

P R O C E E D I N G S

(3:03 p.m.)

MR. HAMRE: Good afternoon, everybody.
Welcome. We're delighted that you're here. Thank
you very much for coming.

My name is John Hamre. I'm the president
at CSIS, and it's my great pleasure to open the
session and to introduce to you the Secretary of
Homeland Security, Governor Janet Napolitano.

How many of you remember -- not everybody
here is old enough -- remember those ads where it
was a couple of grizzled old cowboys talking about
salsa, and they said, "New York City? Made in New
York City?" Well, I just learned today that
Secretary Napolitano, governor of Arizona, was
made in New York City.

I mean, she is actually a New Yorker and
somehow found her way west to become an iconic
figure in the west, obviously one of the most
successful governors that Arizona's had, first
woman governor of the National Governors
Association, really set a standard. And of

course, that was, I think, considerably behind President Obama's reasoning in wanting to bring her to Washington.

Now, it's not such an alien step for her.

She went to law school at UVA, and so she's used to the East Coast. But her heart, I think, is still out in Arizona, and we only have her on borrowed time. But we're fortunate that we're able to have a person of her character and intellect who is leading the Department at this time.

I would say that there's an unusual -- we're bringing her to this forum today, and the India chair and the homeland security chair here at CSIS are hosting. But we're bringing her here to really talk about an important new dimension that Secretary Napolitano is bringing to homeland security.

If you think about it, it sounds like this is a very parochial, inward-turned organization. Homeland security. It just sounds that way, doesn't it? But what, after all, is homeland

security other than a multi-domestic security problem that we have to solve together?

I think it's Secretary Napolitano's wisdom that she, working with the President, led to the creation of what we think is a very important new initiative with India to develop this domestic security shared approach for homeland security for both of us. We both need it, and we need each other. And I think it's her wisdom that's led to this opening up.

So we're delighted that you'll share that with us today, Secretary. We're very grateful that you would give us your time. And I should take no more of it, and we should turn -- thank you. Thank you.

Please welcome Secretary of Homeland Security Janet Napolitano.

[Applause.]

SECRETARY NAPOLITANO: Well, thank you, and it's a pleasure to be here and to talk about the trip that I was just on to India. And before I get to that trip, let me lay this, or set the

stage a little bit, and John alluded to this.

The Department of Homeland Security was created in the wake of 9/11 to help protect the United States from another successful attack, but it also was created to deal with a whole raft of different matters. And so it was a combination of 22 separate agencies brought together.

We deal with everything from -- and we've really listed out five major areas: counterterrorism; border security; land, but also air and sea; immigration and immigration enforcement, a very noncontroversial area of the Department.

[Laughter.]

SECRETARY NAPOLITANO: Cybersecurity. I was just a meeting, a very important meeting, of the NSTAC, which is a private partnership we have with the federal government on telecommunications security. And then disaster preparation, response, and recovery. So right now, we are covering 28 -- or disasters in 28 different states, with the floods and the tornadoes that

have struck us this year.

So it's a very broad department in that respect. And one of the things we learned very early on was that if we were truly going to protect the homeland, a lot of our work was international in nature and needed to be international in nature, and that if we waited until things were actually in the United States, we probably had waited too long.

So even though my title is homeland security, I would venture to say I probably spend close to 40 percent of my time on international matters. These involve a variety of things. They can involve negotiating agreements with the E.U. on the exchange of passenger information. They can involve working with the World Customs Organization and the International Maritime Organization and the International Civil Aviation Organization on cargo security and how cargo is secured from the moment something enters the global supply chain until it reaches its end user. And it can involve the exchange of information,

particularly related to terrorism and terrorist groups around the world, with our friends.

So when we think of homeland security, we really think of it in a very international sense. And to that extent, the name is somewhat a misnomer. And I want to set that stage for you because that sets the stage for why was the Secretary of Homeland Security spending a week in India? What was that about?

Well, what it was about was an idea that we had raised to the President and that he raised with Prime Minister Singh during their discussions, which is to create an ongoing homeland security dialogue between the United States and India. We both have much to learn from each other, and we both have much to gain from a beneficial relationship.

So we followed up on the President's trip to Mumbai last November by having an exchange of correspondence with our counterparts in India, and an initial journey by the Deputy Secretary of Homeland Security and a delegation at the deputy

level, followed up last week by my trip itself.

I began in Mumbai, where I met with security and law enforcement officials. The idea was to begin to share ideas and thoughts about best practices, about effective policing in major cities, or "megacity policing" is another phrase for that, as well as port security, maritime security, cargo security, and border security.

Of course, Mumbai being, really, the commercial center of India -- and when you look at the port, you can understand why, a great place to have that dialogue and to begin that dialogue. But it's also an important place because it is there that India suffered the 11/26 attacks. I actually stayed in the Taj Hotel, which was one of the hotels that was attacked and held.

Actually, one of the more interesting hours I spent was with the head of security of that hotel, who was present during the time of the attacks, and spent an hour and a half or so with me walking through the hotel, where the terrorists came; what entrances they used; where they

positioned themselves; what kind of weapons they had; what were some of the problems that security had responding; what were some of the issues with SWAT team, SWAT team capability, command and control efforts, all the kinds of things that go into nuts and bolts of megacity policing, particularly when you're responding to a major incident such as that.

While we were there, of course, the trial began in Chicago of Rana, one of the persons involved with the Mumbai attacks, on trial in district court in Chicago now. And, of course, one of the prosecution's key witnesses is a man named David Headley, and David Headley was testifying.

So that was front-page news in detail during my visit in India and a lot of interest as to what he was saying, and as you can anticipate and appreciate, interest as to what at least he was saying with respect to the terrorist connections with Pakistan and with the ISI. And I received some questions about that from the Indian

press.

But anyway, moving from Mumbai, we went to New Delhi, where I was really hosted by my counterpart, who is the Minister of Home Affairs Chidambaram, a very impressive individual, where we held what we called the inaugural U.S.-India Homeland Security Dialogue.

As part of the dialogue, we had the U.S. Ambassador to India, Tim Roemer, I think as one of his last official acts as ambassador. We had the Indian Secretary of Civil Aviation Zaidi; we had the Minister of Communications and Information Technology Sibal; we had the Minister of Finance Mukherjee; we had the Defense Minister Antony; we had the Ministry of External Affairs; and we had the Foreign Secretary Rao, all involved in this inaugural homeland security dialogue between our two countries.

It was the first comprehensive dialogue of its type between the United States and India, and I think it will be the first of many. What I envision is that this will be an ongoing bilateral

dialogue that will meet at least once, and hopefully twice, per year, once in India, once in the United States, on a variety of issues.

The issues we focused upon were four. First, the resilience and security of the global supply chain.

Second, best practices and resources for effective policing in large cities.

Third, countering trafficking of narcotics and other illicit goods, as well as illicit financing and counterfeiting, and the latter a particularly important point when we look to how do terrorists get money on which to exist -- where are they getting their money from, and how do we stop them from getting more?

Fourth, protecting critical cyber infrastructure or, more precisely, protecting critical infrastructure that is dependent upon a cyber network to exist.

In connection with all of those, we had discussions about capacity-building. How do you build, train, vet the kinds of police forces that

large cities in the United States have? How do you make sure that you have adequate information-sharing between the federal government to state governments, to localities, and vice versa? That itself is a challenge for the United States. How do you make sure that the technology and equipment that you are using is the best possible, and what are some of the best practices with respect to that?

So those ideas, I think, really framed the discussions that we had. And we came away with a solid understanding of where we can enhance these joint efforts and continue to enhance a strategic partnership, essential for the security and prosperity of both countries.

Now, as I've said, this trip was part of a larger context, and that is the fact that DHS actually has quite a large international footprint now. As Secretary, I have traveled to more than 20 foreign countries and some of them multiple times.

We have negotiated numerous agreements,

ranging from information-sharing of criminal and terrorist data, to plans on science and technology and cooperation, to the details of federal air marshal programs. And we even have agreements in place now on the repatriation of artifacts.

I think this recognizes a truism, and the truism is that we face increasingly internationalized issues; that the problems we face in the homeland oftentimes have an international nexus that we need to not only recognize but deal with; and that we have to adapt and enhance our cooperation with our global partners to match this new reality.

So what you find across the globe now are meetings where ministers of home affairs or homeland security or, in the U.K., the Home Secretary, are developing. And what is evolving is their own framework, their own set of discussions and organizations and institutions for negotiating the agreements that they have for issues that affect home and homeland security, separate and apart from the traditional diplomatic

channels that we use through, say, state departments or ministers of foreign affairs, and definitely separate and apart from the defense and the defense area.

So this whole area of home and homeland security is now emerging as its own avenue through which we are having international exchange with our partners.

While I have been to more than 20 countries, we now have as a department a presence in 75 countries. We have, actually, the third largest international footprint of any United States federal department. We're now the third largest, and growing very rapidly.

Over the past two and a half years at the Department of Homeland Security, we have been working to address threats that truly cross borders: aviation and cargo security; the supply chain, nonproliferation; CBRN; cyber networks; law enforcement, and the need for law enforcement to be able to exchange realtime information in a transnational way.

Now, I will give you an example of how this has worked in the past two years concretely.

Many of you, I hope or I venture to say, will remember the attempted bombing of Flight 253 on Christmas Day of 2009. That flight, in fact, carried passengers from 17 different countries. The attempted bomber was from Ghana, purchased his ticket in Nigeria, changed planes in Amsterdam, and was over Canadian airspace when he attempted to blow it up.

The incident itself revealed how, when we talk about aviation security, we are inherently international in nature. And what we recognize is that once an individual gets access to the global aviation system, he potentially has access to the entire system.

That then hatched a series of meetings that we catalyzed, but we worked through the International Civil Aviation Organization, ICAO, which is associated of course with the United Nations, to raise the level of screening and security for airline passengers around the globe.

We held a series of five meetings internationally over the course of last year, culminating in the ICAO's general assembly last October, where they passed, unanimously -- recognize, this is a U.N. organization that went from zero to an international agreement in less than nine months, very, very fast, particularly for a group of that size and complexity -- on improving aviation security, security standards, and the like.

Now we're in the process of the implementation plan for implementing the kinds of capacity-building that needs to accompany those new standards and requirements; again, an example of how homeland security has really morphed into a much more global phenomenon than perhaps originally had been recognized.

The global supply chain initiative that I described earlier is much along the same lines, except it's ever more complex because as complicated as passenger security is, it's nothing compared to cargo, and moving cargo around the

world, and moving it safely.

Do we need to do that? Well, just hearken back to last October, when there were bombs, bombs hidden in toner cartridges in cargo coming out of Yemen, aimed once again for the United States. So we know that this business of cargo security is serious business indeed.

We want to identify and protect the most critical elements of the supply chain, transportation hubs and the like, from attack or disruption. That's why we made this one of the initial topics of the India-United States homeland security dialogue. They have the same types of issues.

So we will work on multiple fronts with India moving forward. But that will be part and parcel with a number of other similar efforts that the Department will be engaged in over the coming months and years, really building a global homeland security architecture where one previously did not exist.

Now, I think it's appropriate to recognize

or to remember that we are now approaching the tenth anniversary of 9/11, and I think we've made, as a country, tremendous progress in securing our nation from terrorism since then. But nevertheless, we still face continuing threats. They continue to evolve. They continue to change in terms of sources, in terms of techniques and tactics.

The upcoming anniversary will no doubt allow us to reflect on where we stand in the face of these threats, how we have responded, but also on what we need to do proactively moving forward. The killing of Osama bin Laden no doubt was a major achievement, but it is not the end of threats against the United States. It remains a significant marker, but it certainly shouldn't be taken as the fact that we have reached the end tape.

So as threats evolve, in addition to al-Qaeda, core al-Qaeda, you now al-Qaeda-related groups. You have LeT, of particular interest in India, and particular importance both to India and

the United States. We have to focus on that and, of course, the addition of home-grown extremists as well. We need to build on the experience we've had in the past and share that experience with India.

We've learned a lot about information-sharing in the United States. How do we get intelligence of a classified nature out of Washington, D.C. and, ultimately, in a realtime basis, into the hands of a law enforcement officer who we want to watch out for certain things? How do you get it out of the Beltway to the country at large? That's why we made information-sharing the second part of the homeland security dialogue with India?

How do we improve the integration of data and analysis so all of these things that we get become a picture, a narrative, that allows us to instruct people across the country on tactics and trends we want them to watch out for? For the public at large, See Something, Say Something. For law enforcement, it's suspicious activity

reporting. For states, it's fusion centers.

How do we do that in the United States? And then how do we exchange information with our partners, like India, so as they develop their own techniques, they have the benefit of things we have done, mistakes we have made, but also things we have learned and that have been successful?

So homeland security and international security now go hand in hand. Homeland security departments are now engaged with each other, creating a totally new avenue for countries to interact with each other. And India itself, such an important strategic partner with the United States, a country that we have much to do with from a commerce point, from an economic point, from a security point as well.

So, as I said before, the dialogue, I thought, was very valuable. I think it is the first of many. And it is also illustrative of the continuing evolution of the United States' own Department of Homeland Security.

Thanks for your kind attention. Let's do

some questions.

[Applause.]

AMBASSADOR INDERFURTH: Well, we heard what Secretary Napolitano said about getting to some questions. Let me just say a few introductory remarks, and then I will start the questioning.

I'm Karl Inderfurth, and I'm the newly appointed U.S.-India chair, the Wadhvani Chair in U.S.-India Policy Studies, hence our great interest in having this discussion here about the U.S.-India homeland security dialogue.

I thank you for your remarks. I also thank you for being here. I got up this morning and I turned on the Weather Channel to find out you had yet another natural disaster that you would have to be responding to. So I'm very glad that we could have your time here, and just back.

I have been part of this process, going back to when I served in the Clinton administration, of trying to build and strengthen the U.S.-India relationship, and this is a great

addition, the first-ever U.S.-India Homeland Security Dialogue.

I saw recently that we now have 31 formal dialogues or working groups with India. A remarkable transformation, expansion of our agenda. But I do believe that this is going to be one of our most important. So thank you for what you're doing here.

Let me start off with one question because you mentioned something that I'm sure some in this audience, if not all, would be interested in, and that is your discussions with the Indians about one group in particular, the Lashkar-e-Taiba, the LeT, that had responsibility for that terrible attack in Mumbai; and your discussions with the Indians about this group.

While you were in Delhi, you mentioned that you saw the LeT actually as al-Qaeda-like, in that category, in that league. My question is, do you see the LeT as a threat to our homeland security, and what can we do with the Indians to address this?

SECRETARY NAPOLITANO: The answer is that LeT is a potent terrorist organization. It could be construed as a threat to the United States. It certainly is to India. It is al-Qaeda-like in its strength and organization.

It's something -- because we have focused on al-Qaeda because al-Qaeda was responsible for the attacks of 9/11, I think sometimes we -- the public particularly doesn't know that there are other groups out there as well, of which LeT would be one.

So the discussion was in several parts. One is, what is the state of intelligence with respect to LeT? I'm not going to discuss that in public, but that was one of the topics.

The second is, what are the tactics and techniques that they use? And, for example, look at the Mumbai attack. Are countries prepared if they were to attempt to do something very similar? Do we have a small boat strategy? Can we protect our harbors from infiltration?

What about soft targets like hotels? Are

they better prepared than before to handle this? How do we handle our SWAT teams and law enforcement? Who has command and control if a similar attack by a LeT were to occur now or in the future? So kind of moving from what's the state of it to the intel, to the tactics and techniques that they are likely to use.

AMBASSADOR INDERFURTH: Let me ask you -- I will call you, and if you could identify yourself and your affiliation. And, let's see, we'll start -- please.

QUESTION: Hi. David Silverberg with Homeland Security Today magazine. Obviously, discussing the Indian relationship, you happened to touch on the Pakistani relationship.

AMBASSADOR INDERFURTH: We do have a microphone here, too. You could probably use that.

QUESTION: Thank you. At least in homeland security, what is the state of the Pakistani relationship, if there is one? And B, how is the new dialogue with India affecting that,

and how are bilateral issues between the United States and Pakistan in general affecting any kind of cooperation with Pakistan?

SECRETARY NAPOLITANO: Well, one of the things that is happening right now is that India and Pakistan have their own ongoing dialogue, and it addresses a variety of issues, from territory to some fairly straightforward water rights issues. And they have a number of topics that are engaged in that dialogue.

The United States is very supportive of that. The United States believes that it is in everyone's interest for India and Pakistan to be able to work together. And we also believe that there is an interest in regional stability, India, Pakistan, Afghanistan, and that is to those countries' interest and also to the United States' interest.

So where we really focused on was where there were areas of consensus and a pathway forward, and the possibilities for strengthening that.

AMBASSADOR INDERFURTH: Yes? Microphone.

I'll try to keep the mic in a general location here.

QUESTION: Hi. I'm Samira Daniels. I've been involved with a lot of interfaith since a kid, actually. And the question that I have is -- it's an intelligence one because everyone that comes to this issue comes at it from a different knowledge base. Some of it does overlap. And our experiences with Indians, and vice versa, are varied and different.

In the last 25 years -- well, about 18 years, I would say that the discussion is irrational sometimes, meaning that there are a lot of emotions and hatreds and complaints on both sides, as someone who's listened to different actors.

I'm wondering what your agency -- how it distinguishes the sort of hyperbole and the reality. I mean, granted, that these events have been earth-shattering and so forth, but their precedence is in this irrationality. And I think

that it's important for your agency and others to prioritize and conceptualize it in a way that it helps to resolve this stuff, these issues between India and Pakistan.

So I just wondered if you have anything to say to that.

SECRETARY NAPOLITANO: Well, I look at it a little bit differently, and that is, I would call -- I would say in the international arena, DHS is the agency of the pragmatic. DHS governs who's traveling, governs what can cross and how it crosses national borders.

I mean, when you look at the jurisdictions, the statutory authorities of this department, the whole movement of people and goods around the globe is really focused on the rules and statutes that emanate out of the Department of Homeland Security, primarily Customs and Border Protection and the TSA, and to some degree ICE and CIS as well.

It is to everybody's advantage that security and commerce coexist, that we don't

create a false dichotomy between the two, that we figure out how to do both and we figure out how to maximize our opportunities for both simultaneously.

So when I'm in discussions in India, what we're talking about is that very pragmatic level, how do we make life better for both countries by facilitating movement, exchange, economic development, in such a way, however, that our security interests are both protected.

AMBASSADOR INDERFURTH: Could you talk for a moment about the role of the private sector? Because I understand that you had a meeting with the Indian private sector. There was a luncheon or a breakfast that you had with the U.S.-India Business Council, the Chamber of Commerce.

Clearly, the private sectors, our private sectors, have an important role to play in working with government to address these issues on technology, on cybersecurity.

How do you see the private sectors in both countries helping you to get this job done?

SECRETARY NAPOLITANO: Well, yes. And actually, that is a key part, Ambassador, so I'm glad you mentioned that because we did meet with the private sector while I was there. And I typically do that when I'm in an international environment, is arrange those kinds of sessions.

Why? For several reasons. One is, as I just described, what we do has a huge impact on their ability to conduct the kind of business they need to be able to conduct, and we recognize fully the need to be able to do security and commerce simultaneously.

We need to know what their problems are, what challenges they're having, what things we're doing that may not make sense to them which we think make perfect sense to us. Sometimes we learn that we're actually wrong and we change things. So that's one thing.

But secondly, we need to work, particularly with the private sector, in terms of meeting their responsibility to secure their infrastructure. We don't own critical

infrastructure. We don't own 85 percent of the critical infrastructure in this country. It is in private hands. And if it's to remain -- if it's to be in private hands, there's a certain responsibility that goes along with that.

So what are ways that they can secure their infrastructure? We focus on cyber, but there are other things as well. And then to have those same discussions with our Indian counterparts because they have some of the same issues with the private sector in that country as well.

AMBASSADOR INDERFURTH: If we could bring the mic over here. This gentleman on the corner here, Aziz.

QUESTION: Madam Secretary --

SECRETARY NAPOLITANO: Can you move? There you are. I'm hidden by the podium.

QUESTION: Yes. Aziz Hanifar (ph) with India Abroad.

Piggybacking on Ambassador Inderfurth's question on the LeT, for years there was this

perception that the U.S. had a double standard when it came to the War on Terror, that it was more worried about al-Qaeda than the LeT, which was a strategic asset of Pakistan and the ISI in terms of launching attacks on India.

After 26/11, where Americans were killed, suddenly LeT came into focus. Now that the Headley trial is going on and that clear nexus between the LeT and the ISI has been sort of established, what pressure are you imposing on Pakistan in dismantling the LeT? Because you've got of LeT leaders still walking around, addressing meetings, walking freely, and Pakistan still keeps saying that it's trying to dismantle the LeT, but nothing of the sort has happened.

Will the U.S. have any qualms on India launching a Naval SEAL type of attack on LeT leaders who are clearly out in the public and operating freely?

SECRETARY NAPOLITANO: Well, I'm not going to answer that question.

[Laughter.]

AMBASSADOR INDERFURTH: You can go back now.

SECRETARY NAPOLITANO: Yes. But, as I mentioned, of course there was great attention being paid in India to the -- they called it the -- Rana is actually the defendant; Headley was merely the witness, one of the -- I guess one of the initial witnesses.

But as I said before, the United States has an interest in a strong relationship with India. We have an interest in a strong relationship with Pakistan. Both India and Pakistan share an interest in a stable Afghanistan. Finding those pathways forward, finding those areas where there is mutually beneficial consensus, is what I believe we need to focus upon.

AMBASSADOR INDERFURTH: I saw another hand over here in the -- maybe we can just go a little bit further over. There we go. Another behind-the-podium question.

QUESTION: Madam Secretary, my name is

Minochar Theagoraj(ph). I have an advisory firm working in the Indian homeland security space.

The question I have for you is, in the four areas you identified, I wonder if you could comment on or if there is scope for collaboration in the S&T areas that DHS is involved, in the really cutting-edge areas; i.e., can both countries collaborate on co-developing technologies to address the common challenges that they face?

SECRETARY NAPOLITANO: Yes. And we have been -- we actually have been talking about that and what kind of -- how do we mutually leverage some of the R&D efforts that need to be undertaken? For example, airport security equipment -- we clearly need to keep developing in that arena, what can be done there, and do it together.

I need to pause here and point out that scientific and technology development is longer term. These research cycles are 6, 8, 10 years. And to go from an idea to a prototype to being

able to go to manufacture and scale doesn't happen overnight. But technology will be the answer to many of the most troubling security issues that we have.

One of the disappointments I have with what's going on in the House right now is that they have the Homeland Security budget up for consideration, and they have drastically reduced the funding for technology research for security-related matters in our department.

That in the end, I think, would be a very expensive decision to make. Sometimes you need to make the science and technological investments now, knowing that the payoff may not be visible for a few years, but having confidence that, in the end, that is a wise investment for us.

Just an editorial comment that I felt I had to add.

AMBASSADOR INDERFURTH: Please. Right here in the front.

QUESTION: Madam Secretary, Mike Levine with Fox News. I have an off-topic question, but

it goes to a lot of the points that you came across.

There are reports out of Somalia that an American launched a suicide attack, another American. Wondering what the latest is that you know about that, and how significant would it be if yet another American is now launching a suicide attack.

SECRETARY NAPOLITANO: Well, I think, Mike, it is consistent with something we've been raising now for months, which is the growth of American persons, or U.S. persons, who themselves have become radicalized to violence. It can be home-grown extremists who become radicalized via the internet to al-Qaeda or al-Qaeda-style violence. It can be a U.S. person who has left the Somali-American community and gone to Somalia to al-Shabab to train and to exercise violence there.

That is a fundamental change in how we have seen terrorism, or how we saw it at the beginning, or what we consider the beginning,

which was the attack or the attacks of 9/11. And that has profound implications for how we deal with terrorism because it puts a premium on being able to get information about tactics and techniques out to the country. It puts a premium on local law enforcement, who will be the immediate eyes on an event that has occurred. It puts a premium on neighborhood policing and supporting neighborhood policing so that there is confidence in neighborhoods to be able to share information where that is appropriate and needed.

That shift or that alteration has implications for how we do big-city policing, information-sharing. It's changing some of the things we do at the Department of Homeland Security with respect to our own internal actions with respect to the United States. It's also part and parcel of that part of our dialogue that we had with India because they obviously suffer from the same risk.

QUESTION: Let me just ask a quick follow-up. What is the assessment now of the

recruitment of Americans, Somali-Americans, to Somalia?

SECRETARY NAPOLITANO: Well, is the question if there is some, the answer is yes. And is that accelerating in terms of number? I don't have a quick answer for you on that right now.

AMBASSADOR INDERFURTH: My colleague Amir Latif here in front.

QUESTION: Thank you, Madam Secretary, for your time this afternoon.

I wanted to ask you about the bureaucratic dynamic here with the homeland security dialogue. We've currently got the homeland security dialogue. The U.S. also has a counterterrorism joint working group with India.

There are a number of other dialogues that have got counterterrorism and homeland defense equities. And I was wondering if you could talk to some of the potential challenges with trying to deconflict and coordinate with these other dialogues, and how do you see your dialogue fitting in.

SECRETARY NAPOLITANO: I think what will happen -- I don't see it as deconfliction as much as trying to -- consolidation. The dialogue that we inaugurated last week was the dialogue that was specifically agreed upon between the two leaders of the two countries, and that's part of its importance and why it was conducted at such a high level.

There are other dialogues that deal with offshoots of this, no doubt, and they are important. But I think what will happen over time is that there will be some consolidation that occurs. And one of the things that we will do is work within the universe of what also exists, as the Ambassador mentioned, and say, okay, what now, after having had this inaugural discussion, makes sense to look to consolidate within for the next session?

AMBASSADOR INDERFURTH: It is interesting that in 2000, I was part of the beginning of the counterterrorism working group. Ambassador Mike Sheehan was in charge of that. How far we have

come from just the initial steps of trying to start talking to each other now to a ministerial, cabinet-level dialogue is another indication of how far this relationship has come in a relatively short period of time.

Questions over here. Please. In the very front.

QUESTION: Madam Secretary, thank you. Raj Vilgore(ph), India Global Issues Today(ph).

As far as killing Osama bin Laden was concerned, it brought joy to billions of people around the globe, including in India.

Madam Secretary, when you were there in India, two issues were hot issues. One, India had warned Pakistan to hand over most wanted five terrorists which are hiding in Pakistan who were responsible for attacking India. If this issue came up because India needs U.S. help to -- that you ask Pakistan to hand them over.

Second was the major issue, corruption issue. My question on that is, trillions of dollars are in Swiss accounts, unaccounted, and

there is no accountability, and most of the money is used by the terrorists.

Finally, domestic issue, Madam Secretary.

Where is this immigration issue hiding? Is this going somewhere in the Congress? Because millions of people are waiting from you to answer, that you are the hope for them so that they can come out of their hiding.

SECRETARY NAPOLITANO: Well, when I was there, the United States was not asked directly to participate in conversations with Pakistan about that.

With respect to immigration, I believe, as someone who has worked in this area for a long time, that the country needs to have an honest dialogue about immigration; that we need to recognize that it is a security issue and an economic issue; that it's not going away; that, sure, it's complicated, big issues are complicated; but that I think there is a growing consensus about what the major elements of immigration reform would entail.

The President has stated his support for those elements. He has met individually, or spoken individually, with a number of the members of the Congress, as have I. And I will continue to do that because even as we pursue our enforcement efforts -- and we are doing a lot of new things to prioritize enforcement in the way I think makes the most sense. Even as we do that, we recognize that immigration itself, the underlying law, needs to be updated to meet the needs of not only now but for the next ten years.

QUESTION: And Madam Secretary, about the corruption and Swiss accounts?

SECRETARY NAPOLITANO: Well, we did talk about -- I was just going to check and see if you remembered that you asked that.

[Laughter.]

QUESTION: That's my major -- terrorism and the corruption.

SECRETARY NAPOLITANO: Yes. We talked specifically about -- and we put that in the category of illicit financing. How is money

moving? How is it being banked? How is it getting into the terrorists' hands? What kinds of investigations can we launch? Can we do anything jointly?

That I think will be a very fruitful area, not just between the United States and India, but indeed we are working on that with a number of countries around the globe. How do we shut off the flow of money?

AMBASSADOR INDERFURTH: Toward the -- in the middle here. Yes?

QUESTION: Thank you for being with us today, Madam Secretary. A quick question regarding internal threats.

Is there any U.S.-led initiative that's focusing on helping India in its capacity towards like combating the Naxalites?

SECRETARY NAPOLITANO: Well, the Naxalites -- which that is the Communist insurgency, would be another way of putting it, I suppose, in India -- no, not by that name. But to the extent the things they do implicate police

tactics, police techniques, how do you equip a SWAT team; what do they need to have; what kinds of training needs to occur; how do you have vetted units; where do you need to have them; what is the relationship between local police councils and Delhi? Those kinds of discussions we did have, yes.

AMBASSADOR INDERFURTH: There was another question here.

QUESTION: Thank you, Madam Secretary. My name is Joe Straum with the New York Daily News.

The House voted today to overrule FEMA's decision to limit UASI funding to the 10 largest urban areas.

SECRETARY NAPOLITANO: I can't hear you. Say that again?

QUESTION: I'm sorry. The House voted to overrule FEMA's decision to limit UASI funding to the 10 largest cities. Experts say that it defies demonstrated risk. I just wanted to find out your thoughts on the House vote.

SECRETARY NAPOLITANO: Well, I don't know

about the House. That's that first I've heard of that. But they're doing all kinds of stuff with our budget today.

[Laughter.]

AMBASSADOR INDERFURTH: Your mic is on.

[Laughter.]

SECRETARY NAPOLITANO: And I said that with reverence. Thank you, Ambassador.

[Laughter.]

SECRETARY NAPOLITANO: Listen, the House cut money for UASI grants, which are the grants for urban area antiterrorism activities. Those grants were specifically designed to combat terrorism. They've cut it for '11 as part of that budget agreement by either 20 or 25 percent.

So I had a choice. I could either keep the same number of UASI jurisdictions or really look at risk and consequence and reduce the number of UASI jurisdictions. So I made the decision to hold -- there are 11 tier one cities -- New York, L.A., Chicago -- 11 tier one cities, and hold them constant so that they would not be cut at all; to

take another 20 cities and distribute the cut to those 20 cities, so they took 30, 40 percent cuts, but they still got monies; and to not fund the remainder of jurisdictions.

I think there were 64 total. So to basically go from 64 to 31. Right? That we would fund. I thought that -- and I believe that makes sense. That's a good way to invest our monies.

Now, the cities that did not get funded were not left bare. They have access to their state homeland security grant monies. But almost all of them -- in fact, I think all of them have unspent UASI monies from prior years. So if they want and need something and they believe it falls within the UASI guidelines, they should access the money that they haven't spent already.

But I believe that in tough fiscal times, you have to make tough decisions. And I wish I could have kept everybody happy, but I couldn't, and that's the choice I made.

AMBASSADOR INDERFURTH: May I take you back to India just for a minute? I think we've

got just about five more minutes.

On the question of cybersecurity, one thing that I've often thought is that our two countries, India and the United States, have such a great advantage in information technology. We have our Silicon Valley, they have their Silicon Valley.

How can we take advantage of that great asset that we have to deal with the cyber threats that we face today? Will there be a working group on cybersecurity? Is that getting a lot of attention in your discussions? Does it define how we marry up our very smart people in that sector?

SECRETARY NAPOLITANO: The answer is, I think there will be a working group or something of that type, whereas you put it, Ambassador, we put the really smart people together.

There are lots of issues, from how code is written and how you can make code less vulnerable to attack, to how you can better detect and prevent attack, to how you can have more resilience should something be attacked. So you

have a whole continuum of activities that needs to occur.

So they have cybersecurity experts. We have cybersecurity experts. I believe that as we move forward, that will be, again, another fruitful area for us.

AMBASSADOR INDERFURTH: Another question. In the very back?

QUESTION: Mike Hollin, CNN. Thanks again for taking our questions.

On the issue of cybersecurity, Google has reported that there was an attempt out of China to gain access to the private e-mail accounts of some senior government officials. The Washington Post this afternoon is reporting that that includes an attempt to access the private e-mails of a cabinet-level official.

Does this jibe with your understanding? And what -- if anything, is DHS doing to ascertain what information may have been retrieved by the person conducting this attack?

SECRETARY NAPOLITANO: Yes. I can't

comment on that just yet. I think we're still trying to ascertain the facts and the attribution.

QUESTION: Thank you.

AMBASSADOR INDERFURTH: Are there any commentable questions that anybody would like to ask? And you know whether they are or not.

[Laughter.]

AMBASSADOR INDERFURTH: Maybe we'll try -- do I see one here? All right. This will be the last question. We promised the Secretary --

QUESTION: (Inaudible), ABC news.

In your answer to the Ambassador's question about LeT, you seem to be indicating that there is possible threat that LeT is posing to the U.S. homeland. And we saw, out of Headley's testimony at the trial, that indeed the group was preparing to go ahead with the Denmark attacks.

So has there been a shift in their tactics, that you believe that they are beginning to undertake external operations outside of Pakistan and away from India, looking at different

groups, overseas targets to expand their reach? Because in your answer to the Ambassador's question, you were kind of indicating that, and I just wanted to explore that a little more.

SECRETARY NAPOLITANO: Well, I don't want to talk about the intelligence that we have about LeT, but I think it is available in open source that there have been discussions that they have had about activity outside of India.

AMBASSADOR INDERFURTH: Okay. Well, I want to thank Secretary Napolitano for being here.

The slogan for our new program at CSIS is to unlock the full potential of the U.S.-Indian relationship. And quite frankly, you are doing just that by opening up this first-ever dialogue on homeland security. And we wish you great success in that. Thank you very much for being here, and why don't we have one final round of applause for the Secretary.

[Applause.]

(Whereupon, at 4:00 p.m., the session was concluded.)