about the Coast Guard including what roles do they play as DHS moves forward to more effectively mitigating evolving terrorist threats, sea and port issues, things like relieving hurricanes, et cetera. What do you see as the role of the Coast Guard within that context?

MS. NAPOLITANO: Actually, the Coast Guard has an enormous and multifaceted role in a lot of different things. They have a footprint in assisting abroad, and we have them in seas around the world. They are responsible for the protection of the nation's ports. And so for example, they have been working on the implementation of the TWIC program, which basically are security cards for port workers who have access to secure areas. They have the responsibility for search and rescue, for the protection of the nation's waterways for legitimate commerce. And obviously whenever there's an emergency, particularly of a hurricane-type nature, they are usually first on scene.

And the most recent example of this, quite frankly, was Haiti. They were first on scene in Haiti and were on scene for weeks thereafter making sure that we could bring in search and rescue teams from around the country, assisting in the bringing in of equipment, other things necessary to get Haiti restored, or stability restored in Haiti in the aftermath of the earthquake, and helping in a whole variety of ways. So, the Coast Guard is a huge asset for the country. And quite frankly, as somebody who grew up in New Mexico and was the Governor of Arizona, I didn't have a lot of experience with the Coast Guard coming into my position as Secretary. And I must say, they are a total pleasure to work with. It is a total service oriented military branch.

MR. BJERGA: We also had several questions about cyber security in the aftermath of where you're seeing accusations of sovereign nations actually hacking accounts. And when you see non-state actors using the internet as a way to spread message and communicate potentially violent threats against U.S. citizens. What efforts are you doing in that area to sort of better monitor and better combat some of the cyber security threats faced by the U.S.?

MS. NAPOLITANO: Well, in the wake of the cyber review, DHS has lead responsibility on protecting the civil aspects of the federal government, the so-called dot gov sites, as well as working with the private sector on their sites, the dot com, the dot org type sites. We are building a cyber-- basically, it's a subsection of Rand's department. We're actually hiring right now aggressively. We've been given direct hire authority to hire up to 1,000 cyber professionals to work in this area. We have unified a number of our different cyber assets that were spread around into a facility known as the NCIC. And we are working very closely with the White House cyber coordinator, and others, on how we move forward.

There's a lot of work to do in the cyber area. And I think, again, as I mentioned at the very beginning of my talk, it's one of the reasons why we identified the protection of cyberspace as a key and separate mission area of the Department of Homeland Security, particularly because so much of the nation's critical infrastructure is controlled by cyber networks, talking about telecommunications or the financial institutions or utilities, or

water. They are controlled by cyber networks. So both because we have the responsibility to protect critical infrastructure and because under cyber, we received the responsibility for the civilian side of things, this is an area this will be a growth area for the department.

MR. BJERGA: We are almost out of time, but before we ask the last question, we of course have to present you with the traditional-- everyone's been waiting for this moment-- National Press Club mug.

MS. NAPOLITANO: Oh my heavens, thank you. (Applause)

MR. BJERGA: And for our final question, I think everyone in this audience would have something to say on this one, but we'd like to hear your story. What's the worst experience you've ever had in an airport?

MS. NAPOLITANO: (Laughter) Well, here's the thing, and I hope you won't think less of me. But this is a tough job. It's a big job, as you can tell from my talk today. But there are some things that come with it, and one of them is a plane. So the plain fact of the matter is, no pun intended, I haven't been in an airport as a passenger for about 15 months, of course before as governor. But I will say this. The most recent experience I had that was not worse, but interesting, was Thanksgiving, the Wednesday before Thanksgiving this year because I went out to Reagan Airport to work the line and help people get through the magnetometer, get through the screening devices. So I basically wanted to work with our own TSO, see what they were doing, see that the lines were moving, how it was going.

And it was very interesting. It gave me a great appreciation of what our TSOs do and the care with which they need to do their jobs. And I also saw an immense variety of shoes. That's it. Thank you all very much.

MR. BJERGA: Thank you, Secretary Napolitano. (Applause) And with that, thank you for attending today's National Press Club luncheon. This meeting is adjourned. (Sounds gavel.)

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