



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

June 26, 2002  
(House)

## STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

### **H.R. 4598 – Homeland Security Information Sharing Act**

(Rep. Chambliss (R) Georgia and 33 cosponsors)

The Administration supports House passage of H.R. 4598. The Administration is pleased that the House is taking action to develop systems and procedures for Federal agencies to share homeland security information about domestic threats and vulnerabilities with State and local officials who need the information to prevent and prepare for terrorist attacks. The Administration supports the bill's goals to improve our ability to protect sensitive homeland security information and to facilitate the appropriate exchange of such information among Federal, State, and local governments.

Since September 11th, State and local officials have expressed the need for better access to actionable information that can prevent terrorist attacks on our homeland. Some of this information must be classified, but most will be sensitive but unclassified. This legislation seeks to balance and reconcile the needs of State and local personnel to have access to timely and relevant homeland security information to combat terrorism with the need to protect and safeguard both classified and sensitive but unclassified information. The bill calls for the establishment of procedures for the declassification, or passage in another appropriate unclassified form, of relevant homeland security information that State and local personnel need to prevent and prepare for terrorist attacks, as well as procedures for identifying and safeguarding sensitive but unclassified information related to homeland security. These steps will provide State and local entities, especially law enforcement and other first responders, with relevant information derived from sensitive intelligence information without vastly increasing the number of security clearances. Security clearances need to be granted to State and local officials in a coordinated fashion so that classified information can be shared with officials outside the Federal government when necessary and appropriate.

While the Administration supports the bill's goals, the definition of "homeland security information" needs to exclude individually-identifiable information that has been collected solely for statistical purposes under a pledge of confidentiality. Unless we preserve the trust and cooperation of respondents to Federal statistical surveys, there will be a significant deterioration in the ability of the Federal statistical system to provide high quality aggregate data to guide critical economic and social policy decisions. The Administration looks forward to working with Congress on this issue as the bill moves through the legislative process.

The Administration is concerned that certain language in Section 8 of the bill may have the unintended consequence of limiting the government's flexibility, as provided by the USA PATRIOT Act, to share terrorist threat or other critical national security information with foreign and United States intelligence and national security officials. Specifically, the Administration recommends that section 8(a)(1) of the bill be deleted. To the extent that the intent of the provision is to ensure that Section 203(d)(1) of the USA PATRIOT Act does not conflict with other provisions of H.R. 4598 itself, we believe the language should be narrowly tailored to achieve that result. As is, the Administration fears that this provision -- striking the "Notwithstanding" clause entirely -- would inadvertently sweep too broadly, create confusion concerning the interaction of the USA PATRIOT Act with other laws, and alter the balance struck in the USA PATRIOT Act between the imperative of protecting the United States and its people from terrorist and other threats and concerns about information sharing expressed in other laws. In addition, the Administration suggests that Section 8(a)(2) be modified to ensure that it does not in any way diminish the authorities already in the USA PATRIOT Act to share information with Federal law enforcement, intelligence, protective, immigration, national defense and national security officials and that it is consistent with the authorities of the Director of Central Intelligence and the Attorney General to protect intelligence sources and methods and sensitive law enforcement information.

In addition, the Administration would like to work with the Congress to address possible refinements to several other provisions in sections 6 through 8, including refinements to the provisions concerning what information is covered and which government officials may share it.

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