

Opening Statement
Congressman Ed Royce (CA-40)
12 February 2003
"Recovery and Renewal: Protecting the Capital Markets
Against Terrorism Post-9/11"

Thank you, Chairman Oxley and Chairman Baker, for providing the Members of this Committee with the opportunity to address our domestic financial markets' ability to respond to every American's worst nightmare -- another catastrophic terrorist attack on the United States.

Yesterday, the Wall Street Journal outlined the results of a war game, dubbed "Dark Winter" and run by the Johns Hopkins Center for Civilian Biodefense Strategies, which poses a realistic scenario in which a bioterror attack on the United States leads to an outbreak of smallpox, causing serious domestic disruption and eventually spreading this contagion across 10 other countries.

The results of this war game serve to underscore the fact that while the United States is making a great deal of progress in the War on Terror, we are still unacceptably vulnerable to an asymmetrical attack on "soft" targets like our civilian population, our food supply, and our financial markets. I commend the Chairman for his foresight in requesting that the GAO undertake a comprehensive examination of the preparations that financial market participants have taken since September 11 to protect themselves from physical and electronic attacks.

While I strongly believe that the creation of our new Department of Homeland Security will mitigate or ameliorate many of the threats that the United States currently faces, it is incumbent upon all of us to do our part to ensure that the United States and our financial infrastructure can cope with another terrorist attack so that the American way of life and commerce will be interrupted as minimally and briefly as possible. I appreciate the efforts that have already gone into making Americans safer, and I look forward to finding new ways to protect Americans from the threats of this new age.

I would like to thank our witnesses from both the GAO and from the non-governmental sector for their work in briefing this Committee on their current and future efforts to defend our financial markets from acts of terror. I also look forward to working with the Chairman on developing ways to make our financial markets more secure and less vulnerable to attack, and I yield back the balance of my time.