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ASSESSING DHS 10 YEARS LATER: HOW WISELY IS DHS SPENDING TAXPAYER DOLLARS?

HEARING

BEFORE THE

SUBCOMMITTEE ON OVERSIGHT AND MANAGEMENT EFFICIENCY

OF THE

COMMITTEE ON HOMELAND SECURITY HOUSE OF REPRESENTATIVES

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ASSESSING DHS 10 YEARS LATER: HOW WISELY IS DHS SPENDING TAXPAYER DOLLARS?

Friday, February 15, 2013

U.S. HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON OVERSIGHT AND
MANAGEMENT EFFICIENCY,
COMMITTEE ON HOMELAND SECURITY,
Washington, DC.

The subcommittee met, pursuant to call, at 9:00 a.m., in Room 311, Cannon House Office Building, Hon. Jeff Duncan [Chairman of the subcommittee] presiding.

Present: Representatives Duncan, Rothfus, Hudson, Daines, Barber, Payne, and O'Rourke.

Mr. DUNCAN. The Committee on Homeland Security, Subcommittee on Oversight and Management Efficiency will come to order. The purpose of this hearing is to examine the efficiency of the Department of Homeland Security and how wisely they are spending taxpayer dollars.

Let me begin by extending a warm welcome to the other Members of the subcommittee. I am looking forward to working with Ranking Member Ron Barber, as we both share a strong commitment to U.S. border security and ensuring our border agents receive the support that they need to protect the homeland. Last September, Ron and I attended the dedication ceremony of the Brian A. Terry Border Patrol Station in Arizona, honoring Border Patrol Agent Brian Terry, who was killed in December 2010 in the line of duty in Arizona.

I also look forward to a strong bipartisan cooperation in helping to make the Department of Homeland Security as efficient and effective as possible.

I would also like to introduce our new freshman Majority members. Today we have got Mr. Keith Rothfus from Pennsylvania and Mr. Richard Hudson of North Carolina. Later joining us will be Mr. Steven Daines of Montana. They bring a wealth of experience to their new roles in the Congress and on this subcommittee, and I look forward to leveraging their experience and knowledge to provide effective oversight of DHS.

Let me pause for just a minute to thank the subcommittee staff who have worked diligently to put this first hearing together and preparing the Members of the committee. So thank you for that. I now recognize myself for an opening statement.

Next month marks 10 years since the creation of the DHS through Homeland Security Act of 2002. The terrorist attacks of September 11, 2001, forced us to fundamentally rethink the threats

our Nation faces and our approach to defending the homeland. As the 9/11 Commission report documents, before 9/11 no Executive department had as its first priority the job of defending America from domestic attack. That changed with the creation of the Department of Homeland Security. DHS was established to: No. 1, prevent terrorist attacks within the United States; No. 2, reduce America's vulnerability to terrorism; and No. 3, help America recover from any attacks that may occur.

DHS, however, has faced the massive challenge of creating a new organization by integrating 22 separate Federal agencies and components into a unified department. It is important to always remember the gravity of the issues DHS faced in its inception and how those experiences affect the Department's current responsibilities to protect critical infrastructure, develop countermeasures against chemical, biological, radiological, and nuclear threats, secure our borders and transportation systems, and manage the Federal Government's response to terrorist attacks and major disasters.

Today, we seek to assess how wisely DHS is spending American taxpayer dollars. Has it been successful in meeting its mandate established by the Homeland Security Act of 2002? We know that there have been 54 publicly-known attempted terrorist attacks on the United States that have been thwarted since 9/11. However, incidents such as the 2009 attack on Fort Hood that killed 13 Americans, or the 2009 Christmas day underwear bomber, and the 2010 attempted car bombing in Times Square remind us to remain ever vigilant.

But are foiled terrorist attacks a good measure of DHS' success or are there other criteria the American people should use to evaluate the DHS? Today, many Americans question how DHS uses the resources entrusted to it. In 2004, DHS had a budget of $39 billion. Now it has a budget of almost $60 billion, employs more than 225,000 people, operates in over 75 countries, and is the Nation's third-largest Federal agency.

Congressional watchdogs have issued thousands of reports with ways to improve the efficiency of DHS and save taxpayer dollars. The Government Accountability Office exposed billions of dollars in cost overruns that major DHS acquisition programs have incurred. As we learned yesterday, DHS remains on GAO's high-risk list in several areas, including the Department's management. In addition, the DHS Inspector General has identified over $1 billion in questionable cost.

DHS, however, has yet to implement these cost savings opportunities. In November 2012, the Inspector General also identified significant challenges in how the Department protects the homeland and manages its operations. The report noted difficulties for TSA in securing our airports, for CBP in identifying travelers entering the United States, and for FEMA in determining whether to declare Federal disasters despite spending $4.3 billion in response efforts annually. The IG also stated that much more work remains for DHS to efficiently manage its finances, consolidate old legacy databases to efficient data systems, and improve acquisition outcomes.

Other examples of unacceptable waste by DHS have also been revealed. For example, a recent Congressional investigation found that TSA has over 3,500 administrative staff in headquarters with an average salary over $100,000. These figures don't include the number of TSA screeners across the country, which ballooned to almost 48,000 in 2011, resulting in TSA spending over $3 billion—half its budget—a year in payroll, compensation, and benefits.

According to press reports, DHS generally doled out $61 million in salary awards in 2011 despite the hard economic times and reduced take-home pay for many hardworking Americans. Since its inception, DHS has also spent more than $35 billion in homeland security grants. A recent Senate report documents how DHS prioritizes its grant funding with DHS employees using grant funds to pay a thousand-dollar fee for a conference at the Paradise Point Resort and Spa, where they participated in zombie apocalypse training. Other examples exist of DHS spending money on children's mascots, overpriced law enforcement training materials, and even bagpipes for the Customs and Border Protection.

Now, while DHS has taken steps to improve its day-to-day management, I believe that the American people still deserve better. We are over $16 trillion in debt. Hardworking families have had to make difficult budget decisions. DHS must do the same. The numerous examples of DHS programs with cost overruns, schedule delays, and performance problems cannot continue in this constrained budget environment. We must help ensure DHS becomes a better steward of taxpayer dollars.

This 10-year anniversary of the creation of DHS presents this subcommittee with an opportunity to reflect on what has worked, what has not worked, and where DHS needs to improve. Recommendations by today's witnesses will help us better understand the issues that DHS faces and identify ways to help DHS improve, and I look forward to their testimony.

The Chairman will now recognize the Ranking Minority Member of the subcommittee, the gentleman from Arizona, Mr. Barber, for any statement he may have.

Mr. BARBER. Thank you, Mr. Chairman. It is a pleasure to be here this morning. Welcome to the witnesses and our Members of the subcommittee. I am looking forward to working with the Chairman in a productive and bipartisan manner as we conduct oversight of the Department of Homeland Security and other homeland security functions. It is apparent to me already, having met with the Chairman and spoken with him at length, that we see eye-to-eye on many issues related to the efficiency and effectiveness of the Department. I appreciate his courtesies and collaboration with me as we move this important agenda forward.

This is our first subcommittee meeting of the 113th Congress, and I cannot think of a better issue to examine than the manner in which the Department spends hard-earned taxpayer money. The Department of Homeland Security has one of the largest budgets in the Federal Government. Each year, approximately $40 billion in appropriated funds flow in and out of the Department. Among other things, these funds are used to pay over 220,000 employees, secure our aviation system, provide disaster aid to States and local governments, and purchase the equipment used by those protecting

our borders. We owe it to the taxpayers to ensure that these funds are appropriately used, fully accounted for, and spent wisely.

Unfortunately, over its 10-year history that has not always been the case at the Department of Homeland Security. My Congressional district in southern Arizona includes over 80 miles of U.S.-Mexico border, and my constituents along the border are particularly affected by criminal activities along the border, with nearly 40 percent of all drug seizures and apprehensions occurring in the Tucson sector. This is unacceptable. We must do better. The Department must do better.

I am reminded as I think about safety along the border of two deaths that have occurred within the last 2½ years. The Chairman mentioned that we attended a dedication ceremony of a station on the Southwest Border for Brian Terry, a Border Patrol agent who was killed in the line of duty. I am also reminded of the death of Rob Krentz, a rancher, fourth-generation rancher who was killed on his own land by a cartel member. The safety of our citizens and the safety of the men and women who protect our border is paramount. The Department must respond and must use the money wisely to do so.

As their representative, and one of only 10 Members of Congress that represent a district that shares a border with Mexico, I am committed to ensuring that we improve border security, particularly along the Southwest Border. As I visit with ranchers, Border Patrol agents, and local law enforcement agents in my district, I have seen first-hand how the Department uses taxpayer dollars to secure the border, and I know we can do better and we can do more.

In 2006, the Department of Homeland Security announced its plan to install technology along the Southwest Border that would serve as a virtual fence and provide the Border Patrol with information it needs to secure the border. Unbelievably, the contract that allowed that project to go forward did so specifically prohibiting Border Patrol agents, those who work on the ground, from providing input into the design, development, implementation of that system. That is unacceptable. Seven years and over $1 billion later, we are still without the plan that was originally envisioned. In subsequent iteration, the Arizona Border Surveillance Technology Program remains in question.

According to the GAO, the Department does not have the information necessary to support and implement the estimated $1.5 billion plan, which is the successor to the canceled multibillion-dollar SBInet. In addition to finding that the Department has not yet demonstrated the effectiveness and suitability of its new approach for deploying surveillance technology, the GAO also found that $1.5 billion, 10-year cost estimate for the program may not be reliable. If this new plan goes awry, the Department will have spent over $2 billion in an attempt to develop border security technology with little more to show than canceled programs and canceled checks to the contractors.

This is but one example of why the Department must fix its broken acquisition system to improve how it does its job cost analysis and to make sure that we have a better way of purchasing and deploying technology. To its credit, the new administration has made

some improvements. The newly created Office of Program Accountability and Risk Management, designed to manage the day-to-day oversight of the acquisition programs, appears to be a step in the right direction. I am concerned, however, that only 45 staff are in this office, responsible for over $18 billion.

Making the best use of scarce taxpayer dollars, and doing all it can to protect men and women who live, Americans who live along the border and across our country, is the first responsibility of this Department and a primary responsibility for this committee. I look forward to today's hearing and the testimony and our continuing oversight of this important topic. I yield back. Thank you, Mr. Chairman.

Mr. DUNCAN. Thank you, Ranking Member.

Other Members of the subcommittee are reminded that opening statements may be submitted for the record.

Now, we are pleased to have a very distinguished panel of witnesses before us today on this topic. The Honorable Jim Gilmore is the former Governor of Virginia, and chairman of the Congressional Advisory Panel to Assess Domestic Response Capabilities for Terrorism Involving Weapons of Mass Destruction. Prior to serving the Commonwealth of Virginia as Governor from 1998 to 2002, Governor Gilmore was Virginia's attorney general. He also served in the United States Army as a counterintelligence agent. Thank you for that service, sir. In 2009, Governor Gilmore became president and CEO of Free Congress Foundation.

Mr. Shawn Reese is an expert on homeland security policy at the Congressional Research Service. He has written numerous reports to Congress on Federal, State, and local homeland security policy issues. He has testified before the House Government Reform and Oversight Committee on the Homeland Security Advisory System, the House Homeland Security Committee on Federal counterterrorism training programs. Prior to coming to CRS, Mr. Reese was an officer in the United States Army for 10 years. Thank you for your service, sir.

Mr. Ozzie Nelson currently serves as a senior associate in the Homeland Security and Counterterrorism Program at the Center for Strategic and International Studies. Mr. Nelson joined CSIS in September 2009 after retiring from the United States Navy. Thank you for your service, sir. In 2005, he was selected to serve as an inaugural member in the National Counterterrorism Center's Directorate of Strategic Operational Planning. Boy, that is a mouthful. Prior to his assignment at the NCTC, Mr. Nelson served as an associate director for maritime security in the Office of Combating Terrorism on the National Security Council.

Ms. Cathleen Berrick is the managing director of homeland security and justice issues at the Government Accountability Office. In this position, she oversees GAO's reviews of Department of Homeland Security and Department of Justice programs and operations. Prior to being named managing director by Comptroller General Gene Dodaro, she oversaw GAO's reviews of aviation and surface transportation security matters, as well as the Department of Homeland Security's management issues. Prior to joining GAO, Ms. Berrick held numerous positions at the Department of Defense and the U.S. Postal Service.

Thank you all for being here today. The Chairman will now start by recognizing Governor Gilmore to testify.

STATEMENT OF JAMES S. GILMORE, III, PRESIDENT AND CEO, THE FREE CONGRESS FOUNDATION

Mr. GILMORE. Congressman, thank you very much. Mr. Chairman, Mr. Ranking Member Barber, Members of the committee, thank you for the invitation to address this important issue 10 years on, after 9/11, the 9/11 attack. The Free Congress Foundation, which can be seen at freecongress.org, we started a Center for National Security there to address many of the big picture strategic issues, but not the least of which is homeland security issues.

As the Chairman said, I chaired the National Congressional Advisory Panel on Homeland Security for 3 years before the 9/11 attack, and for 2 years thereafter. While I was the Governor of Virginia I was doing that work at the beginning. Ten years on, we are in a position to do some assessment. The colleagues who are here with me today are certainly experts in this field. I would like to address very quickly some of the strategic issues for just a moment.

The fundamental question, I think, for the committee, the subcommittee and the full committee, is: Do you really have a strategic plan that is adequate to safeguard the Nation? Really, do you? Is Homeland Security structured to really carry out that? How can you really assess the effectiveness of the Department of Homeland Security unless you examine their mission and their strategic plan and whether or not they are successful with that? You can focus, of course, on Customs and Border, Immigration, TSA, Coast Guard, the Office of Preparedness, and the expenditure of the money in order to carry out these missions. But we at the Advisory Panel did not initially recommend the office because it doesn't include the Department of Defense, the CIA, the FBI, and most importantly, local and State officials.

The question really before the committee is, has the strategic plan included enough to be able to really secure the homeland? I point to two issues. Al-Qaeda has said in their public statement that their goal is to collapse the economy of the United States. That is what they have said. I think that the committee has to remember that within the context that if we waste money or carry out an ineffective program that draws too much money unnecessarily, then we actually carry out the mission of al-Qaeda. That is why this committee's work is so important.

Second, I want to point to the issue of drug traffic on our Southern Border, precisely as the Ranking Member did. This is a serious danger to the United States, and remains so, and is growing. The cartels are extremely vicious. They threaten members of the constituency not only in the Southern Border but across the United States. The young people who are really becoming addicted, and this is not a voluntary matter, this is involuntary, are being destroyed, young people's lives are being destroyed, and the Nation is being weakened by this kind of issue. So the border issues and the issues of cooperation with our allies and with our law enforcement people is most critical.

Let me focus in the last minute, 2 minutes on the real concern that I have, and that is the issue of the civil liberties and civil free-

doms of the people of the United States. The real danger here is that there will be another attack. In fact, it is almost likely that there will be another attack. It is in the hands of our adversaries. If such an attack results in either panic, hysteria, or insecurity in the minds of the people of the United States, there is danger of overreaction, not only in the public, but specifically out of the Congress of the United States. I point out that the Patriot Act was passed in 26 days after 9/11, without serious full consideration, because there was a political need by the Members of the Congress to get reelected and to get those votes and show real activity. This can happen again.

Now, I am not condemning the Patriot Act, but I am concerned about the mindset that could occur if there is another attack and we are not appropriately prepared. So I would suggest to the Members of the committee that a goal that we should see in homeland security is more public discussion with the people of the United States about the nature of the true threat, whether or not there is a real danger, what the potential preparedness is of the Department of Homeland Security and the Nation as a whole, how local people should be cut in and participate, whether or not we are prepared to respond to that kind of attack.

This kind of leadership opportunity is very significant. It is a big opportunity for the Department of Homeland Security. But the Department is quiet in terms of its actual discussion with the American people. That confidence and calmness will be necessary in the time of the crisis to make sure that we don't restrict the liberties of the American people in exchange for security. The goal of the United States has to be to have a response plan in place, well understood, that not only secures this Nation, but also simultaneously and without any mitigation secures the civil liberties of the American people at the same time.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Gilmore follows:]

PREPARED STATEMENT OF JAMES S. GILMORE, III

FEBRUARY 15, 2013

INTRODUCTION

Chairman Duncan, it is honor to be here today. I commend you and House Homeland Security Chairman Mike McCaul for holding these hearings on reviewing American homeland security policy as an institution for the 21st Century and checking how wisely we are spending our taxpayer dollars. Communicating with the American public about the realities of terrorism and how well our country is prepared is essential to maintaining our liberty.

Since it is Abraham Lincoln's 214th birthday this week I think it is fitting to start my testimony with a quote from a great American leader: "America will never be destroyed from the outside. If we falter and lose our freedoms, it will be because we destroyed ourselves."

I was invited to testify due to my experience as the former chairman of the Advisory Panel to Assess the Capabilities for Domestic Response to Terrorism Involving Weapons of Mass Destruction, also known as the "Gilmore Commission." From 1999 to 2003, the commission produced five reports on the state of our Nation's ability to respond to terrorist attacks.

Of its 164 recommendations, 146 have been adopted in whole or in part. The commission thoroughly analyzed how the country achieved the goal of National security, as well as how our preparedness related to citizens' privacy and the role of the military. As I have said before, the agency with the most guns should not always be relied on in a crisis; we need to be prepared physically and emotionally when the

attack comes and that is how we keep our freedom and security intact for future generations of Americans.

An assessment of the effectiveness of the DHS can only be made with reference to the strategic plan the Department seeks to implement. The first question must always be whether the DHS budget and spending implements the National plan.

Our commission realized that small local communities are both the most vulnerable and the most difficult to secure, due to the higher need for private-sector involvement. The commission indentified the "New Normal" and recommended that all communities adopt this plan. This program developed a plan of preparedness which could be carried out by the mayor or local homeland security officials. We outlined the following topics to help start the process for localities:

- Response/Containment;
- Intelligence/Situational Awareness;
- Transportation/Logistics;
- Public Health/Medical;
- Legal/Intergovernmental;
- Public Safety/Information;
- Infrastructure/Economic;
- Community/Citizen.

On a larger scale, the Congress and the Executive branch should focus on the following in creating a National Plan:

- State, Local, and Private-Sector Empowerment;
- Intelligence;
- Information Sharing;
- Training, Exercising, Equipping, and Related Standards;
- Enhanced Critical Infrastructure Protection;
- Research and Development, and Related Standards;
- Role of the Military.

The influence of drugs and other illegal substances are a major threat to American national security. The availability of narcotic poisons to our population is a key element that is weakening our communities. The routes used to traffick drugs can be used by al-Qaeda to bring terrorists and weapons of mass destruction into our country. In addition to the external threat we must be sensitive to the damaging role of overreaction to our civil freedoms. Thus, we must be aware of the policy actions we have taken with The PATRIOT ACT and the National Defense Authorization Act (NDAA). We must always consider the role of the military during a major event like Sept. 11 as we decide on our future homeland policy.

ONE-SENTENCE SUMMARY

The Gilmore Commission reports discuss preparedness—including strategies, institutions, threats, capabilities, and lessons from other nations.

MAIN POINTS

Point 1: We should plan strategically, especially at the State and local levels.

In a free society like our own, there is no way to completely eliminate the threat of terrorism. We have unlimited vulnerabilities, and the multitude of activities and motivations makes it difficult to assess terrorism threats. It is also difficult to assess whether our actions are reducing the threats.

The only solution is to be prepared to mitigate the results of the worst-case scenario, especially at the State and local levels. We should also make a special point to plan strategically and look forward to preemptively recognize threats and manage risks.

The only way we will achieve preparedness is through true cooperation of various Government entities. But Federal, State, and local governments do not coordinate strategically. In many cases, they have different agendas and clashing organization systems. They are not sharing enough information or intelligence, especially about potential threats. As a result, we are less prepared than we should be.

The Federal Government should provide a clear definition of preparedness and a strategic plan. Furthermore, States and local governments should be empowered to implement the plan.

Point 2: We should use a risk management strategy for prevention.

Risk management means reducing threats and vulnerabilities. A prevention strategy based on risk management might consist of:

1. Reducing threats: Dismantling terrorist groups and denying them weapons.
2. Reducing vulnerabilities, day-to-day: "Building the fortress" against terrorism.

3. Reducing vulnerabilities, in the event of an immediate threat: Taking steps to protect against specific attacks.

WHAT ABOUT PREVENTION?

The fifth Gilmore Commission Report is an excellent source for the prevention community. It explains why the prevention cube is needed:

"Since there is no way to prevent all attacks, a risk management strategy is needed. The way to manage risks effectively is to collaborate and share information, especially about threats. This is the heart of the prevention process."

Therefore, a true evaluation would include DHS's role and partnership with other key National security organizations, including the Department of Defense (DOD), the Federal Bureau of Investigation (FBI), the National Intelligence establishment, and local and State law enforcement authorities. [Source: *https://www.preventivestrategies.net/public/spd.cfm?spi=prevention_library_book3*.]

SPENDING TAXPAYER DOLLARS

The drumbeat of terrorism news never ends in our media society. But we must accept that we cannot be completely safe in a free and open society like America. One thing that I am most proud of is the emphasis the Gilmore Commission placed on for protecting civil liberties as our security consciousness is heightened. We must keep our security AND our liberty intact. There is nothing worth gaining that will come as a result of sacrificing our protection of basic freedoms. Right now, we are achieving much while holding true to our values; however, considerable room for improvement exists.

The current budget for the Department of Homeland Security (DHS) is $60 billion annually. That is up $20 billion since 2004. According to an article published in the *New Yorker* magazine, Lockheed Martin alone receives $30 billion annually in defense contracts. Does that mean we aren't even close to spending enough on homeland security for our vast country? In my opinion, our defense spending is appropriate based on our current National strategy. Can we do better? The answer is a definite yes.

In its fifth and final report in December 2003, our commission repeated its prior emphasis that civil liberties must be a critical element in the consideration of any program to combat terrorism. The commission believed firmly in the principle that Benjamin Franklin spoke of more than 250 years ago: "They that can give up essential liberty to obtain a little temporary safety deserve neither liberty nor safety."

In that final report, in fact, the commission included a treatise about the importance of this issue and ways that the Nation might go about achieving that result. I have included that document as an attachment to my written statement and ask that the subcommittee includes it in the record of this hearing.* We believe that it is still applicable today.

Though the Nation's preparedness in the event of a terrorist attack on our shores was not a primary concern of the Federal Government, among some Government sectors (and some in the news media) there was a growing anxiety about the numerous terrorist attacks occurring all over the world in the 1990s—i.e. the U.S. embassy bombings in Kenya, the bombing of the U.S.S. Cole, and the reports of terrorist training camps in Afghanistan.

An example of the coverage prior to Sept. 11 is found here. The *Washington Post* reported on the commission on Dec. 15, 2000:

"'Panel Calls for Creating Counterterrorism Agency'
"Friday, December 15, 2000; Page A08
"By David A. Vise
"Washington Post Staff Writer

"A federal panel warned yesterday that the United States is vulnerable to terrorists wielding weapons of mass destruction, calling for the creation of a new counterterrorism agency and the loosening of restrictions on CIA agents that prevent them from recruiting confidential informants who have committed human rights abuses.

"The panel, chaired by Virginia Gov. James S. Gilmore III, urges President-elect Bush to bolster U.S. preparedness against terrorist threats within one year. 'The United States has no coherent, functional national strategy for combating terrorism,' Gilmore said. 'The terrorist threat is real, and it is serious.'"

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*The information has been retained in committee files.

The commission met with Vice President Cheney at the White House in May 2001 to deliver our recommendations to him personally. One of those recommendations was to create an Office of Homeland Security (OHS) inside the White House within 1 year. It was created a few days after Sept. 11, 2001.

The charge to the Nation's new director of homeland security, Gov. Tom Ridge (R–PA), was to develop and coordinate a comprehensive National strategy to strengthen the United States against terrorist threats or attacks. In the words of President George W. Bush, Mr. Ridge had the "strength, experience, personal commitment and authority to accomplish this critical mission."

Following the attacks on September 11, more Congressional pressure came to bear on the issue and, against the Gilmore Commission's recommendations, Congress promoted the OHS to a Cabinet-level agency and it became the Department of Homeland Security. Although our Commission did not recommend the creation of DHS, now that it is the main organ for homeland security, we wish to be helpful and constructive to its mission.

Keep in mind, however: A recent *New York Times* article stated that "of the more than 160,000 homicides in the country since Sept. 11, 2001, just 14 were carried out by al-Qaeda sympathizers in the name of jihad." Does that mean we can save more taxpayer dollars and dismantle the DHS? Of course not, but we need to understand what are we asking the DHS to do and how can the agency should carry out its mission.

CULTURE OF PREPAREDNESS

Members of Congress will always have a bipartisan fear of being labeled soft on terrorism. Lobbyists will continue to fight for their clients and obtain lucrative domestic security contracts, but we need to have a National strategy that communicates to all Americans that we are never completely safe. Ten years later we are safer and more prepared, but are we spending the peoples' money wisely?

America was caught off-guard on Sept. 11, but propelled by public anxiety, there were stunning advances in surveillance technology. Along with the technological increase came an influx of taxpayer dollars into homeland security—nearly $690 billion over a decade, by one estimate, not including the cost of the wars in Iraq and Afghanistan. [Source: *NY Times*]

The current debate on budget sequestration and a sense that major attacks on the United States are unlikely may embolden many Republicans and Democrats to look at our enormous counterterrorism bureaucracy and ask themselves, "Is the era of the open checkbook over?"

We all know that the Obama administration is facing a decision over whether or not to scale back security spending. The most obvious solution may be to eliminate the least productive programs. As always, budget determination must be advised by reference to a National strategy.

What we require is a more systematic, well-considered approach to security than the current DHS supplies. More important than the survival of DHS as an organization is to ensure that the majority of Americans understand that we are prone to attack by extremist organizations. This awareness will hopefully mean that when we are hit again, we don't ramp up our security culture and destroy our freedoms with "overreaction."

The experts here from the GAO, CRS, and CSIS have already outlined the way forward in handling the abuse of taxpayers dollars. Last year, when I testified on this topic I singled out a few items to consider as objectives to save taxpayer dollars. I noted that the Department of Homeland Security (DHS) isn't the only agency with duplication problems. This is a Government-wide problem—but four Government Accountability Office (GAO) report items stand out:

Homeland Security Grants.—The Department of Homeland Security needs better project information and coordination among four overlapping grant programs (current reform is underway with grant consolidation).

Information Technology Investment Management.—The Office of Management and Budget, and the Departments of Defense and Energy need to address potentially duplicative information technology investments to avoid investing in unnecessary systems.

Passenger Aviation Security Fees.—Options for adjusting the passenger aviation security fee could further offset billions of dollars in civil aviation security costs.

Domestic Disaster Assistance.—The Federal Emergency Management Agency could reduce the costs to the Federal Government related to major disasters declared by the President by updating the principal indicator on which disaster funding decisions are based and better measuring a State's capacity to respond without

Federal assistance, and by a clearer policy justification for engaging Federal assistance or not doing so.

No matter how much money Washington spends, it will never be enough. In 2006, I found myself in the private sector and began the process for creating a blueprint based on my experience with the commission. One major goal the commission was to include localities in the National response. Mayors need to be ready at the local level since all response is local. I recommend that we adopt a blueprint for the private sector.

NATIONAL BLUEPRINT FOR SECURE COMMUNITIES (THE FIRST 72 HOURS ARE CRITICAL)

Today, many American communities simply don't have the assets or financial resources to be fully prepared during the first 72 hours of crisis. Whether the threat comes from a natural disaster or a terrorist attack, many of our cities and towns are at risk. According to the Department of Homeland Security, America's vulnerability is a cause "for significant National concern." In addressing this concern, our communities must find ways to augment their existing public-sector resources by leveraging the assets and capabilities of citizens, businesses, and community organizations during the initial hours or days until help and reinforcement arrive. The National Blueprint for Secure Communities is intended to help fill this void.

First response is always a local response. During the first 72 hours of a crisis, the quality of first response will be measured in lives saved, property preserved, and the speed of community recovery. As a society, our confidence in our ability to respond to a disaster, whether natural or man-made, will profoundly affect how we approach the challenges of preserving a free society in an age of terrorism.

The goal should be to seek community input through committees, the internet, and the Congress. The committees must be comprised of first responders, community leaders, private-sector representatives, local, State, and National officials.

The subcommittees can be organized as such:

- Response/Containment;
- Intelligence/Situational Awareness;
- Transportation/Logistics;
- Public Health/Medical;
- Legal/Intergovernmental;
- Public Safety/Information;
- Infrastructure/Economic;
- Community/Citizen.

Instead of waiting for a plan—each community can prepare right now and create a 10-point plan for their city to be responsive to any disaster. From the Federal point of view, States and localities will always be under pressure to reach for Federal grants and appropriations to fill local budget gaps. Federal spending must be made in accordance with a National strategic plan.

HISTORY OF GILMORE COMMISSION BEFORE & AFTER 9/11

After the fall of the Berlin Wall, Americans and most of the civilized world looked ahead to the future with little fear—especially of global war. A transcript of a Jan. 26, 1996 Bill Clinton Presidential radio address delivered on a Saturday morning following his recently delivered state of the union address sums up where he and most of Americans were focused—Domestic Policy:

"These are the seven challenges I set forth Tuesday night—to strengthen our families, to renew our schools and expand educational opportunity, to help every American who's willing to work for it achieve economic security, to take our streets back from crime, to protect our environment, to reinvent our government so that it serves better and costs less, and to keep America the leading force for peace and freedom throughout the world. We will meet these challenges, not through big government. The era of big government is over, but we can't go back to a time when our citizens were just left to fend for themselves."

Little did we know then that by 2003 a Republican President would sign a bipartisan bill creating another Government Cabinet agency called the "Department of Homeland Security."

HISTORY OF THE GILMORE COMMISSION

From 1999 to 2003, I was proud to serve as chairman of the Congressional Advisory Panel to Assess the Capabilities for Domestic Response to Terrorism Involving Weapons Mass Destruction—the shortened name became known as "The Gilmore Commission." To sum up what we did in those 5 years prior and after 9/11 is this: Our commission was focused on local responders. One Gilmore Commission member,

Ray Downey, served as a representative from the New York City Fire Department. Ray, unfortunately, died serving the people of his city and Nation while responding and saving lives on September 11, 2001.

CONGRESSIONAL MANDATE FOR THE GILMORE COMMISSION

The Advisory Panel was established by Section 1405 of the National Defense Authorization Act for Fiscal Year 1999, Public Law 105–261 (H.R. 3616, 105th Congress, 2nd Session) (October 17, 1998). That Act directed the Advisory Panel to accomplish several specific tasks.

It said: The panel shall——

1. Assess Federal agency efforts to enhance domestic preparedness for incidents involving weapons of mass destruction;
2. Assess the progress of Federal training programs for local emergency responses to incidents involving weapons of mass destruction;
3. Assess deficiencies in programs for response to incidents involving weapons of mass destruction, including a review of unfunded communications, equipment, and planning requirements, and the needs of maritime regions;
4. Recommend strategies for ensuring effective coordination with respect to Federal agency weapons of mass destruction response efforts, and for ensuring fully effective local response capabilities for weapons of mass destruction incidents; and
5. Assess the appropriate roles of State and local government in funding effective local response capabilities.

That Act required the Advisory Panel to report its findings, conclusions, and recommendations for improving Federal, State, and local domestic emergency preparedness to respond to incidents involving weapons of mass destruction to the President and the Congress three times during the course of the Advisory Panel's deliberations—on December 15 in 1999, 2000, and 2001. The Advisory Panel's tenure was extended for 2 years in accordance with Section 1514 of the National Defense Authorization Act for Fiscal Year 2002 (S. 1358, Public Law 107–107, 107th Congress, First Session), which was signed into law by the President on December 28, 2001. By virtue of that legislation, the panel was required to submit two additional reports—one on December 15, 2002, and one on December 15, 2003.

ADVISORY PANEL COMPOSITION (A UNIQUE MEMBERSHIP FOCUSED ON FIRST RESPONDERS)

Mister Chairman, please allow me to pay special tribute to the men and women who serve on our panel. This Advisory Panel is unique in one very important way. It is not the typical National "blue ribbon" panel, which in most cases historically have been composed almost exclusively of what I will refer to as "Washington Insiders"—people who have spent most of their professional careers inside the Beltway. This panel has a sprinkling of that kind of experience—a former Member of Congress and Secretary of the Army, a former State Department Ambassador-at-Large for Counterterrorism, a former senior executive from the CIA and the FBI, a former senior member of the intelligence community, the former head of a National academy on public health, two retired flag-rank military officers, a former senior executive in a non-Governmental charitable organization, and the head of a National law enforcement foundation. But what truly makes this panel special and, therefore, causes its pronouncement to carry significantly more weight, is the contribution from the members of the panel from the rest of the country:

- Three directors of State emergency management agencies, from California, Iowa, and Indiana, two of whom now also serve their Governors as Homeland Security Advisors;
- The deputy director of a State homeland security agency;
- A State epidemiologist and director of a State public health agency;
- A former city manager of a mid-size city;
- The chief of police of a suburban city in a major metropolitan area;
- Senior professional and volunteer firefighters;
- A senior emergency medical services officer of a major metropolitan area;
- And, of course—in the person of your witness—a former State Governor.

These are representatives of the true "first responders"—those heroic men and women who put their lives on the line every day for the public health and safety of all Americans. Moreover, so many of these panel members are also National leaders in their professions: Our EMS member is a past president of the National association of emergency medical technicians; one of our emergency managers is the past president of her National association; our law officer now is president of the international association of chiefs of police; our epidemiologist is past president of

her professional organization; one of our local firefighters is chair of the terrorism committee of the international association of fire chiefs; the other is chair of the prestigious National Interagency Board for Equipment Standardization and Inter-Operability.

Those attacks continue to carry much poignancy for us, because of the direct loss to the panel. Ray Downey, department deputy chief and chief-in-charge of Special Operations Command, Fire Department of the City of New York, perished in the collapse of the second tower in the September 11 attack on the New York World Trade Center.

PANEL REPORTS

In the history of the Panel, we produced five advisory reports to the Congress and to the President of the United States. The first report in 1999 assessed threat. The second report in 2000 developed the fundamentals of a National strategy for combating terrorism.

The third report, dedicated to Ray Downey who lost his life in the World Trade Center, filled out a National strategy in five key subject areas: State and local response capabilities, health and medical capabilities, immigration and border control, cybersecurity, and use of the military. Our fourth report in 2002, issued in the year following the 9/11 attacks, further made recommendations on how to marshal the National effort towards a National strategy. It paid special attention to the needs of intelligence sharing and the proper structure for counterterrorism activities inside the United States. Our last report was issued on December 15, 2003. That final report sought to express some end-vision and direction for the United States as it develops its National strategy and makes the country safer.

FIFTH REPORT (2003)—FORGING AMERICA'S NEW NORMALCY: SECURING OUR HOMELAND, PRESERVING OUR LIBERTY

Mister Chairman, the Advisory Panel released its fifth and final report on December 15, 2003. In that report, the strategic vision, themes, and recommendations were motivated by the unanimous view of the panel that its final report should attempt to define a future state of security against terrorism—one that the panel has chosen to call "America's New Normalcy."

That strategic vision offered by the panel reflects the guiding principles that the panel has consistently enumerated throughout its reports:

- It must be truly National in scope, not just Federal.
- It should build on the existing emergency response system within an all-hazards framework.
- It should be fully resourced with priorities based on risk.
- It should be based on measurable performance.
- It should be truly comprehensive, encompassing the full spectrum of awareness, prevention, preparedness, response, and recovery against domestic and international threats against our physical, economic, and societal well-being.
- It should include psychological preparedness.
- It should be institutionalized and sustained.
- It should be responsive to requirements from and fully coordinated with State and local officials and the private sector as partners throughout the development, implementation, and sustainment process.
- It should include a clear process for strategic communications and community involvement.
- It must preserve civil liberties.

In developing the report, panel members all agreed at the outset that it could not postulate, as part of its vision, a return to a pre-September 11 "normal." The threats from terrorism are now recognized to be a condition must face far into the future. It was the panel's firm intention to articulate a vision of the future that subjects terrorism to a logical place in the array of threats from other sources that the American people face every day—from natural diseases and other illnesses to crime and traffic and other accidents, to mention a few. The panel firmly believes that terrorism must be put in the context of the other risks we face, and that resources should be prioritized and allocated to that variety of risks in logical fashion.

In 2004 our panel proffered a view of the future—5 years hence—that it believes offers a reasonable, measurable, and attainable benchmark. It believes that, in the current absence of longer-term measurable goals, this benchmark can provide government at all levels, the private sector, and our citizens a set of objectives for readiness and preparedness. The panel did not claim that the objectives presented in this future view are all-encompassing. Neither do they necessarily reflect the full continuum of advances that America may accomplish or the successes that its en-

emies may realize in the next 5 years. The view is a snapshot in time for the purpose of guiding the actions of today and a roadmap for the future.

The panel said that America's new normalcy by January of 2009 should reflect:

- Both the sustainment and further empowerment of individual freedoms in the context of measurable advances that secure the homeland.
- Consistent commitment of resources that improve the ability of all levels of government, the private sector, and our citizens to prevent terrorist attacks and, if warranted, to respond and recover effectively to the full range of threats faced by the Nation.
- A standardized and effective process for sharing information and intelligence among all stakeholders—one built on moving actionable information to the broadest possible audience rapidly, and allowing for heightened security with minimal undesirable economic and societal consequences.
- Strong preparedness and readiness across State and local government and the private sector with corresponding processes that provide an enterprise-wide National capacity to plan, equip, train, and exercise against measurable standards.
- Clear definition about the roles, responsibilities, and acceptable uses of the military domestically—that strengthens the role of the National Guard and Federal Reserve Components for any domestic mission and ensures that America's leaders will never be confronted with competing choices of using the military to respond to a domestic emergency versus the need to project our strength globally to defeat those who would seek to do us harm.
- Clear processes for engaging academia, business, all levels of government, and others in rapidly developing and implementing research, development, and standards across technology, public policy, and other areas needed to secure the homeland—a process that focuses efforts on real versus perceived needs. Well-understood and shared process, plans, and incentives for protecting the Nation's critical infrastructures of Government and in the private sector—a unified approach to managing our risks.

The panel's Future Vision back in 2009 included specific details involving:

- State, Local, and Private-Sector Empowerment;
- Intelligence;
- Information Sharing;
- Training, Exercising, Equipping, and Related Standards;
- Enhanced Critical Infrastructure Protection;
- Research and Development, and Related Standards;
- Role of the Military.

The GAO and DHS have prepared lengthy reports to enhance homeland security of our Nation and the Congress is doing its due diligence. Hearings like we are having today move forward the idea of making progress happen, but we must always consider the role of the military as we decide on our future homeland policy.

IN CONCLUSION

Civil Liberties are the foundation of the Gilmore Commission. The panel addressed the on-going debate in the United States about the trade-offs between security and civil liberties. It concluded that history teaches, however, that the debate about finding the right "balance" between security and civil liberties is misleading, that the traditional debate implies that security and liberty are competing values and are mutually exclusive. It assumes that our liberties make us vulnerable and if we will give up some of these liberties, at least temporarily, we will be more secure.

It concluded that civil liberties and security are mutually reinforcing. The panel said that we must, therefore, evaluate each initiative along with the combined effect of all initiatives to combat terrorism in terms of how well they preserve all of the "unalienable rights" that the founders believed were essential to the strength and security of our Nation—rights that have become so embedded in our society and ingrained in our psyche that we must take special precautions, take extra steps, to ensure that we do not cross the line.

Mr. DUNCAN. Thank you, Governor, for that fine testimony.

The Chairman will now recognize Mr. Reese.

STATEMENT OF SHAWN REESE, ANALYST, EMERGENCY MANAGEMENT AND HOMELAND SECURITY POLICY, CONGRESSIONAL RESEARCH SERVICE

Mr. REESE. Chairman Duncan, Ranking Member Barber, Members of the subcommittee, on behalf of the Congressional Research Service, I would like to thank you for the opportunity to appear before the subcommittee to discuss homeland security. CRS was asked specifically to discuss homeland security definitions and missions, and how multiple definitions within strategic documents affect the funding and risk-based prioritization of these missions.

Many observers agree that a clear prioritization of National homeland security missions is needed, and a consensus definition is necessary to prioritize missions ranging, for example, from border security to counterterrorism to disaster assistance. My written statement addresses these issues in detail and discusses the absence of both a standard homeland security definition and a single National homeland security strategy, along with potential issues related to these matters. I will now briefly discuss these issues.

Presently, homeland security is not funded using clearly-defined National risk-based priorities. Arguably, these priorities need to be set and need to be clear in order for funding to be most effective. In August 2007, Congress enacted Implementing the 9/11 Commission Recommendations Act, which required DHS Secretary to conduct a quadrennial review of homeland security. This review was to be a comprehensive examination of the Nation's homeland security strategy, including recommendations regarding the long-term strategy and the Nation's priorities, and guidance on the programs, assets, capabilities, budget, policies, and authorities of the Department.

Later, critics argued that the original 2010 version of the review did not meet these requirements. Currently, DHS is developing the 2014 Quadrennial Review. Now might be an ideal time to review the concept of homeland security, its definition, and how the concept and definition affect Congressional appropriations and the identification of priorities. However, more than 10 years after the 9/11 terrorist attacks, policymakers continue to grapple with the definition and concept of homeland security.

Today, there are numerous mission-specific strategies, such as the National Strategy for Global Supply Chain Security and the National Response Framework. However, today there is no single comprehensive National homeland security strategy. The concept of homeland security is evolving. One may even argue that it might be waning on a separate comprehensive policy concept. Evidence for this viewpoint can be found in the current administration's incorporation of the homeland security staff into the National security staff, and the inclusion of homeland security guidance in the 2010 National Security Strategy. There has not been a distinct National homeland security strategy since 2007. Additionally, the Office of Management and Budget has questioned the value of requiring Federal department and agencies to identify homeland security funding in their fiscal year 2014 budget request submissions.

Three options stand out to address these issues. First, Congress could require a distinct National homeland security strategy, which would be similar to the Bush administration's 2002 and 2007 strat-

egy. Second, Congress could require a refinement of the National Security Strategy that could include succinct risk-based homeland security priorities. Finally, Congress may strictly focus on DHS activities. This option would entail DHS further refining its Quadrennial Review, which it is presently doing.

In closing, multiple and competing definitions and missions may hamper Congressional authorization, appropriations, oversight functions, and may also restrict DHS and other Federal entities' ability to prioritize and execute homeland security missions. Failure to prioritize and execute homeland security missions based on risk may result in unintended consequences. I will conclude my testimony here, and once again thank you for the privilege to appear before you.

[The prepared statement of Mr. Reese follows:]

PREPARED STATEMENT OF SHAWN REESE

FEBRUARY 15, 2013

INTRODUCTION

Chairman Duncan, Ranking Member Barber, and Members of the subcommittee, on behalf of the Congressional Research Service I would like to thank you for this opportunity to appear before you to discuss National homeland security strategy, definitions, and priorities.

The subcommittee requested that CRS discuss the implications of the absence of a Federal Government-wide National homeland security strategy, the use of multiple definitions of homeland security in National strategic documents, the lack of National homeland security priorities, and the funding of these priorities. This written statement is drawn largely from my CRS report *Defining Homeland Security: Analysis and Congressional Considerations.*

Accordingly, my statement summarizes key portions of this report, and addresses key findings which include the absence of a consensus definition of homeland security and priorities. My statement concludes with an analysis of the potential consequences stemming from the lack of a consensus homeland security definition, the absence of homeland security priorities, and how this may affect the funding and execution of critical homeland security activities.

CURRENT HOMELAND SECURITY ENVIRONMENT

Congress and policymakers are responsible for funding homeland security priorities. These priorities need to exist, to be clear and cogent, in order for funding to be most effective. Presently, as DHS itself has stated, homeland security is not funded on clearly-defined priorities. In an ideal scenario, there would be a clear definition of homeland security, and a consensus about it; as well as prioritized missions, goals, and activities. Policymakers could then use a process to incorporate feedback and respond to new facts and situations as they develop. However, more than 10 years after the 9/11 terrorist attacks, policymakers continue to grapple with the definition of homeland security. For example, the U.S. Government does not have a single definition for "homeland security." Currently, different strategic documents and mission statements offer varying missions that are derived from different homeland security definitions.

Historically, the strategic documents framing National homeland security policy have included National strategies produced by the White House and documents developed by the Department of Homeland Security (DHS). Prior to the 2010 *National Security Strategy,* the 2002 and 2007 *National Strategies for Homeland Security* were the guiding documents produced by the White House. In 2011, the White House issued the *National Strategy for Counterterrorism.*

In conjunction with these White House strategies, DHS has developed a series of evolving strategic documents that are based on the two National homeland security strategies and include the 2008 *Strategic Plan—One Team, One Mission, Securing the Homeland;* the 2010 *Quadrennial Homeland Security Review and Bottom-Up Review;* and the 2012 *Department of Homeland Security Strategic Plan.* The 2012 DHS strategic plan is the latest evolution in DHS's process of defining its mission, goals, and responsibilities. This plan, however, only addresses the Department's homeland

security purview and is not a document that addresses homeland security missions and responsibilities that are shared across the Federal Government.

Today, 30 Federal entities receive annual homeland security funding excluding the Department of Homeland Security (DHS). The Office of Management and Budget (OMB) estimates that 48% of annual homeland security funding is appropriated to these Federal entities, with the Department of Defense (DOD) receiving approximately 26% of total Federal homeland security funding. DHS receives approximately 52%.[1]

Currently, the Department of Homeland Security is developing the 2014 *Quadrennial Homeland Security Review (QHSR),* which is scheduled to be issued in late 2013 or early 2014. Given the anticipated issuance of this latest QHSR, this might be an ideal time to review the concept of homeland security, the definition of the term "homeland security," and how the concept and definition of homeland security affect Congressional appropriations and the identification of priorities as established by DHS and the administration.

EVOLUTION OF HOMELAND SECURITY STRATEGIC DOCUMENTS

The concept of homeland security is evolving. One may argue that it might even be waning as a separate policy concept. Evidence for this viewpoint can be found in the current administration's incorporation of the homeland security staff into the National security staff and the inclusion of homeland security priorities within the 2010 *National Security Strategy.* There has not been a National homeland security strategy since 2007. Additionally, the Office of Management and Budget (OMB) has announced that it will no longer require Federal departments and agencies to identify homeland security funding with their fiscal year 2014 budget request submissions.[2]

The evolution of the homeland security concept has been communicated in several strategic documents. Today, strategic documents provide guidance to all involved Federal entities and include the *2010 National Security Strategy* and the 2011 *National Strategy for Counterterrorism.* There are also strategic documents that provide specific guidance to DHS entities and include the 2010 *Quadrennial Homeland Security Review,* the *Bottom-Up Review,* and the 2012 *Department of Homeland Security Strategic Plan.* Prior to issuance of these documents, National and DHS homeland security strategic documents included the 2002 and 2007 *National Strategies for Homeland Security* and the 2008 *Department of Homeland Security Strategic Plan.* All of these documents have varying definitions for "homeland security" and varying missions have been derived from these definitions.

While the definitions and missions embodied in these strategic documents have commonalities, there are significant differences. Natural disasters are specifically identified as an integral part of homeland security in five of the seven documents, and only three documents—the 2008 and 2012 DHS *Strategic Plans* and the *Bottom-Up Review*—specifically include border and maritime security and immigration in their homeland security definitions. All of these mentioned issues are important and involve significant funding requests. However, the lack of consensus about the inclusion of these policy areas in a definition of homeland security may have negative or unproductive consequences for National homeland security operations. A consensus definition would be useful, but may not be sufficient. A clear prioritization of strategic missions would help focus and direct Federal entities' homeland security activities. Additionally, prioritization affects Congress's authorization, appropriation, and oversight activities. Ultimately, DHS' current efforts to design and issue the forthcoming QHSR may be important in the debate on homeland security strategy.

QUADRENNIAL HOMELAND SECURITY REVIEW

"In August 2007, Congress enacted the Implementing 9/11 Commission Recommendations Act[3] which required the DHS Secretary to conduct a quadrennial review of homeland security. This review was to be a comprehensive examination of the homeland security strategy of the Nation, including recommendations regarding the long-term strategy and priorities of the Nation for homeland security and guid-

[1] U.S. Office of Management and Budget, *Budget of the United States Government, Fiscal Year 2013: Analytical Perspectives,* February 2012, "Appendix—Homeland Security Mission Funding by Agency and Budget Account," *http://www.whitehouse.gov/sites/default/files/omb/budget/fy2013/assets/homeland_supp.pdf.*

[2] *http://www.performance.gov/sites/default/files/tmp/__List__of__Reports__Required__by__P__L%20__111-352.xls.*

[3] Pub. L. 110–53.

ance on the programs, assets, capabilities, budget, policies, and authorities of the Department."[4]

Additionally, the DHS Secretary was to consult with the "heads of other Federal agencies" and:

"delineate and update, as appropriate, the national homeland security strategy, consistent with appropriate national and Departmental strategies, strategic plans, and Homeland Security Presidential Directives, including the National Strategy for Homeland Security, the National Response Plan, and the Department Security Strategic Plan."[5]

These updates were to "prioritize the full range of the critical homeland security mission areas of the Nation."[6] Many knowledgeable observers concluded that the 2010 *Quadrennial Homeland Security Review* did not accomplish these requirements. For example, David Maurer, Director of the Government Accountability Office's Homeland Security and Justice Team stated before the House Committee on Homeland Security's Subcommittee on Oversight, Investigations, and Management on February 3, 2013, that the 2010 QHSR identified five key DHS missions but did not prioritize them as required by the 9/11 Commission Act.[7] Additionally, Alan Cohn, Deputy Assistant Secretary, Office of Policy, DHS, stated, in February 2012, that the Department was still in the process of aligning resources with priorities. However, that process was not completed for the 2010 QHSR.[8]

The continued absence of homeland security priorities may be the result of competing or differing definitions of homeland security within National strategic documents and the evolving concept of homeland security. However, prior to 9/11 such entities as the Gilmore Commission[9] and the United States Commission on National Security[10] discussed the need to evolve the way National security policy was conceptualized due to the end of the Cold War and the rise of radicalized terrorism. After 9/11, policymakers concluded that a new approach was needed to address the large-scale terrorist attacks. A Presidential council and department were established, and a series of Presidential Directives were issued in the name of "homeland security." These developments established that homeland security was a distinct, but undefined concept.[11] Later, the Federal, State, and local government responses to disasters such as Hurricane Katrina expanded the concept of homeland security to include significant disasters, major public health emergencies, and other events that threaten the United States, its economy, the rule of law, and Government operations.[12]

DEFINITIONS AND MISSIONS AS PART OF STRATEGY DEVELOPMENT

Definitions and missions are part of strategy development. Policymakers develop strategy by identifying National interests, prioritizing missions to achieve those National interests, and arraying instruments of National power to achieve National interests.[13] Strategy is not developed within a vacuum. President Barack Obama's administration's 2010 *National Security Strategy* states that strategy is meant to rec-

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[4] 121 Stat. 544, 6 U.S.C. 347.

[5] Ibid.

[6] Ibid.

[7] David Maurer, Government Accountability Office, statement before the House Homeland Security Committee, Subcommittee on Oversight, Investigations, and Management, "Is DHS Effectively Implementing a Strategy to Counter Emerging Threats?" hearing, 112th Cong., 2nd sess., Feb. 3, 2012.

[8] Alan Cohn, Department of Homeland Security, statement before the House Homeland Security Committee, Subcommittee on Oversight, Investigations, and Management, "Is DHS Effectively Implementing a Strategy to Counter Emerging Threats?" hearing, 112th Cong., 2nd sess., Feb. 3, 2012.

[9] For information on the Gilmore Commission, see *http://www.rand.org/nsrd/terrpanel.html.* The Gilmore Commission was established prior to 9/11; however, it released its fifth and final report in December 2003.

[10] For information on the U.S. Commission on National Security, see *http://www.fas.org/irp/threat/nssg.pdf.* The U.S. Commission on National Security was established in 1998 and issued its final report in February 2001. The commission did reference the idea of "homeland security" in early 2001.

[11] Harold C. Relyea, "Homeland Security and Information," *Government Information Quarterly,* vol. 19, 2002, p. 219.

[12] Nadav Morag, "Does Homeland Security Exist Outside the United States?," *Homeland Security Affairs,* vol. 7, September 2011, p. 1.

[13] Terry L. Deibel, Foreign Affairs Strategy: Logic for American Statecraft (New York: Cambridge University Press, 2007), p. 5.

ognize "the world as it is" and mold it into "the world we seek."[14] Developing a homeland security strategy, however, may be complicated if the key concept of homeland security is not succinctly defined, and strategic missions are not aligned and synchronized among different strategic documents and Federal entities.

DEFINITIONS

The following table provides examples of strategic documents and their specific homeland security definitions.

TABLE 1.—SUMMARY OF HOMELAND SECURITY DEFINITIONS

Document	Definition
2007 *National Strategy for Homeland Security* (White House).	A concerted National effort to prevent terrorist attacks within the United States, reduce America's vulnerability to terrorism, and minimize the damage and recover from attacks that do occur.[1]
2008 *U.S. Department of Homeland Security Strategic Plan, Fiscal Years 2008–2013* (DHS).	A unified National effort to prevent and deter terrorist attacks, protect and respond to hazards, and to secure the National borders.[2]
2010 *National Security Strategy* (White House).	A seamless coordination among Federal, State, and local governments to prevent, protect against, and respond to threats and natural disasters.[3]
2010 *Quadrennial Homeland Security Review* (DHS).	A concerted National effort to ensure a homeland that is safe, secure, and resilient against terrorism and other hazards where American interests, aspirations, and ways of life can thrive.[4]
2010 *Bottom-Up Review* (DHS)	Preventing terrorism, responding to and recovering from natural disasters, customs enforcement and collection of customs revenue, administration of legal immigration services, safety and stewardship of the Nation's waterways and marine transportation system, as well as other legacy missions of the various components of DHS.[5]
2011 *National Strategy For Counterterrorism* (White House).	Defensive efforts to counter terrorist threats.[6]
2012 *Strategic Plan* (DHS)	Efforts to ensure a homeland that is safe, secure, and resilient against terrorism and other hazards.[7]

[1] Office of the President, Homeland Security Council, *The National Homeland Security Strategy,* Washington, DC, October 2007, p. 1.

[2] U.S. Department of Homeland Security, *One Team, One Mission, Securing the Homeland: U.S. Homeland Security Strategic Plan, Fiscal Years 2008–2013,* Washington, DC, 2008, p. 3.

[3] Office of the President, *National Security Strategy,* Washington, DC, May 2010, p. 2.

[4] U.S. Department of Homeland Security, *Quadrennial Homeland Security Review,* Washington, DC, February 2010, p. 13.

[5] U.S. Department of Homeland Security, *Bottom-Up Review,* Washington, DC, July 2010, p. 3.

[6] Office of the President, *National Strategy for Counterterrorism,* Washington, DC, June 2011, p. 11.

[7] U.S. Department of Homeland Security, *Department of Homeland Security Strategic Plan: Fiscal Years 2012–2016,* Washington, DC, February 2012, p. 2. This document does not explicitly state a definition for "homeland security" but it does define DHS's "vision."

Some common themes among these definitions are:

- The homeland security enterprise encompasses a Federal, State, local, and Tribal government and private-sector approach that requires coordination;

[14] Executive Office of the President, National Security Strategy, Washington, DC, May 2010, p. 9.

- Homeland security can involve securing against and responding to both hazard-specific and all-hazards threats; and
- Homeland security activities do not imply total protection or complete threat reduction.

Each of these documents highlights the importance of coordinating homeland security missions and activities. However, individual Federal, State, local, and Tribal government efforts are not identified in the documents.

The competing and varied definitions in these documents may indicate that there is no succinct homeland security concept. Without a succinct homeland security concept, policymakers and entities with homeland security responsibilities may not successfully coordinate or focus on the highest prioritized or most necessary activities. Coordination is especially essential to homeland security because of the multiple Federal agencies and the State and local partners with whom they interact. Coordination may be difficult if these entities do not operate with the same understanding of the homeland security concept. For example, definitions that don't specifically include immigration or natural disaster response and recovery may result in homeland security stakeholders and Federal entities not adequately resourcing and focusing on these activities. Additionally, an absence of a consensus definition may result in Congress funding a homeland security activity that DHS does not consider a priority. For example, Congress may appropriate funding for a counterterrorism program such as the State Homeland Security Grant Program when DHS may have identified an all-hazards grant program, such as Emergency Management Performance Grant Program, as a priority.

It is, however, possible that a consensus definition and overall concept exists among policymakers and Federal entities, but that it isn't communicated in the strategic documents.[15]

Finally, DHS Deputy Secretary Jane Lute stated that homeland security " . . . is operation, it's transactional, it's decentralized, it's bottom-driven," and influenced by law enforcement, emergency management, and the political environment. Conversely, DHS Deputy Secretary Lute stated that National security " . . . is strategic, it's centralized, it's top-driven," and influenced by the military and the intelligence community.[16] Some see these comments as a reflection of a DHS attempt to establish a homeland security definition that is more operational than strategic and an illustration of the complexity of a common understanding of homeland security and its associated missions. Additionally, Congress has defined homeland security as:

> (11) Homeland security
> The term 'homeland security' includes efforts——
> (A) to prevent terrorist attacks within the United States;
> (B) to reduce the vulnerability of the United States to terrorism;
> (C) to minimize damage from a terrorist attack in the United States; and
> (D) to recover from a terrorist attack in the United States.[17]

VARIED MISSIONS

Varied homeland security definitions, in numerous documents, result in homeland security stakeholders identifying and executing varied strategic missions. Homeland security stakeholders include Federal departments and agencies, State and local governments, and non-profit and non-governmental organizations. The strategic documents mentioned earlier and listed in the CRS report identify numerous homeland security missions such as terrorism prevention; response and recovery; critical infrastructure protection and resilience; Federal, State, and local emergency management and preparedness; and border security. As noted earlier, none of these documents specifically tasks a Federal entity with the overall responsibility for homeland security. The following table summarizes the varied missions in these strategic documents.

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[15] Examination of such a possibility is beyond the scope of this testimony.

[16] Christopher Bellavita, "A new perspective on homeland security?" Homeland Security Watch, December 20, 2011, *http://www.hlswatch.com/?2011/?12/?20/?a-new-perspective-on-homeland-security/???.*

[17] The Defense Production Act of 1950 as amended, sec. 722(11). This definition is exclusive "for the purposes of this act."

TABLE 2.—SUMMARY OF HOMELAND SECURITY MISSIONS AND GOALS

Document	Missions and Goals
2007 *National Strategy for Homeland Security* (White House).	• Prevent and disrupt terrorist attacks. • Protect the American people, critical infrastructure, and key resources. • Respond to and recover from incidents that do occur. • Strengthen the foundation to ensure long-term success.[1]
2008 *U.S. Department of Homeland Security Strategic Plan, Fiscal Years 2008–2013* (DHS).	• Protect the Nation from dangerous people. • Protect the Nation from dangerous goods. • Protect critical infrastructure. • Strengthen the Nation's preparedness and emergency response capabilities. • Strengthen and unify the Department's operations and management.[2]
2010 *National Security Strategy* (White House).	• Strengthen National capacity. • Ensure security and prosperity at home. • Secure cyberspace. • Ensure American economic prosperity.[3]
2010 *Quadrennial Homeland Security Review* (DHS).	• Prevent terrorism and enhance security. • Secure and manage our borders. • Enforce and administer our immigration laws. • Safeguard and secure cyberspace. • Ensure resilience to disasters.[4] • Provide essential support to National and economic security.[5]
2010 *Bottom-Up Review* (DHS)	• Prevent terrorism and enhance security. • Secure and manage borders. • Enforce and manage immigration laws. • Safeguard and secure cyberspace. • Ensure resilience to disasters. • Improve Departmental management and accountability.[6]
2011 *National Strategy for Counterterrorism* (White House).	• Protect the American people, homeland, and American interests. • Eliminate threats to the American people's, homeland's, and interests' physical safety. • Counter threats to global peace and security. • Promote and protect U.S. interests around the globe.[7]
2012 *Strategic Plan* (DHS)	• Preventing terrorism and enhancing security. • Securing and managing our borders. • Enforcing and administering our immigration laws. • Safeguarding and securing cyberspace. • Ensuring resilience to disasters.[8] • Providing essential support to National and economic security.[9]

[1] Office of the President, Homeland Security Council, *National Strategy for Homeland Security,* Washington, DC, October 2007, p. 1.

[2] U.S. Department of Homeland Security, *One Team, One Mission, Securing the Homeland: U.S. Homeland Security Strategic Plan, Fiscal Years 2008–2013,* Washington, DC, 2008, p. 6–25.

[3] Office of the President, *National Security Strategy,* Washington, DC, May 2010, p. 14.
[4] U.S. Department of Homeland Security, *Quadrennial Homeland Security Review,* Washington, DC, February 2010, p. 2.
[5] This mission of providing essential support to National and economic security was not part of the 2010 *Quadrennial Homeland Security Review,* but has been subsequently added as an additional mission. U.S. Government Accountability Office, *Quadrennial Homeland Security Review: Enhanced Stakeholder Consultation and Use of Risk Information Could Strengthen Future Reviews,* GAO–11–873, September 2011, p. 9.
[6] U.S. Department of Homeland Security, *Bottom-Up Review,* Washington, DC, July 2010, pp. i–ii.
[7] Office of the President, *National Strategy for Counterterrorism,* Washington, DC, June 2011, p. 8.
[8] U.S. Department of Homeland Security, *Department of Homeland Security Strategic Goal: Fiscal Years 2012–2016,* Washington, DC, February 2012, pp. 3–18.
[9] The 2012 Strategic Plan does not designate this as a specific mission, but it does state that "DHS contributes in many ways to these elements to broader U.S. national and economic security while fulfilling its homeland security missions." U.S. Department of Homeland Security, *Department of Homeland Security Strategic Goal: Fiscal Years 2012–2016,* Washington, DC, February 2012, p. 19.

These documents all identify specific missions as essential to securing the Nation. All of the documents state that the Nation's populace, critical infrastructure, and key resources need protection from terrorism and disasters. This protection from both terrorism and disasters is a key strategic homeland security mission. Some, but not all, of the documents include missions related to border security, immigration, the economy, and general resilience. Members of Congress and Congressional committees, however, have sometimes criticized these documents.

Senator Susan Collins—current Ranking Member, Committee on Homeland Security and Governmental Affairs—expressed disappointment in the 2010 *Quadrennial Homeland Security Review* and 2010 *Bottom-Up Review* arguing that they did not communicate priorities and did not compare favorably to the most recent *Quadrennial Defense Review.*[18] The *Quadrennial Defense Review* identifies National security and U.S. military priorities through a process " . . . from objectives to capabilities and activities to resources."[19] Furthermore, the *Quadrennial Homeland Security Review* missions are different from the 2007 *National Strategy for Homeland Security*[20] missions, and neither identifies priorities, or resources, for DHS, or for other Federal agencies. Since the *National Strategy for Homeland Security* and the *Quadrennial Homeland Security Review* missions are differing and varied, and because the *Quadrennial Homeland Security Review* does not specifically identify a strategic process to achieve the missions, it could be assumed that this document was meant to be solely operational guidance. Additionally, some critics found the *Bottom-Up Review* lacking in detail and failing to meet its intended purpose.[21] Further Congressional criticism included an observation on the absence of a single DHS strategy. At a House Homeland Security Committee's Subcommittee on Oversight, Investigations, and Management hearing, Chairman Michael McCaul stated that " . . . DHS needs a single strategic document which subordinate agencies can follow and make sure the strategy is effectively and efficiently implemented. This single document should conform to the National Security Strategy of the United States of America. If the agencies do not have a clearly established list of priorities, it will be difficult to complete assigned missions."[22]

FEDERAL HOMELAND SECURITY MISSION ACTIVITIES AND FUNDING

The strategic homeland security documents provide Federal entities information on the National approach to homeland security. These documents are intended to identify Federal entity responsibilities in the area of homeland security and assist Federal entities in determining how to allocate Federal funding for that purpose. As mentioned earlier, in fiscal year 2012 30 Federal departments, agencies, and entities received annual homeland security funding excluding DHS. OMB estimates that

[18] U.S. Congress, Senate Committee on Homeland Security and Governmental Affairs, *Charting a Path Forward: The Homeland Security Department's Quadrennial Review and Bottom-Up Review,* 111th Cong., 2nd sess., July 21, 2010.
[19] U.S. Department of Defense, *Quadrennial Defense Review,* Washington, DC, February 2010, p. iii.
[20] The 2007 *National Strategy for Homeland Security* is the most recent National strategy specifically on homeland security.
[21] Katherine McIntire Peters, "DHS Bottom-Up Review is long on ambition, short on detail," *GovernmentExecutive.com,* July 2010.
[22] U.S. Congress, House Committee on Homeland Security, Subcommittee on Oversight, Investigations, and Management, "Is DHS Effectively Implementing a Strategy to Counter Emerging Threats?", 112th Cong., 2nd sess., February 3, 2012.

48% of annual homeland security funding is appropriated to these Federal entities, with DOD receiving approximately 26% of total Federal homeland security funding. DHS receives approximately 52%.

In an effort to measure Federal homeland security funding, Congress required OMB to include a homeland security funding analysis in each Presidential budget.[23] OMB requires Federal departments, agencies, and entities to provide budget request amounts based on the following six 2003 National Strategy for Homeland Security mission areas:

- Intelligence and Warning;
- Border and Transportation Security;
- Domestic Counterterrorism;
- Protecting Critical Infrastructure and Key Assets;
- Defending Against Catastrophic Threats; and
- Emergency Preparedness and Response.[24]

OMB, however, notes that the National Strategy for Homeland Security was revised in 2007, and that revision consolidated these six mission areas into three: (1) Prevent and disrupt terrorist attacks; (2) protect the American people, critical infrastructure, and key resources; and (3) respond to and recover from incidents that do occur. The strategy also states that these original 2003 mission areas are still used to ensure "continuity and granularity."[25] OMB does not address President Obama administration's issuance of the 2010 *National Security Strategy* which supersedes the 2007 *National Strategy for Homeland Security*. It should be noted that OMB, in the fiscal year 2014 budget request is not requesting Federal agencies to identify homeland security mission amounts in their submissions. This may further hamper the ability to track Federal funding for homeland security activities and restrict the ability to determine if funding aligns with National homeland security priorities. The following table shows the amount of funding provided for homeland security missions for fiscal year 2012 and the amount requested for fiscal year 2013 by agency.

TABLE 3.—FISCAL YEAR 2012 APPROPRIATIONS AND FISCAL YEAR 2013 REQUEST FOR HOMELAND SECURITY MISSION FUNDING BY AGENCY

(Budget Authority in Millions of Dollars)

Department	Fiscal Year 2012 Enacted	Fiscal Year 2013 Request	Fiscal Year 2013 Request as % of Total
Agriculture	$570.1	$551.4	0.80%
Commerce	$289.6	$304.1	0.44%
Defense	$17,358.4	$17,955.1	26.05%
Education	$30.9	$35.5	0.05%
Energy	$1,923.3	$1,874.7	2.72%
Health and Human Services	$4,146.8	$4,112.2	5.97%
Homeland Security	$35,214.7	$35,533.7	51.57%
Housing and Urban Development	$3.0	$3.0	[1]—
Interior	$57.6	$56.7	0.08%
Justice	$4,055.4	$3,992.8	5.79%
Labor	$46.3	$36.6	0.05%
State	$2,283.4	$2,353.8	3.42%
Transportation	$246.6	$243.3	0.35%
Treasury	$123.0	$121.1	0.18%
Veterans Affairs	$394.5	$383.7	0.56%
Corps of Engineers	$35.5	$35.5	0.05%
Environmental Protection Agency	$101.8	$102.6	0.15%
Executive Office of the President	$10.4	$11.0	0.02%
General Services Administration	$38.0	$59.0	0.09%
National Aeronautics and Space Administration	$228.9	$216.1	0.31%

[23] Pub. L. 107–296 (Homeland Security Act of 2002), sec. 889.

[24] Office of Management and Budget, Circular No. A–11: Preparation, Submission, and Execution of the Budget, Instructions for Homeland Security Data Collection, Washington, DC, August 2011, *http://www.whitehouse.gov/sites/default/files/omb/assets/a11_current_year/homeland.pdf.*

[25] Ibid.

TABLE 3.—FISCAL YEAR 2012 APPROPRIATIONS AND FISCAL YEAR 2013 REQUEST FOR HOMELAND SECURITY MISSION FUNDING BY AGENCY—Continued

(Budget Authority in Millions of Dollars)

Department	Fiscal Year 2012 Enacted	Fiscal Year 2013 Request	Fiscal Year 2013 Request as % of Total
National Science Foundation	$443.9	$425.9	0.62%
Office of Personnel Management	$1.3	$0.6	[2] —
Social Security Administration	$234.3	$252.1	0.37%
District of Columbia	$15.0	$25.0	0.04%
Federal Communications Commission		$1.7	[3] —
Intelligence Community Management Account	$8.8	—	—
National Archives and Records Administration	$22.6	$22.5	0.03%
Nuclear Regulatory Commission	$78.4	$76.6	0.11%
Securities and Exchange Commission	$8.0	$8.0	0.01%
Smithsonian Institution	$97.0	$100.1	0.15%
U.S. Holocaust Memorial Museum	$11.0	$11.0	0.02%
Total	$67,988.0	[4] $68,905.2	[5] 100%

Source: U.S. Office of Management and Budget, *Budget of the United States Government, Fiscal Year 2013: Analytical Perspectives,* February 2012, "Appendix—Homeland Security Mission Funding by Agency and Budget Account," *http://www.whitehouse.gov/?sites/?default/?files/?omb/?budget/?fy2013/?assets/?homeland_supp.pdf.*

[1] This amount is less than 0.01%.
[2] This amount is less than 0.01%.
[3] This amount is less than 0.01%.
[4] The majority of this funding is categorized as protecting critical infrastructure and key assets.
[5] Percentages in column may not equal 100 due to rounding.

This allocation of Federal homeland security funding reveals that approximately 50% of Federal funding is not appropriated for DHS missions or activities. Additionally, it could mean that relying on detailed DHS strategies may be insufficient for developing a structured and coherent National homeland security, and that a coordinating and encompassing National homeland security definition may be important to prioritizing homeland security activities and funding.

The 2010 *National Security Strategy* states that homeland security is "a seamless coordination among Federal, State, and local governments to prevent, protect against, and respond to threats and natural disasters."[26] Homeland security requires coordination because numerous Federal, State, and local entities have responsibility for various homeland security activities. The proliferation of responsibilities entitled "homeland security activities" is due to a couple of factors. One factor is that homeland security developed from the pre-9/11 concept of law enforcement and emergency management. Another factor is the continuously evolving definition of "homeland security." Some degree of evolution of the homeland security concept is expected. Policymakers respond to events and crises like terrorist attacks and natural disasters by using and adjusting strategies, plans, and operations. These strategies, plans, and operations also evolve to reflect changing priorities. The definition of homeland security evolves in accordance with the evolution of these strategies, plans, and operations.

CONGRESSIONAL CONSIDERATIONS

Policymakers are faced with a complex and detailed list of risks, or threats to security, for which they then attempt to plan. However, some have argued that managing those risks correctly 99% of the time may not be good enough when even a single failure may lead to significant human and financial costs.[27] Homeland secu-

[26] Office of the President, *National Security Strategy,* Washington, DC, May 2010, p. 2.
[27] Donald F. Kettl, *System Under Stress: Homeland Security and American Politics,* 2nd ed., Washington, DC, *CQPress,* 2007, p. 82.

rity is essentially about managing risks. The purpose of a strategic process is to develop missions to achieve that end. Before risk management can be accurate and adequate, policymakers ideally coordinate and communicate. That work to some degree depends on developing a foundation of common definitions of key terms and concepts. It is also necessary, in order to best coordinate and communicate, to ensure stakeholders are aware of, trained for, and prepared to meet assigned missions. At the National level, there does yet not appear to be alignment of homeland security definitions and missions among disparate Federal entities. DHS is, however, attempting to align its definition and missions, but does not prioritize its missions; there is clarity lacking in the National strategies of Federal, State, and local roles and responsibilities; and, potentially, some may argue that funding is driving priorities rather than priorities driving the funding.

DHS is aligning its definition and missions in the *Quadrennial Homeland Security Review,* the *Bottom-Up Review,* and the 2012 *Strategic Plan;* however, DHS does not prioritize the missions. DHS prioritizes specific goals, objectives, activities, and specific initiatives within the missions, and prioritizes initiatives across the missions. There is still no single National homeland security definition, nor is there a prioritization of National homeland security or DHS missions.

There is no evidence in the existing homeland security strategic documents that supports the aligning and prioritization of the varied missions, nor do any of the documents appear to convey how National, State, or local resources are to be allocated to achieve these missions. Without prioritized resource allocation to align missions, proponents of prioritization of the Nation's homeland security activities and operations maintain that plans and responses may be haphazard and inconsistent. Another potential consequence of the absence of clear missions is that available funding then tends to govern the priorities.

Congress may decide to address the issues associated with homeland security strategy, definitions, and missions, in light of the potential for significant events to occur similar to the 9/11 terrorist attacks and Hurricanes Katrina and Sandy. Many observers assert that these outstanding policy issues result from the varied definitions and missions identified in numerous National strategic documents. Additionally, they note that these documents do not consistently address risk mitigation associated with the full range of homeland security threats. From this perspective one piece missing from these documents, and their guidance, is a discussion of the resources and fiscal costs associated with preparing for low-risk, but high-consequence threats.

Specifically, Congress may choose to consider a number of options addressing the apparent lack of a consensus homeland security definition that prioritizes missions by requiring the development of a more succinct, and distinct, National homeland security strategy. One of these options might be to require a total rewrite of a National homeland security strategy. This option would be similar to the Bush administration's issuance of National homeland security strategies in 2002 and 2007. Such a strategy could include a definitive listing of mission priorities based on an encompassing definition that not only includes DHS specific responsibilities, but all Federal department and agency responsibilities. A strategy that includes priorities could improve Congress's and other policymakers' ability to make choices between competing homeland security missions. This option would also be a departure from the current administration's practice of including National homeland security guidance in the National Security Strategy.

Another option would be to build upon the current approach by requiring the administration to develop the *National Security Strategy* that succinctly identifies homeland security missions and priorities. Alternatively, Congress may determine that the present course of including National homeland security guidance in the *National Security Strategy* is adequate, and may focus strictly on DHS activities. This option would entail DHS further refining its *Quadrennial Homeland Security Review* which it has begun to do with its 2012 *Strategic Plan* and as it prepares the 2014 *QHSR.*

It has been argued that homeland security, at its core, is about coordination because of the disparate stakeholders and risks.[28] Many observers assert that homeland security is not only about coordination of resources and actions to counter risks; it is also about the coordination of the strategic process policymakers use in determining the risks, the stakeholders and their missions, and the prioritization of those missions.

Without a general consensus on the physical and philosophical definition and missions of homeland security, achieved through a strategic process, some believe that there will continue to be the potential for disjointed and disparate approaches to se-

[28] Ibid.

curing the Nation. From this perspective general consensus on the homeland security concept necessarily starts with a consensus definition and an accepted list of prioritized missions that are constantly reevaluated to meet risks of the new paradigm that is homeland security in the 21st Century. These varied definitions and missions, however, may be the result of a strategic process that has attempted to adjust Federal homeland security policy to continually emerging threats and risks. Thank you.

Mr. DUNCAN. Thank you so much, Mr. Reese.

The Chairman will now recognize Mr. Nelson to testify.

STATEMENT OF RICK "OZZIE" NELSON, VICE PRESIDENT FOR BUSINESS DEVELOPMENT, CROSS MATCH TECHNOLOGIES

Mr. NELSON. Good morning, Chairman Duncan, Ranking Member Barber, and distinguished Members of the subcommittee. Thank you for the opportunity to testify today. I want to note, while still affiliated with CSIS, I am now a vice president at Cross Match Technologies. I would like to take this time to discuss how the Department of Homeland Security, Congress, and the American people can work together to support DHS' continued evolution to a risk-based security model.

Following 9/11, we created the Department of Homeland Security and gave it the mandate to protect all people from all things all the time. With this mandate came relatively robust Federal budgets. But times have changed. In order for DHS to continue to protect the homeland during the period of limited budgets, we as a Nation must accept this basic but vital fact that we cannot guarantee and cannot afford to provide absolute security. Instead, we must embrace an approach to protecting the Nation through risk-based security. This will require identifying where the greatest risks to our security are and allocating limited resources against those risks. DHS is moving in this direction, but it must be accelerated and done so with the support of Congress.

In the past, we have not had the political will to implement such models given that they do carry with them an inherent degree of risk. Yet the silver lining in the current fiscal climate is that it has forced us to look past these political hurdles, presenting us with an opportunity to fully embrace a risk-based approach. My remarks will focus on two key areas where I believe further efficiency can be made. My written testimony includes a broader range of ideas and depths of analysis.

First, in order to identify risk, DHS will need to continue its focus on information and intelligence sharing. A risk-based model of security is inherently driven by information and intelligence, which enables policymakers and analysts to make informed decisions where the risk is highest. This begins with DHS' network of fusion centers, which become all the more valuable as the Department transitions towards this model. Fusion centers serve as the primary point, the front door, if you wish, of interaction between the Federal Government and State and local centers and the private sector. While the current architecture and number of fusion centers may not be fully optimized, they will continue to play a valuable role in information sharing, and must not be abandoned. As such, DHS must take steps to ensure the increased controversy over how these centers are employed does not threaten their continued utility. The Department must accept that State and local

entities will only be willing to continue to participate in fusion centers if they add value beyond counterterrorism, and must work to strike a balance between counterterrorism and an all-hazards mission.

The second issue I want to discuss is screening and credentialing. DHS screens and credentials millions of individuals every day seeking to gain access from everything from air travel to computer systems. An effective and efficient means of screening and credentialing is vital to a risk-based security approach and would allow DHS to allocate its resources against those who potentially pose the greatest threat. However, responsibility for screening and credentialing is currently spread across multiple agencies within DHS. This diffused model is inefficient, and as demand rises and budgets fall will increasingly become untenable. For the Department's screening and credentialing services, the way ahead may lie with an enterprise approach. Integration of all DHS' databases should be accelerated, and programs like TSA's PreCheck and CBP's Global Entry should continue to be expanded to include a greater number of travelers from a variety of sources. Further, trusted travelers enrolled in one program should be provided an ID number or biometric profile that will be recognized across programs, greater increasing operability.

By streamlining and screening credentialing, DHS can not only increase security, but save limited budget dollars. Secretary Napolitano recently stated a goal of having 50 percent of travelers enrolled in a trusted traveler program within 2 years. This goal should be embraced and supported by Congress.

In conclusion, moving to a risk-based model for security will not be without its challenges and will require that Congress, DHS, and the American people engage in an on-going dialogue about our priorities and the level of risk we are willing to accept. It is important to emphasize and to understand that no matter how well executed, any adoption of a risk-based model will inherently mean assuming some degree of risk. In implementing them, we must be willing to accept not only the risks, but the potential consequences, and that we cannot simply revert to trying to provide complete protection if and when there is an attack.

Furthermore, it means accepting that while some mission areas will see increased resources, others may receive little or nothing. If we as a Nation are willing to accept these facts, a risk-based model for homeland security holds the potential to help reorient us towards tomorrow's threats even as budgets are tightened. Thank you again for the opportunity to testify.

[The prepared statement of Mr. Nelson follows:]

PREPARED STATEMENT OF RICK "OZZIE" NELSON

FEBRUARY 15, 2013

Since its creation a decade ago, the Department of Homeland Security (DHS) has been tasked with variety of missions but one primary focus; protecting the United States of America from al-Qaeda and its brand of Islamist terrorism. Following the horror of 9/11, we vowed to never again let such an attack take place on American soil, and so we created DHS and gave it the mandate to prevent any and all terrorism in the United States. For much of the last decade we were willing to largely maintain this approach, given the continued threat posed by al-Qaeda and relatively robust Federal budgets. We didn't make hard choices regarding what was or wasn't

working or where to focus our efforts and resources because we didn't need to and we thought we were safer in not doing so. However, in recent years our budgets have shrunk, and the threats we face have shifted. Times have changed, and DHS will, by necessity, need to change with them.

In order for DHS to continue to protect the homeland during this period of limited budgets, we as a Nation will need to accept the basic but vital fact that we cannot guarantee and cannot afford to try to provide absolute security from all things for all people at all times. Instead, we must embrace an approach to protecting the Nation through risk-based security. This will require identifying where the greatest risks to our security are, and allocating limited resources against those risks. In doing so, we will allow DHS not only to better adapt to shrinking budgets by cutting spending on low-probability, low-consequence threats, but increase our security by better utilizing available funds to prepare for those threats that pose the greatest risk and consequence. Risk-based models are not a new concept, and have been proposed in some form by every recent administration. However, in the past we simply have not had the political will to implement such models, given that they do carry with them an inherent degree of risk. Yet the silver lining of the current fiscal climate is that it has forced us to look past these political hurdles, presenting us with an opportunity to fully embrace a risk-based approach.

The first step in the path towards implementing an effective risk-based model for homeland security is recognizing the fact that al-Qaeda, which has consumed our attention and the majority of our homeland security resources for the past decade, likely no longer constitutes the threat to the homeland that it once did. Al-Qaeda has been decimated by the death of bin Laden and dismantling of al-Qaeda core, and while recent events in West Africa have made clear that affiliated groups such as al-Qaeda in the Islamic Maghreb remain cause for concern, the threat of another terrorist attack in the United States approaching the scale of 9/11 has been vastly diminished. Yet even as the threat of al-Qaeda recedes, new challenges are emerging that will require shifts in the Department's resources and focus. As such, DHS will need to continue to find new efficiencies in its efforts to protect the United States by focusing on identifying emerging risks while refining its calculus regarding existing risks.

In order to do so, DHS will need to continue to accelerate its focus on information and intelligence sharing. A risk-based model of security is inherently driven by information and intelligence, which enables policy-makers and analysts to make informed decisions on where risk is highest. Therefore, as DHS increasingly transitions to a risk-based model, the concept of homeland security intelligence must be refined and the Department's role as the primary conduit for information sharing with State and local governments and the private sector must be further solidified. This begins with the network of fusion centers.

Fusion centers, established since 9/11, will become all the more valuable as the Department transitions to a risk-based model. Fusion centers have a vital role to play in supporting information sharing, serving as the primary point of interaction between the Federal Government, the State and local entities most likely to witness suspicious terrorism-related activity, and private industry, which owns 85% of the Nation's critical infrastructure. While the current architecture and number of fusion centers may not be fully optimized, they will continue to play a valuable role in information sharing, and must not be abandoned. As such, DHS must take steps to ensure that increased controversy over how these centers are employed does not threaten their continued utility. The Department and other Federal agencies must accept that State and local entities will only be willing to continue to participate in fusion centers if they add value beyond counterterrorism and must work together to strike a working balance between counterterrorism and all-hazards missions. The Department should also encourage State and local partners to participate in standardized intelligence training, in order to equip those on the ground with a better understanding of the intelligence process and equalize some of the disparities between various fusion centers. Additionally, the fusion centers need to find a means to better engage with the private sector. This includes not only finding new avenues for integrating information provided by the private sector, but keeping private companies and businesses informed of potential threats in a useful and timely manner while remaining cognizant of privacy and civil liberties concerns. Fusion centers have the potential to play a vital role in building a risk-based model of security but will be hampered in their mission unless the Department and its partners can come together to address these challenges.

In addition to intelligence and information sharing, the effective screening and credentialing of individuals seeking access to everything from air travel to computer systems is vital to a risk-based approach. An effective, efficient means of screening and credentialing would allow DHS to allocate its resources against those who po-

tentially pose the greatest threat. However, responsibility for screening and credentialing is currently spread across multiple agencies within DHS who employ multiple, unique systems. This diffuse model is inefficient and, as demand rises and budgets fall, will increasingly become untenable. For the Department's screening and credentialing services, which also rely on intelligence and information, the way ahead may lie with an enterprise approach. At present, the multitude of systems being utilized contributes to redundancies. Furthermore, without full integration, there is the danger that vital existing information in one system will be overlooked when making a decision based on information in a second system. Integration of all DHS databases should be accelerated so that all elements of the Department have as much information as possible regarding those they are screening and credentialing. Screening and credentialing processes also could benefit substantially from greater automation. The further introduction of automated processes could significantly reduce the time needed for many tasks associated with screening and credentialing, greatly improving efficiency. Programs like Transportation Security Administration's PreCheck and Customs and Border Protection's Global Entry should also be expanded to include a greater number of trusted travelers from a variety of sources. Further, trusted travelers enrolled in one program should be provided an ID number or biometric profile that would be recognized across programs, greatly increasing interoperability while decreasing the resources spent screening those who have already been screened by another program. By streamlining screening and credentialing, DHS can not only increase security, but save limited budget dollars. Secretary Napolitano recently stated a goal of having 50% of travelers enrolled in a Trusted Traveler program within 2 years. This goal should be embraced and supported by Congress.

Additionally, the Department should examine the creation of a Department-wide targeting center for the analysis of screening data from across DHS. While various component agencies maintain their own analytic targeting centers, no single agency has a complete picture of all the information residing in the Department's many screening and credentialing systems. A DHS-wide center could provide a more complete view, putting together pieces that other, smaller centers might miss, creating a more complete picture of the risks the Department must counter.

Even as the Department attempts to focus on those areas that present the most risk, it must still seek to find efficiencies in areas where threats are relatively low but could be disproportionately costly, most notably with regards to chemical, biological, radiological, nuclear, and high explosive weapons (CBRNE). In recent years, the United States has built an extensive network of capabilities, program, and offices intended to detect and respond to these weapons, yet many of these are not well integrated with one another, leading to significant inefficiencies. Integration of all CBRNE research and development under one entity, such as DHS Office of Science and Technology (S&T), would be a logical first step and would reduce costly R&D redundancies. Additionally, the various components involved in CBRNE detection and response would greatly benefit from an integrated information sharing architecture as the National Information Exchange Model (NIEM) as well as integrated technologies that can quickly connect and share data between the various agencies and departments involved. This integration could well serve to both reduce costs and increase security in the long term by reducing duplication and increasing coordination.

As DHS moves into its second decade, it will also face new threats and new risks beyond terrorism. One area where the risks are certainly growing, and which will require a series of new investments, is cybersecurity and operations. In addition to the threat posed to our critical infrastructure, General Keith Alexander, Commander of USCYBERCOM and director of the National Security Agency, recently noted that intellectual property theft represents "the greatest transfer of wealth in history," leeching billions of dollars from the Nation's economy each year. As such, DHS will need to take a variety of steps to meet this new risk. One cybersecurity measure which would be relatively easy to implement would be for DHS to establish a basic training program for Federal employees across the U.S. Government instructing them on how to identify, understand, and report suspicious cyber activity. Such training would not only reduce the risk that a given employee would become the victim of a cyberattack, but by emphasizing reporting of attempted attacks, would increase the speed at which information regarding the attack could be disseminated, allowing Government and industry to identify the areas of greatest risk more quickly and move to prevent attacks on other systems before they can have an effect. While cyber education alone is far from sufficient to meet the threat, it would be a valuable and relatively cost-effective step in reducing the emerging risk of cyber attack.

At times, risk-based security will necessitate significant long-term investments in order to meet growing challenges, such as increasing activity in the Arctic. As Arctic sea ice recedes, opening the region to increased traffic, exploration, and territorial competition, the U.S. Coast Guard (USCG) will likely be stretched to the breaking point. In recent years, the Coast Guard has been operating at an increased operational tempo even as the vessels they rely upon have grown more and more outdated. The average age of a Coast Guard cutter is a worrying 43 years, yet in the past decade the USCG has been called upon for ever-expanding range of missions, running the gamut from protecting fisheries to guarding Iraqi oil platforms.[1] Additionally, the number of icebreakers the USCG maintains, which are vital for Arctic operations, has dwindled to just two. At present, the USCG is expected to fulfill its growing number and range of missions with a shockingly small budget; in 2012 we spent more on the Afghan National Security Forces than we did on our own Coast Guard.[2] As we examine areas in which the investment of our limited resources could have the most value, the Coast Guard is an obvious choice.

Moving to a risk-based model for security will not be without its challenges, and will require that Congress, DHS, and the American people engage in an on-going dialogue about our priorities and the level of risk we are willing to accept. It is important to emphasize and to understand that no matter how well executed, any adoption of a risk-based model will inherently mean assuming some degree of risk; in implementing them, we must be willing to accept not only the risks, but the potential consequences, and that we cannot simply revert to trying to provide complete protection if and when there is an attack. Furthermore, it means accepting that while some mission areas will see increased resources, others may receive little or nothing. If we as a Nation are willing to accept these facts, a risk-based model for homeland security holds the potential to help reorient us towards tomorrow's threats even as budgets are tightened.

Mr. DUNCAN. Thank you so much for that testimony.

The Chairman will now recognize Ms. Berrick to testify.

STATEMENT OF CATHLEEN A. BERRICK, MANAGING DIRECTOR, HOMELAND SECURITY AND JUSTICE ISSUES, GOVERNMENT ACCOUNTABILITY OFFICE

Ms. BERRICK. Good morning, Chairman Duncan, Ranking Member Barber, and Members of the subcommittee. I am pleased to be here to discuss DHS' on-going efforts to build a unified Department and position itself for the future.

When DHS began operations 10 years ago, GAO recognized that creating such a large and complex Department would take years to achieve. Since that time, we have conducted an extensive body of work at the Department, issuing over 1,300 products and making over 1,800 recommendations to strengthen their programs and operations. Our work has collectively shown that the Department has made significant progress across its range of missions. However, it is important to note that DHS is still maturing, more work remains, and there are several cross-cutting themes that have affected their efforts thus far and need to be addressed moving forward.

In terms of progress, DHS has developed strategic and operational plans, hired, deployed, and trained workforces, established new offices and programs, and issued policies and regulations to govern its operations. However, more work remains. Many of DHS' problems have come with a significant price tag. For example, we reported that DHS needs better information and coordination to

[1] "United States Coast Guard 2012 Posture Statement", February, 2012, *http://www.uscg.mil/posturestatement/docs/uscg_2012_posture_statement.pdf.*

[2] "Justification for FY 2013 Overseas Contingency Operations Afghanistan Security Forces Fund (ASFF)", Office of the Secretary of Defense, February 2012, *http://asafm.army.mil/Documents/OfficeDocuments/Budget/BudgetMaterials/FY13/OCO//asff.pdf.*

prevent unnecessary duplication among four overlapping large grant programs that together accounted for over $20 billion in grants awarded from 2002 through 2011. In another example, as was mentioned by Representative Barber this morning, DHS experienced schedule delays and performance shortfalls with its Secure Border Initiative program, resulting in its ultimate cancellation. DHS has also taken action to address a small percentage of individuals who have overstayed their visas.

We reported that DHS could also reduce the costs to the Federal Government related to major disaster declarations by updating the principal indicator on which assistance decisions are based to better reflect the State's capability to respond to that disaster. Had the indicator been updated for inflation alone, about 25 percent fewer disasters may have been funded by the Federal Government between 2004 and 2011. Although the specific reasons for these and other challenges vary, we identified three common themes, based on our work, that have hindered the Department's progress, and should be addressed moving forward.

First, DHS has made important strides in strengthening their management functions such as acquisition and IT in recent years. However, significant challenges remain that pose serious risks. For example, DHS' major acquisition programs continue to cost more than expected, take longer to deploy than planned, and deliver less capability than promised. We reported in September that 42 out of 70 major programs we reviewed at DHS experienced cost growth and schedule slippages or both. Sixteen of these programs accounted for $32 billion in cost overruns over a 3-year period, just 16 of those programs. The need to strengthen DHS' management functions is on GAO's high-risk list for this reason.

Second, DHS has made important strides in providing leadership and coordinating efforts with its stakeholders, but needs to take additional action to strengthen partnerships in the sharing and utilization of terrorism and law enforcement information. GAO also designated information sharing as high-risk throughout the Federal Government, including DHS. It has been on our high-risk list since 2005.

Finally, limitations in strategic and program planning and limited assessments to inform approaches and investments have hindered the Department's efforts. DHS has also made progress in analyzing risks across sectors, but they have made less progress in actually incorporating that information into its planning and budgeting decision process.

Given DHS' significant leadership role in homeland security, it is critical that its programs and operations are operating as efficiently and as effectively as possible, are sustainable, and continue to mature to address pressing security needs. In summary, nearly 10 years after DHS' creation, they have indeed made significant progress, but have yet to reach their full potential. Mr. Chairman, thank you for the opportunity to testify. I look forward to questions.

[The prepared statement of Ms. Berrick follows:]

PREPARED STATEMENT OF CATHLEEN A. BERRICK

FEBRUARY 15, 2013

GAO–13–370T

Chairman Duncan, Ranking Member Barber, and Members of the subcommittee: I am pleased to be here today to discuss our work on progress made by the Department of Homeland Security (DHS) and work remaining in implementing its homeland security missions since it began operations almost 10 years ago on March 1, 2003. This milestone provides an opportunity to reflect on the progress DHS has made since it began operating as a single department and the challenges it has faced in implementing its missions, as well as to identify issues that will be important for the Department to address as it moves forward, based on work we have completed on DHS programs and operations in key areas.

Since DHS began operations, we have evaluated numerous Departmental programs and issued more than 1,300 reports and Congressional testimonies in areas such as border security and immigration, transportation security, and emergency management, among others. We have made approximately 1,800 recommendations to DHS designed to strengthen its operations. DHS has implemented more than 60 percent of these recommendations, has actions under way to address others, and has taken additional steps to strengthen its mission activities. However, the Department has more to do to ensure that it conducts its missions efficiently and effectively while simultaneously preparing to address future challenges that face the Department and the Nation.

In 2003, we designated implementing and transforming DHS as high-risk because DHS had to transform 22 agencies—several with major management challenges—into one department.[1] Further, failure to effectively address DHS's management and mission risks could have serious consequences for U.S. National and economic security. Since 2003, we have identified additional high-risk areas where DHS has primary or significant responsibilities, including protecting the Federal Government's information systems and the Nation's critical cyber infrastructure, establishing effective mechanisms for sharing and managing terrorism-related information to protect the homeland, and the National Flood Insurance Program.[2]

In September 2011, we issued a report summarizing progress made by DHS in implementing its homeland security missions 10 years after the terrorist attacks of September 11, 2001.[3] We reported that DHS had implemented key homeland security operations and achieved important goals in many areas to create and strengthen a foundation to reach its potential. We also reported, however, that as DHS continues to mature, more work remains for it to strengthen the efficiency and effectiveness of those efforts to achieve its full potential.

My statement today is based on these and associated products, and addresses: (1) DHS's progress implementing and strengthening its mission functions, and (2) cross-cutting issues that have affected the Department's implementation efforts.

For these past reports, among other things, we analyzed DHS documents; reviewed and updated our past reports, supplemented by DHS Office of Inspector General (IG) reports, issued since DHS began its operations in March 2003; and interviewed DHS officials. We conducted this work in accordance with generally accepted Government auditing standards. More detailed information on the scope and methodology from our previous work can be found within each specific report.

DHS CONTINUES TO IMPLEMENT AND STRENGTHEN ITS MISSION FUNCTIONS, BUT KEY OPERATIONAL AND MANAGEMENT CHALLENGES REMAIN

Progress Implementing and Strengthening DHS's Mission Functions

Since DHS began operations in March 2003, it has developed and implemented key policies, programs, and activities for implementing its homeland security missions and functions that have created and strengthened a foundation for achieving its potential as it continues to mature. We reported in our assessment of DHS's progress and challenges 10 years after the September 11 attacks, as well as in our more recent work, that the Department has implemented key homeland security op-

[1] GAO, *High-Risk Series: An Update,* GAO–03–119 (Washington, DC: January 2003).

[2] GAO, *High-Risk Series: An Update,* GAO–13–283 (Washington, DC: February 2013). The National Flood Insurance Program is a key component of the Federal Government's efforts to limit the damage and financial impact of floods.

[3] GAO, *Department of Homeland Security: Progress Made and Work Remaining in Implementing Homeland Security Missions 10 Years after 9/11,* GAO–11–881 (Washington, DC: Sept. 7, 2011).

erations and achieved important goals in many areas. These included developing strategic and operational plans across its range of missions; hiring, deploying, and training workforces; establishing new, or expanding existing, offices and programs; and developing and issuing policies, procedures, and regulations to govern its homeland security operations.[4]

For example:

- DHS successfully hired, trained, and deployed workforces, including the Federal screening workforce to assume screening responsibilities at airports Nationwide, and about 20,000 agents to patrol U.S. land borders.
- DHS also created new programs and offices, or expanded existing ones, to implement key homeland security responsibilities, such as establishing the National Cybersecurity and Communications Integration Center to, among other things, coordinate the Nation's efforts to prepare for, prevent, and respond to cyber threats to systems and communications networks.
- DHS issued policies and procedures addressing, among other things, the screening of passengers at airport checkpoints, inspecting travelers seeking entry into the United States, and assessing immigration benefit applications and processes for detecting possible fraud.
- DHS issued the National Response Framework, which outlines disaster response guiding principles, including major roles and responsibilities of Government, non-Governmental organizations, and private-sector entities for response to disasters of all sizes and causes.
- After initial difficulty in fielding the program, DHS developed and implemented Secure Flight, a passenger prescreening program through which the Federal Government now screens all passengers on all commercial flights to, from, and within the United States.
- In fiscal year 2011, DHS reported data indicating it had met its interim goal to secure the land border with a decrease in apprehensions. Our data analysis showed that apprehensions decreased within each Southwest Border sector and by 68 percent in the Tucson sector from fiscal years 2006 through 2011. Border Patrol officials attributed this decrease in part to changes in the U.S. economy and achievement of Border Patrol strategic objectives.[5]
- We reported in September 2012 that DHS, through its component agencies, particularly the Coast Guard and U.S. Customs and Border Protection (CBP), has made substantial progress in implementing various programs that, collectively, have improved maritime security.[6] For example, in November 2011, we reported that the Coast Guard's risk assessment model generally met DHS criteria for being complete, reproducible, documented, and defensible.[7] Coast Guard units throughout the country use this risk model to improve maritime domain awareness and better assess security risks to key maritime infrastructure.
- DHS has taken important actions to conduct voluntary critical infrastructure and key resources (CIKR) security surveys and vulnerability assessments, provide information to CIKR stakeholders, and assess the effectiveness of security surveys and vulnerability assessments.[8]

Challenges Implementing DHS's Missions

DHS has made progress in implementing its homeland security missions, but more work remains for DHS to address gaps and weaknesses in its current operational and implementation efforts, and to strengthen the efficiency and effectiveness of those efforts to achieve its full potential. Our recent work has shown that many DHS programs and investments continue to experience cost overruns, schedule delays, and performance problems, and can be better coordinated to reduce over-

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[4] GAO–11–881.

[5] GAO, *Border Patrol: Key Elements of New Strategic Plan Not Yet in Place to Inform Border Security Status and Resource Needs,* GAO–13–25 (Washington, DC: Dec. 10, 2012). Border Patrol, within U.S. Customs and Border Protection, is the Federal agency with primary responsibility for securing the National borders between designated U.S. land border ports of entry.

[6] GAO, *Maritime Security: Progress and Challenges 10 Years after the Maritime Transportation Security Act,* GAO–12–1009T (Washington, DC: Sept. 11, 2012).

[7] GAO, *Coast Guard: Security Risk Model Meets DHS Criteria, but More Training Could Enhance Its Use for Managing Programs and Operations,* GAO–12–14 (Washington, DC: Nov. 17, 2011).

[8] GAO, *Critical Infrastructure Protection: DHS Could Better Manage Security Surveys and Vulnerability Assessments,* GAO–12–378 (Washington, DC: May 31, 2012).

lap and the potential for unnecessary duplication, and achieve cost savings.[9] For example:

- DHS needs better project information and coordination to identify and prevent potential unnecessary duplication among four overlapping grant programs that in total constituted $20 billion in grants from fiscal years 2002 through 2011. We also found that DHS has not implemented outcome-based performance measures for any of the four programs, which hampers its ability to fully assess the effectiveness of these grant programs.[10]
- DHS has not developed a process to identify and analyze program risks in its Student and Exchange Visitor Program, such as a process to evaluate prior and suspected cases of school noncompliance and fraud. The program is intended to ensure that foreign students studying in the United States comply with the terms of their admission into the country and to certify schools as authorized to accept foreign students in academic and vocational programs. The program's budget authority in fiscal year 2012 was $120 million.[11]
- DHS did not validate the science supporting the Screening of Passengers by Observation Techniques program or determine if behavior detection techniques could be successfully used across the aviation system to detect threats before deploying the program. The program has an annual cost of over $200 million.[12] We are currently reviewing DHS's efforts to assess the effectiveness of the program and ensure that behavior detection officers are consistently implementing program protocols, and we expect to report on the results of our work later this year.
- DHS experienced schedule delays and performance problems with its information technology program for securing the border between ports of entry—the Secure Border Initiative Network (SBInet)—which led to its cancellation after 5 years and about $1 billion after deploying 53 miles of SBInet systems to the Arizona border.[13] DHS has adopted a new approach for developing a technology plan for surveillance at the remainder of the Arizona border, referred to as the Arizona Border Surveillance Technology Plan (Plan), with an estimated lifecycle cost of $1.5 billion. To develop the Plan, DHS conducted an analysis of alternatives and outreach to potential vendors, and took other steps to test the viability of the current system. However, DHS has not documented the analysis justifying the specific types, quantities, and deployment locations of border surveillance technologies proposed in the Plan, or defined the mission benefits or developed performance metrics to assess its implementation of the Plan. We are reviewing DHS's efforts to implement the Plan, and we expect to report on the results of our work later this year.
- DHS spent more than $200 million on advanced spectroscopic portals, used to detect smuggled nuclear or radiological materials, without issuing an accurate analysis of both the benefits and the costs—which we later estimated at over $2 billion—and a determination of whether additional detection capabilities were worth the additional costs. DHS subsequently canceled the advanced spectroscopic portals program as originally conceived.[14]
- Each year DHS processes millions of applications and petitions for more than 50 types of immigrant- and nonimmigrant-related benefits for persons seeking to study, work, visit, or live in the United States, and for persons seeking to become U.S. citizens. DHS embarked on a major initiative in 2005 to transform its current paper-based system into an electronic account-based system that is to use electronic adjudication and account-based case management tools, including tools that are to allow applicants to apply on-line for benefits. However, DHS did not consistently follow the acquisition management approach outlined in its management directives in developing and managing the program. The lack of defined requirements, acquisition strategy, and associated cost parameters contributed to program deployment delays of over 2 years. In addition,

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[9] GAO, *Department of Homeland Security: Actions Needed To Reduce Overlap and Potential Unnecessary Duplication, Achieve Cost Savings, and Strengthen Mission Functions,* GAO–12–464T (Washington, DC: Mar. 8, 2012).

[10] GAO, *Homeland Security: DHS Needs Better Project Information and Coordination Among Four Overlapping Grant Programs,* GAO–12–303 (Washington, DC: Feb. 28, 2012).

[11] GAO, *Student and Exchange Visitor Program: DHS Needs to Assess Risks and Strengthen Oversight Functions,* GAO–12–572 (Washington, DC: June 18, 2012).

[12] GAO, *Aviation Security: Efforts to Validate TSA's Passenger Screening Behavior Detection Program Underway, but Opportunities Exist to Strengthen Validation and Address Operational Challenges,* GAO–10–763 (Washington, DC: May 20, 2010).

[13] GAO, *Arizona Border Surveillance Technology: More Information on Plans and Costs Is Needed Before Proceeding,* GAO–12–22 (Washington, DC: Nov. 4, 2011).

[14] GAO–12–464T.

DHS estimates that through fiscal year 2011, it spent about $703 million, about $292 million more than the original program baseline estimate.[15]

- We found that DHS could reduce the costs to the Federal Government related to major disasters declared by the President by updating the principal indicator on which disaster funding decisions are based and better measuring a State's capacity to respond without Federal assistance. From fiscal years 2004 through 2011, the President approved 539 major disaster declarations at a cost of $78.7 billion.[16]

DHS CAN STRENGTHEN THE EFFICIENCY AND EFFECTIVENESS OF ITS OPERATIONS BY CONTINUING TO ADDRESS CROSS-CUTTING ISSUES THAT HAVE IMPACTED ITS PROGRESS

Our work on DHS's mission functions and cross-cutting issues has identified three key themes—leading and coordinating the homeland security enterprise, implementing and integrating management functions for results, and strategically managing risks and assessing homeland security efforts—that have impacted the Department's progress since it began operations.[17] As these themes have contributed to challenges in the Department's management and operations, addressing them can result in increased efficiencies and effectiveness. For example, DHS can help reduce cost overruns and performance shortfalls by strengthening the management of its acquisitions, and reduce inefficiencies and costs for homeland security by improving its research and development (R&D) management. These themes provide insights that can inform DHS's efforts as it works to implement its missions within a dynamic and evolving homeland security environment. DHS made progress and has had successes in all of these areas, but our work found that these themes have been at the foundation of DHS's implementation challenges, and need to be addressed from a Department-wide perspective to effectively and efficiently position the Department for the future.

Leading and Coordinating the Homeland Security Enterprise

DHS is one of a number of entities with a role in securing the homeland and has significant leadership and coordination responsibilities for managing efforts across the homeland security enterprise. To satisfy these responsibilities, it is critically important that DHS develop, maintain, and leverage effective partnerships with its stakeholders while at the same time addressing DHS-specific responsibilities in satisfying its missions. DHS has made important strides in providing leadership and coordinating efforts across the homeland security enterprise, but needs to take additional actions to forge effective partnerships and strengthen the sharing and utilization of information. For example, DHS has improved coordination and clarified roles with State and local governments for emergency management. DHS also strengthened its partnerships and collaboration with foreign governments to coordinate and standardize security practices for aviation security. The Department has further demonstrated leadership by establishing a governance board to serve as the decision-making body for DHS information-sharing issues.[18] The board has enhanced collaboration among DHS components and identified a list of key information-sharing initiatives.

Although DHS has made important progress, more work remains. We designated terrorism-related information sharing as high-risk in 2005 because the Government faces significant challenges in analyzing and disseminating this information in a timely, accurate, and useful manner.[19] In our most recent high-risk update, we reported that the Federal Government's leadership structure is committed to enhancing the sharing and management of terrorism-related information and has made sig-

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[15] GAO, *Immigration Benefits: Consistent Adherence to DHS's Acquisition Policy Could Help Improve Transformation Program Outcomes,* and GAO–12–66 (Washington, DC: Nov. 22, 2011).

[16] GAO, *Federal Disaster Assistance: Improved Criteria Needed to Assess a Jurisdiction's Capability to Respond and Recover on Its Own,* GAO–12–838 (Washington, DC: Sept. 12, 2012). This total includes obligations made as of September 30, 2011, for major disasters declared from fiscal years 2004 through 2011.

[17] DHS defines the homeland security enterprise as the Federal, State, local, Tribal, territorial, non-Governmental, and private-sector entities, as well as individuals, families, and communities, who share a common National interest in the safety and security of the United States and the American population.

[18] GAO, *Information Sharing: DHS Has Demonstrated Leadership and Progress, but Additional Actions Could Help Sustain and Strengthen Efforts,* GAO–12–809 (Washington, DC: Sept. 18, 2012). DHS has established a decision-making body—the Information Sharing and Safeguarding Governance Board—that demonstrates senior executive-level commitment to improving information sharing. The board has identified information-sharing gaps and developed a list of key initiatives to help address those gaps.

[19] GAO, *High-Risk Series: An Update,* GAO–05–207 (Washington, DC: January 2005).

nificant progress defining a governance structure to implement the Information Sharing Environment—an approach that is intended to serve as an overarching solution to strengthening sharing.[20] However, we also reported that the key departments and agencies responsible for information-sharing activities, including DHS, need to continue their efforts to share and manage terrorism-related information by, among other things, identifying technological capabilities and services that can be shared across departments and developing metrics that measure the performance of, and results achieved by, projects and activities. DHS officials explained that its information-sharing initiatives are integral to its mission activities and are funded through its components' respective budgets. However, in September 2012 we reported that five of DHS's top eight priority information-sharing initiatives faced funding shortfalls, and DHS had to delay or scale back at least four of them.[21]

Implementing and Integrating Management Functions for Results

Following its establishment, DHS focused its efforts primarily on implementing its various missions to meet pressing homeland security needs and threats, and less on creating and integrating a fully and effectively functioning department. As the Department matured, it has put into place management policies and processes and made a range of other enhancements to its management functions, which include acquisition, information technology, financial, and human capital management. However, DHS has not always effectively executed or integrated these functions.

While challenges remain for DHS to address across its range of missions, the Department has made considerable progress in transforming its original component agencies into a single Cabinet-level department and positioning itself to achieve its full potential.

Important strides have also been made in strengthening the Department's management functions and in integrating those functions across the Department, particularly in recent years. However, continued progress is needed in order to mitigate the risks that management weaknesses pose to mission accomplishment and the efficient and effective use of the Department's resources. In particular, the Department needs to demonstrate continued progress in implementing and strengthening key management initiatives and addressing corrective actions and outcomes that GAO identified, and DHS committed to taking actions address this high-risk area. For example:

- *Acquisition management*.—Although DHS has made progress in strengthening its acquisition function, most of the Department's major acquisition programs continue to cost more than expected, take longer to deploy than planned, or deliver less capability than promised. We identified 42 programs that experienced cost growth, schedule slips, or both, with 16 of the programs' costs increasing from a total of $19.7 billion in 2008 to $52.2 billion in 2011—an aggregate increase of 166 percent. We reported in September 2012 that DHS leadership has authorized and continued to invest in major acquisition programs even though the vast majority of those programs lack foundational documents demonstrating the knowledge needed to help manage risks and measure performance.[22] We recommended that DHS modify acquisition policy to better reflect key program and portfolio management practices and ensure acquisition programs fully comply with DHS acquisition policy. DHS concurred with our recommendations and reported taking actions to address some of them.
- *Information technology management*.—DHS has defined and begun to implement a vision for a tiered governance structure intended to improve information technology (IT) program and portfolio management, which is generally consistent with best practices. However, the governance structure covers less than 20 percent (about 16 of 80) of DHS's major IT investments and 3 of its 13 portfolios, and the Department has not yet finalized the policies and procedures associated with this structure. In July 2012, we recommended that DHS finalize the policies and procedures and continue to implement the structure. DHS agreed with these recommendations and estimated it would address them by September 2013.[23]
- *Financial management*.—DHS has, among other things, received a qualified audit opinion on its fiscal year 2012 financial statements.[24] DHS is working to

[20] GAO–13–283.

[21] GAO–12–809.

[22] GAO, *Homeland Security: DHS Requires More Disciplined Investment Management to Help Meet Mission Needs,* GAO–12–833 (Washington, DC: Sept. 18, 2012).

[23] GAO, *Information Technology: DHS Needs to Further Define and Implement Its New Governance Process,* GAO–12–818 (Washington, DC: July 25, 2012).

[24] A qualified opinion states that, except for the effects of the matter(s) to which the qualification relates, the audited financial statements present fairly, in all material respects, the finan-

resolve the audit qualification to obtain an unqualified opinion for fiscal year 2013.[25] However, DHS components are currently in the early planning stages of their financial systems modernization efforts, and until these efforts are complete, their current systems will continue to inadequately support effective financial management, in part because of their lack of substantial compliance with key Federal financial management requirements. Without sound controls and systems, DHS faces challenges in obtaining and sustaining audit opinions on its financial statement and internal controls over financial reporting, as well as ensuring its financial management systems generate reliable, useful, and timely information for day-to-day decision making.

- *Human capital management*.—In December 2012, we identified several factors that have hampered DHS's strategic workforce planning efforts and recommended, among other things, that DHS identify and document additional performance measures to assess workforce planning efforts.[26] DHS agreed with these recommendations and stated that it plans to take actions to address them. In addition, DHS has made efforts to improve employee morale, such as taking actions to determine the root causes of morale problems. Despite these efforts, however, Federal surveys have consistently found that DHS employees are less satisfied with their jobs than the Government-wide average.

In September 2012, we recommended, among other things, that DHS improve its root cause analysis efforts of morale issues. DHS agreed with these recommendations and noted actions it plans to take to address them.[27]

Strategically Managing Risks and Assessing Homeland Security Efforts

Forming a new department while working to implement statutorily mandated and Department-initiated programs and responding to evolving threats, was, and is, a significant challenge facing DHS. Key threats, such as attempted attacks against the aviation sector, have impacted and altered DHS's approaches and investments, such as changes DHS made to its processes and technology investments for screening passengers and baggage at airports. It is understandable that these threats had to be addressed immediately as they arose. However, limited strategic and program planning by DHS, as well as assessment to inform approaches and investment decisions, has contributed to programs not meeting strategic needs or not doing so in an efficient manner.

Further, DHS has made important progress in analyzing risk across sectors, but it has more work to do in using this information to inform planning and resource-allocation decisions. Risk management has been widely supported by Congress and DHS as a management approach for homeland security, enhancing the Department's ability to make informed decisions and prioritize resource investments. Since DHS does not have unlimited resources and cannot protect the Nation from every conceivable threat, it must make risk-informed decisions regarding its homeland security approaches and strategies. We reported in September 2011 that using existing risk assessment tools could assist DHS in prioritizing its *Quadrennial Homeland Security Review* (QHSR) implementation mechanisms.[28] For example, examining the extent to which risk information could be used to help prioritize implementation mechanisms for the next QHSR could help DHS determine how to incorporate and use such information to strengthen prioritization and resource allocation decisions. DHS officials plan to implement a National risk assessment in advance of the next QHSR, which DHS anticipates conducting in fiscal year 2013.

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cial position, results of operations, and cash flows of the entity in conformity with generally accepted accounting principles. DHS's auditors issued their audit qualification due to DHS's inability to support certain components of property, plant, and equipment and heritage and stewardship assets. DHS's complete set of financial statements consist of the Balance Sheet, Statement of Net Cost, Statement of Changes in Net Position, Statement of Budgetary Resources, and Statement of Custodial Activity.

[25] An unqualified opinion states that the audited financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of the entity in conformity with generally accepted accounting principles.

[26] GAO, *DHS Strategic Workforce Planning: Oversight of Department-wide Efforts Should Be Strengthened,* GAO–13–65 (Washington, DC: Dec. 3, 2012).

[27] GAO, *Department of Homeland Security: Taking Further Action to Better Determine Causes of Morale Problems Would Assist in Targeting Action Plans,* GAO–12–940 (Washington, DC: Sept. 28, 2012).

[28] GAO, *Quadrennial Homeland Security Review: Enhanced Stakeholder Consultation and Use of Risk Information Could Strengthen Future Reviews,* GAO–11–873 (Washington, DC: Sept. 15, 2011). The *Quadrennial Homeland Security Review* outlined a strategic framework for homeland security to guide the activities of homeland security partners, including Federal, State, local, and Tribal government agencies; the private sector; and nongovernmental organizations.

Our work has also found that DHS continues to miss opportunities to optimize performance across its missions due to a lack of reliable performance information or assessment of existing information; evaluation among possible alternatives; and, as appropriate, adjustment of programs or operations that are not meeting mission needs. For example, we reported in February 2013 that the Government's strategy documents related to Information Systems and the Nation's Cyber Critical Infrastructure Protection included few milestones or performance measures, making it difficult to track progress in accomplishing stated goals and objectives.[29] In addition, in September 2012, we reported that DHS had approved a third generation of BioWatch technology—to further enhance detection of certain pathogens in the air—without fully evaluating viable alternatives based on risk, costs, and benefits.[30] As the Department further matures and seeks to optimize its operations, DHS will need to look beyond immediate requirements; assess programs' sustainability across the long term, particularly in light of constrained budgets; and evaluate trade-offs within and among programs across the homeland security enterprise. Doing so should better equip DHS to adapt and respond to new threats in a sustainable manner as it works to address existing ones.

CONCLUDING OBSERVATIONS

Given DHS's role and leadership responsibilities in securing the homeland, it is critical that the Department's programs and activities are operating as efficiently and effectively as possible; are sustainable; and continue to mature, evolve, and adapt to address pressing security needs. Since it began operations in 2003, DHS has implemented key homeland security operations and achieved important goals and milestones in many areas. DHS has also made important progress in strengthening partnerships with stakeholders, improving its management processes and sharing of information, and enhancing its risk management and performance measurement efforts. Important strides have also been made in strengthening the Department's management functions and in integrating those functions across the Department, particularly in recent years. Senior leaders at the Department have also continued to demonstrate strong commitment to addressing the Department's management challenges across the management functions. These accomplishments are especially noteworthy given that the Department has had to work to transform itself into a fully functioning Cabinet department while implementing its missions—a difficult undertaking for any organization and one that can take years to achieve even under less daunting circumstances.

Impacting the Department's efforts have been a variety of factors and events, such as attempted terrorist attacks and natural disasters, as well as new responsibilities and authorities provided by Congress and the administration. These events collectively have forced DHS to continually reassess its priorities and reallocate resources as needed, and have impacted its continued integration and transformation. Given the nature of DHS's mission, the need to remain nimble and adaptable to respond to evolving threats, as well as to work to anticipate new ones, will not change and may become even more complex and challenging as domestic and world events unfold, particularly in light of reduced budgets and constrained resources. Our work has shown that to better position itself to address these challenges, DHS should place an increased emphasis on and take additional action in supporting and leveraging the homeland security enterprise; managing its operations to achieve needed results; and strategically planning for the future while assessing and adjusting, as needed, what exists today. DHS also needs to continue its efforts to address the associated high-risk areas that we have identified which have affected its implementation efforts. Addressing these issues will be critically important for the Department to strengthen its homeland security programs and operations. DHS has indeed made significant strides in protecting the homeland, but has yet to reach its full potential.

Chairman Duncan, Ranking Member Barber, and Members of the subcommittee, this concludes my prepared statement. I would be pleased to respond to any questions you may have at this time.

Mr. DUNCAN. Thank you so much.

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[29] GAO–13–283.

[30] GAO, *Biosurveillance: DHS Should Reevaluate Mission Need and Alternatives Before Proceeding with BioWatch Generation–3 Acquisition,* GAO–12–810 (Washington, DC: Sept. 10, 2012).

Thank the witnesses for excellent testimony and providing your comments beforehand. The Chairman will now recognize himself for a question.

Ten years. It is a tremendous opportunity for us to stop and look back at the effectiveness of the Department. Oversight to ensure that taxpayer dollars are spent effectively is an important part and important role of Congress. The protection of civil liberties is, in my opinion, just as important.

With the passage of NDAA and the fear of indefinite detention among the American people, the talk of drone use over United States territory, and CISPA, SOPA, and Executive Orders on cyberterrorism do concern Americans about their civil liberties and privacy. So, Governor Gilmore, your panel made the issue of civil liberties a cornerstone at the commission. Are you satisfied that the Department is evaluating each initiative and program in terms of how well they preserve our unalienable rights to make sure that they aren't crossing the line?

Mr. GILMORE. No, Congressman, I am not. As I said in my opening remarks, my principal concern remains that without a thorough discussion of the nature of the threat and the preparedness of the United States to respond to it, there is an environment, a political environment that could in fact endanger and threaten the civil freedoms of the United States if all of a sudden the American people demand a response, that Congress feels that it must respond, and civil liberties could be the first thing that goes overboard.

You mentioned the National Defense Authorization Act. I think it is a very legitimate concern. One of the principal focuses of our Advisory Panel—principal focuses—was whether or not and how you use the military, the uniformed military in the homeland. If you create a panic or a stress environment in the United States, there is a danger that the Executive branch will simply respond and use whatever resources are available to it without regard to the law or the restrictions such as Posse Comitatus, which is of course we know a doctrine that prohibits the use of military in the homeland. It was one of the five principal focuses of our Advisory Panel, our concern over this type of environment.

The NDAA, the National Defense Authorization Act, in fact, in our view, does begin to move the military into a domestic responsibility and into a domestic function. This is not good. That is why the focus of our panel was to focus on local and State responders, as well as Federal law enforcement, so that nonmilitary people are in fact doing what is necessary to protect the homeland. So once again, as I close this answer, Congressman, I am concerned about exactly the issue that you point out.

Mr. DUNCAN. Thank you for that. I share the concern as well. Just recently, the general assembly in my home State passed legislation to push back against NDAA. So we are watching that very closely.

On Wednesday, the full committee had a hearing looking at a new perspective on the threats to the homeland. The Honorable David Walker, the founder and CEO of the Comeback America Initiative, spoke of the value of appointing a chief operating officer for the Department of Homeland Security. We met yesterday, he and I, and he elaborated that this position should have specific quali-

fication requirements, a term of 5 to 7 years, a performance contract, and be considered at level 2.

Now, I realize that the Department of Defense has done something similar to that with its chief management official. Ms. Berrick, from a management angle, how effective do you think this type of model is for helping DHS improve in its leadership and implementation capabilities?

Ms. BERRICK. Thank you, Mr. Chairman. I think that can be effective. That is a suggestion that GAO made early in the Department's creation, having that central authority and visibility and continuity over the operations of the Department. However, I also think DHS' current structure, with their Under Secretary for Management, can be effective if that individual is given the authority and the resources to implement their position effectively.

Now, recently, a few months ago, DHS actually issued a directive that strengthens the Under Secretary for Management's authority among the various DHS components. We think that is a very positive step in the right direction.

So, in summary, I think both models can work. I think DHS as structured can achieve that same end, again, if the Under Secretary for Management is given the support and authority that he or she needs.

Mr. DUNCAN. Okay. Thanks for that.

Mr. Reese, just a final follow-up on that. You talked about Congress directing DHS initiatives through budgeting and other things. Do you think Congress should have more day-to-day—not to say day-to-day—but more hands-on input on how the money should be spent, directing DHS in certain areas?

Mr. REESE. Well, sir, as you know, I work for Congressional Research Service, so I don't have an opinion. But there is an option that Congress could be involved in, through legislation possibly, requiring DHS to identify, either through mission-focused and risk-based priorities, specifically within the Department, or Congress could look at cross-cutting and getting the whole of Government to discuss and prioritize missions. That is one way that would affect funding and appropriations, sir.

Mr. DUNCAN. Thank you.

The Chairman will now recognize Mr. Barber for his question.

Mr. BARBER. Thank you, Mr. Chairman.

You know, as I think about how we spend or should spend public money, I think we should spend it like all of us do in our own households, with prudence and with care. But one more piece, of course, as public money is spent it has to be extremely accountable. That is an issue that I want to get to this morning.

You know, I understand that we have made progress, Ms. Berrick, you spoke to that, in DHS 10 years later we are better than we were when we started, and hopefully can improve even more so in the years ahead. It is no small task. I acknowledge that the Secretary has taken on one of the most important and challenging tasks in the Federal Government, trying to bring together 22 agencies into an effective working organization. Back a long time ago I participated in the formation of an agency that brought together eight State agencies. That was in 1974. It is still a work

in progress. We can't afford to let that be a continued issue for the Department of Homeland Security.

So, I want to ask a question, Mr. Nelson, if you could respond to this. According to the Partnership for Public Service, the Department is ranked 19th out of 19 among large Federal agencies on overall employee satisfaction. I have heard directly, as I meet with people back home, from our Border Patrol agents, particularly in the Tucson Sector, about examples of the problems with management and management priorities. For example, we have had six sector chiefs in 6 years in the Tucson Sector. We have had concerns raised by the people who are on the ground, the men and women who protect our country, the Border Patrol agents, of inattention to priorities, beginning with the most basic employee needs. For example, I have been told that currently employees or agents are unable to purchase uniforms and boots that they need to report for duty. Additionally, I understand that our agents assigned to forward operating bases along the border have been charged with 24-hour staffing for up to a week at a time with no overtime or rest.

So my questions are these. What impact do you think these policies and the dissatisfaction amongst our Border Patrol agents has on our security and the effectiveness of the administration of Departmental functions? What do you believe the Department can do to improve the leadership and management of the workforce?

Mr. NELSON. Thank you, Mr. Ranking Member, for that question. DHS, in my opinion, in Washington, DC, is probably one of the most difficult places to work for a variety of reasons. One is the mandate we placed on them. We have to wake up every morning and, again, protect all people from all things all the time. They have zero margin for error. Additionally, no other Department, I would argue, interacts with the American people in such a personal level on a daily basis as does DHS, which makes their job, again, extraordinarily difficult.

It is only, as we stated, 10 years into this. We didn't have, prior to September 11, we didn't really have a DHS workforce waiting to come into action after the creation. We had separate agencies operating independently, but we didn't have a unified Department. This dynamic over the last 10 years has taken its toll. But I do believe the Department has made significant strides in trying to create a Homeland Security personnel cadre to attend to those individuals, to have career paths for them, to do the best they can to meet their needs and demands. That is something they are going to have to continue. We have to have a homeland security workforce where individuals that are working at the Department are familiar with the agencies, and people that are working at the agencies are familiar with the Department.

Again, the greater challenge for DHS is it is not just an internal issue. They also have to do this with the State and local governments, and they also have to do this with the private sector. So creating a workforce with such a broad mandate is going to take time, it is going to take some strategic investment. Thank you.

Mr. BARBER. Thank you for that answer. I remain concerned, as I think we all should, that employee morale is at such a low level. I understand the difficulty of bringing together 22 agencies, silos that want to preserve their individual authority, but we must do

better, particularly for those men and women who every day put on the uniform, go into rugged territory to protect our homeland, and who really I think deserve better.

Let me ask you, if I could, quickly, Ms. Berrick, about another issue. Along with the Ranking Member of the Homeland Security Committee, Congressman Thompson, I recently requested a GAO review of the border resource deployment at the new Border Patrol strategic plan. The GAO report came out about a month ago. We had some public meetings on it in Arizona. What was really disappointing to me was that the results of that study showed that when the Department rolled out its strategic plan, its risk-based strategic plan, it had no goals, it had no metrics, it had no evaluation processes.

As the Department has now accepted the GAO recommendations by November of this year to implement them, in your view what immediate steps should be taken to bring that about? Second, who should be at the table? Who should be asked about what should be the goals, what should be the risk management measurements and evaluation process before those changes or aspects of the plan are implemented?

Ms. BERRICK. Thank you. A couple of things. Yeah, it is critically important that DHS implement the strategic plan that they put in place last year. The reason goals and measures are important, because it is really how DHS is going to define security at the border. What ultimately are they shooting for in terms of ensuring security along the Southwest Border? Then, along with that, do they have the resources that they need to do that? What is the appropriate mix of resources?

As you know, DHS used to have a measure for border security called operational control that they have stopped using since 2011. But what that measure basically said was: How well are we doing protecting the border, stopping the illegal traffic coming through the border and illegal goods coming over? DHS stopped using that measure and now they are just looking at apprehensions, which, you know, isn't as sophisticated a measure, it doesn't give a great picture of security. They are in the process of revising that to come up with a better measure, but it is going on 2 years now. That really needs to get resolved. Then, you know, coupled with that, they need to determine what the appropriate mix of resources they need to support that and achieve that goal.

In terms of who they should bring at the table, they need to bring all the relevant stakeholders. You know, I think they should have agents that are on the ground that are dealing with this day in and day out, the stakeholders along the border, the other Federal agencies that play a role in this. As you mentioned, and as I mentioned in my opening statement, you know, the need for DHS to really forge effective partnerships and bring stakeholders in on these key decisions is really critical. I mean, Homeland Security as an enterprise, it is not just DHS. So to be successful they are going to have to bring those stakeholders in and get their input.

Mr. BARBER. Thank you, Ms. Berrick.

Mr. DUNCAN. The gentleman's time has expired. The Chairman will now recognize the gentleman from Pennsylvania, Mr. Rothfus, for a question.

Mr. ROTHFUS. Thank you, Mr. Chairman. Thank you to our panelists for the work you have done in preparing your testimony today.

Just looking at the 10-year history of DHS and how we brought together the disparate agencies, have any of you given any consideration as to whether perhaps some of these agencies should be reorganized themselves? Would there be any merit to taking a look at ICE and CBP, putting them together? What I am looking at, wondering about is whether there might be a more efficient structure at the agency that frankly could help morale. Any of you. Just consideration of reorganization of the elements within the agency that would promote more efficiency and unity of mission.

Ms. BERRICK. Well, speaking on behalf of GAO's perspective and the work that we have done at DHS, I think that they could have been organized in a number of different ways. The decision was made to create and integrate these 22 components. They are 10 years into it.

I think DHS can be successful as organized, but there are some cross-cutting issues that they are going to need to address. One is the management of the Department, because that has a direct impact on their ability to implement their missions. You know, there is other cross-cutting issues that they need to address, strategic planning, you know, risk assessments.

So, you know, I think, and perhaps this is more of a question as they were first being created, but I think today, looking at where they are, they can be successful as structured, but they are going to need to address these issues in order to be.

Mr. ROTHFUS. Morale has been an issue at the agency since its creation, is that not true?

Mr. GILMORE. Congressman, if I could, to respond to you very quickly, you are concerned about morale because of the identity of the Department. The Department came together as a whole group of already existing agencies, things as disparate as Border Control and Coast Guard and all of this. So they all had their own identities, and now all of a sudden they are being asked to take on new identities.

Now we are 10 years into this, and certainly Ms. Berrick's report isn't all that optimistic about the way that it is being managed. We at the Advisory Panel focused our issue on the mission, and think that the committee should do that. The question is: Is the mission being performed successfully? If it is not, is that because we, in fact, have these disparate organizations and can they be reorganized in a better way? The real challenge that I see is that you spend so much time and money trying to integrate managerially that maybe the mission could be lost.

Mr. ROTHFUS. Thank you.

I yield back, Mr. Chairman.

Mr. DUNCAN. The gentleman yields back. The Chairman will now recognize the gentleman from Texas, Mr. O'Rourke, for a question.

Mr. O'ROURKE. Thank you, Mr. Chairman.

Governor Gilmore, you mentioned that one of the aims al-Qaeda has in pursuing attacks against the United States is to destroy our economy. I represent much of El Paso, Texas. We have five ports of entry there through which pass $80 billion in trade annually,

about 20 percent of all U.S.-Mexico trade. Right now we have bridge wait times for cargo that last up to 9 hours, and it is becoming more cost-effective for some of the shippers in Ciudad Juárez to air freight cargo out of that location rather than cross it through those ports of entry.

With the potential for sequester and the possibility that we may need to furlough or even cut positions when we are already understaffed at those ports of entry, can you or any of the other panelists address what that might do to our economy and how we might better prioritize those crossings? I remind everyone that more than 6 million jobs in this country are dependent on that cross-border trade.

Mr. GILMORE. Congressman, it is a remarkable question about how one harmonizes the economic power of the United States with the challenge that we are seeing worldwide to that power by threatening the economy. The economic challenges that we are seeing are deliberately and strategically the goal of a group of adversaries that want to undo that.

So I think that the mission that you are discussing is a good one to lay on the table, which is: How do we continue to have the commerce while at the same time we deal with this problem of the ingestion of illegal drugs, of illegal individuals, of illegal even arms and human trafficking? These are serious dangers on the Southern Border. I laid out in my opening remarks the fact that this needs to be a principal mission.

Now, I think it is a legitimate question. Have we become so, not confused, but have we become so focused on the managerial questions, about how we deal with morale, about how we deal with the integration of all these disparate organizations, that we are not able to achieve the mission, which is to secure the economic strength and value of the United States? I think it is a legitimate inquiry.

Mr. O'ROURKE. One of the issues that you also touched on in your testimony and just mentioned again, so much of the focus at our ports of entry are legitimate crossings and the length of border in between those crossings is on interdicting drugs. I don't want to minimize the dangers that those drugs pose to our communities and to the most vulnerable within them, especially our children, but with 16 States that have already approved medicinal use of marijuana, two States that have essentially legalized it, it is clear the direction in which this country is moving regardless of how any of us feel about it.

With that being said, and one recent report I read shows that 95 percent of the Border Patrol's resources as they are connected to pursuing this war on drugs are focused on marijuana, do any of you have any recommendations about how Congress can better respond to this and prioritize our resources to focus on those threats that I think we could all agree are a lot more existential in nature? Al-Qaeda, terrorists, human smuggling, those things that are true evils that we want to stop and prevent from entering this country.

Ms. BERRICK. Thank you. I do want to make a comment related to how to go about to do that. I want to kind of move back to the comment I made about the management of the Department. The reason, you know, management is so critical is because it enables

DHS, it gives them the ability to do the things that you talk about to implement their mission and facilitate commerce while balancing that with security.

Now, I will give you an example. DHS was developing a program called CAARS to detect shielded nuclear material in vehicles and in containers coming through our ports. This was a critical mission need that the Department identified, and they needed to field this program quickly, again balancing commerce with security. The problem was, as they were developing it they weren't getting stakeholders involved on what the requirements were, they weren't managing it with the rigor that they needed to. As a result, they ended up with a system that didn't even fit within primary inspection lanes.

So that was a management issue that had a direct effect on DHS' ability to secure our borders. So it is critical. I think in making those tough decisions about balancing security with the flow of commerce, management is really central to that.

Mr. GILMORE. Mr. Chairman, I know the time has almost expired, but if I may give a direct answer to the Congressman.

Congressman, there will be no aid and comfort from me with respect to the legalization of any kind of drugs in the United States. As a former prosecutor and Attorney General, I think what is overlooked is the involuntary nature of the use of drugs. We think that as a libertarian kind of idea people should be able to do what they want to do and all that kind of thing. The truth is, people aren't doing what they really should do or ought to do or want to do. They are doing what they are being compelled to do, particularly with respect to narcotics. I think it is a danger to the United States, it needs to be focused on, and we have to have a more honest conversation with the American people about it.

Mr. O'ROURKE. Thank you.

Mr. DUNCAN. The gentleman's time has expired. The Chairman will recognize the gentleman from North Carolina and the Chairman of the Transportation Subcommittee, Mr. Hudson, for a question.

Mr. HUDSON. Thank you, Mr. Chairman.

Thank you to the witnesses for being here today.

Governor, it is always a pleasure to be with you, sir.

Mr. GILMORE. Congressman.

Mr. HUDSON. I appreciate your comments about the legalization of drugs.

My question today, though, is directed to Ms. Berrick. The Government Accountability Office does an excellent job annually reporting on Federal programs, agencies, and offices, initiatives which have duplicate goals and activities, and has issued key reports presenting opportunities to reduce potential Government duplication, achieve cost savings, help agencies become more effective.

What has GAO identified as the key areas of duplication, overlap, and fragmentation in the Department of Homeland Security activities?

Ms. BERRICK. Thank you.

Yes, GAO is mandated to issue a report annually on duplication, overlap, and fragmentation across the Federal Government. We

have issued our first two reports. We will be issuing a third in April of this year.

Related to DHS, we identified 17 areas of duplication, overlap, and fragmentation and the billions of dollars that we believe the Department should address. Some of this will require Congressional action. I will give you a couple of examples.

One I mentioned in my opening statement, which is the coordination of grant programs. There are multiple grant programs that DHS administers that are going to overlapping individuals for overlapping purposes. That may be okay, but the Department needs to have visibility over where those grants are going. If, you know, an entity is getting multiple grants, that was by design, not by accident.

So we believe the Department needs better coordination and visibility over the projects for these grant awards. There are also opportunities to streamline the grants so there are not so many out there. It will make it easier for the Department to manage.

Another example I will give is related to Federal disaster assistance. When the President makes decisions about declaring a Federal disaster—and, of course, the Governor requests that—FEMA informs the President's decision by assessing the State's capability to respond. They base that assessment on basically a per capita income indicator of the State, and right now the indicator is $1.35. That figure was created in 1986. There wasn't a whole lot of analysis that went behind it, and it hasn't even been adjusted for inflation every year since.

Had that indicator been adjusted to reflect increases in per capita income within the States, 44 percent of disasters declared over the roughly last 9-year period perhaps wouldn't have been funded by the Federal Government. Had that factor been adjusted for inflation alone, the percentage comes down to 25 percent.

So I think, you know, in the tough fiscal environment with reduced budgets that the Department is going to have to face, as the entire Federal Government is facing, they are really going to need to look for opportunities to streamline operations, be more cost-effective, and, you know, be more rigorous in how they make resource allocation decisions.

Mr. HUDSON. I think that is true across the spectrum in Government, but particularly in this case.

What actions have you seen the Department of Homeland Security—that they have already taken, where they have been successful in doing some of this streamlining?

Ms. BERRICK. DHS did go through an internal effort to look for opportunities for cost savings, but it tended to focus on, you know, operational issues, you know, the way in which they were managing resources more internally within the Department. We think that they need to look more broadly at some of these tough issues.

They are working on it. For example, DHS did submit to the Congress a proposal to streamline their grant programs, and I know that that is being discussed and considered. But our view is that they need to look at the higher-ticket dollar items like their grants, like Federal disaster declarations.

We have highlighted in our past duplication and overlap reports, you know, other opportunities. For example, TSA funds the instal-

lation of in-line baggage screening systems at airports. They pick up 90 percent of the tab, and then the airports pick up 10 percent. We identify that TSA made a recommendation they should go back and relook at that cost share. Is that appropriate, given that the airports are getting some benefits out of these in-line systems? They are getting faster throughput through the airports, which benefits them.

So we think those are the types of things that DHS should put more emphasis on.

GAO is actually tracking DHS and the entire Federal Government's efforts to implement our recommendations coming out of these annual duplication and overlap reports. So we will continue to track and report on their progress in addressing those issues.

Mr. HUDSON. Thank you. I appreciate the good work you do.

Mr. Chairman, I yield back.

Mr. DUNCAN. I thank the gentleman for the fine questioning.

The Chairman will now recognize Mr. Payne from New Jersey for a round.

Mr. PAYNE. Thank you, Mr. Chairman.

I would like to thank all the witnesses for being here today.

Ms. Berrick, is there a way we can coordinate our technology and communications at our ports so we can ensure all of our cargo is checked, this process is made more efficient, and ensure security?

Ms. BERRICK. Thank you.

DHS does have a mandate to screen all cargo containers coming into the United States before they arrive in the United States, but they have had difficulty in addressing that. That is a massive problem.

They have created a program called Secure Border—not Secure—Secure Freight Initiative, I believe, is the name of it, where they are deploying personnel oversees to try to ensure the screening of containers coming into the United States. But they have to get agreements with the host country. There is a big price tag associated with it. So they are really in the early stages.

So what GAO has said, you know, given the challenges in doing this, DHS is really going to have to implement a risk-based approach—you know, where are the highest-risk ports? What are the highest-risk containers?—and utilize the programs they have in place right now to assess risk to really target their resources where they can provide the most benefit. Because as has been said today, they can't secure everything——

Mr. PAYNE. Right.

Ms. BERRICK [continuing]. And they are going to have to make some trade-offs in deciding what they can do.

Mr. PAYNE. This is just a very important issue for my district, having the Port of Newark and also the Port of Elizabeth right next to—book-ending my district.

Let me ask you also, it is my understanding that using private contractors can be more costly even though Federalized employees, much of the time, do the same job but are paid less. Would you agree that this leads to reduced morale? Would you agree that then we should move toward Federalizing these employees versus private contractors?

Ms. BERRICK. GAO has looked at this issue of the use of contractors throughout the Department of Homeland Security. A few years ago, DHS couldn't even identify how many contractors they had. There was a massive number of contractors within the Department.

What we think is important for them to do right now is to determine what is the appropriate mix of Federal versus contractor personnel, now that they have done a lot of work to identify what contractors they have, to really think through, you know, what is an inherently Governmental function that should be performed by Government employees, you know, versus contractors. So I think that is, you know, step No. 1.

Then, obviously, with that, they should consider the cost, what can be done more efficiently with contractors versus Federal employees. But first they need to know how many they have and then really think about what is inherently Governmental that should be kept within house.

Mr. PAYNE. Okay. Well, I would think that bringing them in-house, it would be able to control those costs more effectively than, as you say, than not even knowing how many contractors are involved. But thank you very much.

I yield back.

Mr. DUNCAN. The gentleman yields back.

Now the Chairman will recognize the gentleman from the big sky country of Montana, Mr. Daines, for questioning.

Mr. DAINES. Thank you, Mr. Chairman.

"Big sky" is right about Montana, and big. I notice some of my peers here represent districts and States that actually share borders here, either with Canada or with Mexico. In light of that, perhaps this might be for Ms. Berrick.

I am very appreciative of the candid and thoughtful testimony this morning. It is refreshing.

Have you looked at and found ways, substantive ways, perhaps we can spend less money and get more, actually, as it relates to border security, looking at your findings? It is a huge topic. It is a topic that I think we all see here in Washington is going to become, you know, front and center as it relates to border security.

What could you share with us of ways we can perhaps get better value from the way we administer border security?

Ms. BERRICK. You know, I think the first thing DHS can do is to use a lot of the good risk information that they have generated and really build that into their decision-making. You know, recognize that they are not going to be able to secure everything 100 percent of the time, so what are the riskiest things, if you will, that they should be devoting their resources to? I think that is important.

I think a second thing that is important is, when they decide that they need to implement a program to ensure security at the border or airports or elsewhere, really putting the rigor and the discipline into thinking through exactly what is the right alternative and then, once we make a decision, how do we go about procuring this?

Oftentimes we have found that DHS hasn't done a great job looking at the alternatives, you know, weighing the pros and cons, and

really putting the discipline into the process that they need to, you know, versus rushing with one solution that may not be the best alternative.

Now, you know, of course we recognize that DHS has to work quickly to respond to threats as they evolve. You know, sometimes they may not have the luxury to do what I am suggesting. But looking at the Department overall, we think there have been a number of missed opportunities because they haven't really, you know, thought through and done that planning up front that ultimately would have benefited them. As a result, programs that they want to field, you know, sometimes aren't successful or it takes years longer to get them out than they had hoped.

Mr. DAINES. I have a follow-up question. When I look at the State of Montana, as an at-large Member, my district is my State. Montana is a State that in one corner you can place Washington, DC, the other corner, you can place Chicago. That is the size of the State of Montana. We share a Northern Border with Canada that is over 600 miles long.

Perhaps just turning attention to the Northern Border and vulnerabilities there, are we putting enough emphasis on securing the Northern Border? We talk a lot about the Southern Border, and rightfully so. I recognize we live in a constrained environment financially. You have to stack-rank priorities and fund accordingly. But perhaps some comments on our Northern Border and vulnerabilities. Are we putting enough effort there?

Ms. BERRICK. Yeah, I think that more work is required at the Northern Border. I mentioned earlier that CBP used to have a measure called operational control of the border. They did that both for the Southwest Border and the Northern Border. The Southwest Border, in 2011 they were saying they had operational control of about 40 percent of the border. On the Northern Border, that is much lower; it was less than 10 percent at the time.

It is a difficult border to secure. It has unique challenges. We think one thing DHS can do is really leverage partnerships along the border, create task forces, you know, try to employ risk-based decision-making.

This is going to be a part of implementing their strategic plan. CBP issued this plan last year to identify the framework for how they are going to secure both the Southwest and Northern Border, but they haven't made a lot of progress in really moving forward with that plan and putting some meat around what is that going to mean in terms of programs and resources. So the Northern Border will be a critical aspect that they will have to think through as they move forward with that plan.

Mr. GILMORE. Congressman, if I could——

Mr. DAINES. May I——

Mr. GILMORE. Oh, I am sorry. If I could add something, the Northern Border is vast compared to the Southwest Border.

Mr. DAINES. Uh-huh.

Mr. GILMORE. I spoke recently in Canada, and the Canadians are at pains to be—they are our most loyal allies and friends and, by the way, our biggest commercial partners in the United States of America. But sometimes they feel like that the United States ne-

glects them in terms of our respect and cooperation. I think that those are diplomatic issues that we have to continue to focus on.

I want to answer your question directly by saying that we need to spend more time thinking about intelligence sharing and making sure the CIA, FBI, Canadian officials, local law enforcement people all along the Northern Border are sharing information appropriately to recognize the risk and the danger. Because, otherwise, you end up patrolling thousands of miles of untracked area that it is impossible to do. As you know, Congressman, many of the towns are literally divided by the border.

Mr. DAINES. Correct. That is right. Thank you, Governor.

Mr. NELSON. May I add to that?

One thing I think it is important to note: The last 2 years, there has been significant progress between DHS and the government of Canada, specifically on the Beyond the Border Action Plan. In fact, they just issued their implementation update recently, and Canada was down here briefing that.

There has been a series of pilot programs, the U.S. Coast Guard Shiprider program. There have been efforts for domain awareness inside the Great Lakes. It has been, I think, one of the strengths of what the Department has done in international cooperation. The whole goal there is to have free trade—trade flow more freely along there.

So, you know, Canada has now made a commitment they are going to fund some of these programs. They are waiting for the United States to kind of reciprocate on this end. So I think it is important not to forget the successes that we have seen over the last 2 years.

Thank you.

Mr. DAINES. Well, thanks for those comments. I would just offer, too, I am looking forward to engaging—especially with constrained resources, it would be the citizens and local law enforcement, as well, that could work together in patrolling these vast miles of our Northern Border.

Thank you. I yield back.

Mr. DUNCAN. The gentleman's time has expired, but we do have time for a second round of questioning if Members would like do that and if the witnesses can endure.

I want to thank Governor Gilmore for mentioning cooperation and intelligence sharing with our neighbors. I passed a bill, signed by the President, dealing with the Iranian threat in the Western Hemisphere, and a big portion of that is looking at how we are working with our neighbors in the Western Hemisphere—that includes Canada but also our southern neighbors, as well—to thwart any sort of threat to the homeland. I think that is a valuable thing.

My question is: Coming from the private sector, you know, what I see out of Government is, a lot of times, they do not operate efficiently like we have to operate in the private sector. You either operate efficiently, you either are productive and profitable, or you go out of business, or someone else steps in that can do it better and takes the business away from you.

So, Governor Gilmore, I want to ask: The private sector constantly finds efficiencies to ensure the most effective work processes. How can DHS better incorporate a business-model approach

and leverage lessons learned from the private sector into the processes and the business of homeland security at large?

Mr. GILMORE. Mr. Chairman, it always comes down, as I think there is a consistent theme with all the witnesses today, to the strategy, the planning, and the strategic mission. You have to assess that and then determine the best possible way to address that.

Government is never going to be as efficient as, for example, private contractors. To return to Congressman Payne's comment a few minutes ago, back when we did our commission report, we actually initiated the notion of trusted shippers, so that you look and see from overseas who is bringing things in and then you can have confidence that those are going to be safe and secure, and then you focus on the more risk-based suspect containers. That, of course, means that your Government employees are in a position to concentrate their attention, as they so loyally do, on that type of mission.

But at the end of the day, Congressman, the key is that you have to understand what your mission is and whether or not you can most efficiently employ your resources to do it. That requires, in my view, this Congress to oversee that, and I know that you are doing that this morning.

Mr. DUNCAN. The word, or term, "operational control" has been used a lot since I have been in Congress, and no one has really been able to define to me what operational control truly is. So I will ask the panel, all four of you: What is operational control of our border, in your opinion?

I will start with Ms. Berrick, and let's go back toward the Governor.

Ms. Berrick.

Ms. BERRICK. When CBP used that measure a couple of years ago, there were a lot of different factors that went in to calculating it. It was apprehensions, turn-backs, estimated flow coming across the border. It was pretty sophisticated in how they went about approaching that. Currently, they are really just looking at apprehensions, which we don't feel is a great measure. It is an indicator, but we don't think it is a great measure for assessing control of the border.

So my response is, I don't think CBP has a good definition of what operational control is today. They have been working on trying to come up with that definition. Now they are saying it may take until 2014 to come up with it. We think it is critical.

We think CBP needs to be the ones to define it since they are managing the border. I am sure Congress will ask GAO to look at it once they do define it. But right now they just don't have a good measure for operational control.

Mr. DUNCAN. Mr. Nelson.

Mr. NELSON. I would measure it more along the terms of effectiveness: How effective are we being at achieving the mission? They have been effective at keeping terrorist attacks from happening in the United States, DHS has been. The effectiveness of the border, how you measure those, with apprehensions or whatever metric you use, is never fully going to capture that.

I think it is also difficult to capture how effective you are when you are still dealing and struggling with issues about immigration

reform, which I know is an issue that the Congress is taking on this year. But, again, how do you measure effectiveness when you don't know what the strategic guidance may be from Congress or from the President on these particular issues because we are still waiting to hear that? I think that will be important going forward.

Mr. DUNCAN. All right.

Mr. Reese.

Mr. REESE. I think the discussion of—I first have to say, border security is not an issue that I specifically focus on at CRS. I think it is actually a good analogy when I was discussing this idea of what is homeland security. As we are talking and the very people—the very agency responsible for operational control are having a hard time defining it. We are using words like "terrorism" and "immigration" and "customs."

I think it comes back to this idea of, we don't have this concept yet. Or we have a concept, but it is according to who you speak to. Until we actually have the discussion like we are having now, we are going to continue to wonder what do words mean, what does operational control of the border mean? I don't have an answer for you, Congressman.

Mr. DUNCAN. Governor.

Mr. GILMORE. Well, you know, it is a term of art, and what, in fact, really does it mean? It is Government talking to itself about what it is trying to achieve.

Operational control? I don't know if we have operational control or not. It is an incident of American sovereignty as to whether we have control over our borders or not. But at the end of the day, if we think that we are not bringing cocaine across the Southern Border, we are kidding ourselves. We know we are. Those routes and those methodologies can be used by potential terrorists if they decide to do a military operation against us. That is why it is so important.

At the end of the day, though—I want to come back to this last theme—if we are going to have operational control over our borders, it is going to be because the people of the United States are engaged in this issue and understand when they participate in drug activity or other kinds of activity that they are enabling a lack of operational control over our borders. At the end of the day, homeland security is the job of every citizen of the United States, not just the Government.

Mr. DUNCAN. Thank you for that.

Before I turn it over to the Ranking Member, I will discuss a conversation he and I had just this week about ranchers in his district that are fearful to leave their children at home to go into town to buy a gallon of milk because of the folks that are coming across our border.

So I think, when you talk about operational control, it needs to be to the point of safety and security of those ranchers in Arizona, Texas, New Mexico, California, feel safe to leave their children at home on their property.

With that, I will yield to the Ranking Member for questioning.

Mr. BARBER. Thank you, Mr. Chairman. The point you just made is a point I would like to explore a little further, and my first question is for Ms. Berrick.

You know, we talked earlier about the new strategic plan that is a risk-based plan that was rolled out last May, unfortunately without goals or measurements, evaluation processes, which is problematic, to say the least.

When I think about border security and how you define it—and it is a very elusive term—I think, as the Chairman just mentioned, that when I hear anecdotally from the ranchers—and I hear from them all the time on conference calls and other ways—that they are unsafe in their home, they don't feel that they can even go to the clothesline without being armed, to me that is an indication that at least where they live we don't have a secure border or a border that keeps them safe. So that is one way.

But I am really interested in adding to the anecdotal information by having sound empirical information or data that lets us have both elements of an evaluation.

As we think about this new risk-based strategic plan, I asked you earlier about who should be at the table. I agree, all the stakeholders should be at the table to define that. But what suggestions do you have of ways in which the Department can actually measure success using its new strategic plan, which is a risk-based plan?

Ms. BERRICK. You mentioned data. I think that is one point to make up front. Right now the sectors are collecting data in different ways, so it is very difficult for somebody to come in and look across the sectors and draw conclusions about security along the Southwest Border because the data is being collected in different ways. So I think that is important, and having DHS try to get a handle on that.

You know, second, a part of their strategic plan—you know, we talked about the measures and the goals. Another part of the strategic plan that still has to be implemented is how they are going to leverage stakeholder relationships and how those are going to be developed and supported, related to security along the Southwest Border. So they still need to define exactly what that needs to look like and how they are going to implement it. So that is going to be really critical, as well.

I think the third piece is what you mentioned, is they are going to have to make decisions—and obviously this is a policy call, as well, for the country—on, you know, what is security along the border. You know, first of all, define it. You know, to date, CBP, Border Patrol has been operating under the assumption of whatever resources they have. You know, they are putting them along the border. They are thinking, you know, based on the budget I have, this is what I can do, versus, you know, what is the end-state, what ultimately do we want for security along the Southwest Border, and do that in a risk-based way.

Once they have defined that, they need to have measures so that—and collect data in consistent ways so that they can objectively look at to what extent they are achieving that end. Right now I don't think it has been defined, and they don't have measures, and the data isn't great or consistently collected.

Mr. BARBER. Thank you. I would agree. I have heard that from many different people, that we have from sector to sector different ways of even collecting the same information or same ideas.

Let me ask a question now, Governor Gilmore, of you. As we have discussed today and as you know, there have been numerous occasions where the Department has spent millions of dollars, actually wasted millions of dollars, on technology that doesn't achieve the intended security goal. As a former small-business owner myself, I, as was mentioned earlier, know that you have to spend your money wisely, you have to put it where it is going to make the most profit if you are in business. I think the Government needs to find ways to do the same.

I have heard from a number of small-business owners that they have great ideas, and everyone has a great idea, but that the problem that they face is how to penetrate the bureaucracy at DHS to even get a hearing or consideration of their idea, particularly as it relates to new and innovative ways to improve security.

What is your thinking, Governor, about how we can change that situation or that dynamic so that these good ideas can actually at least get a hearing?

Mr. GILMORE. Well, I have never been able to do it.

No, Congressman, it really comes, I think, down to administrative and Congressional demand that the mission itself be effectively carried out. Then I think there has to be a focus on oversight as to the best way to do that and whether the Department of Homeland Security is implementing it.

So, to the extent that they go back to many of the usual suspects in the defense community, the question is: Are there better ideas that can in fact be incorporated? Can we find a new methodology to do that, other than the general contractor-type of approach?

As we know, the typical approach of the Government, particularly DHS, is to hire a big player. Then the really innovative small-business people you are talking about simply become bit players as subcontractors along there. The question is: Can we find a way to make sure that we are fully engaging the most innovative small-business people as they come up with new and innovative ideas? That is an administrative approach that I think the Congress could rightly demand.

Mr. BARBER. Thank you, Governor.

Mr. DUNCAN. The Chairman now recognizes Mr. Daines for questioning.

Mr. DAINES. Going back to the—the title of this hearing is "Spending Tax Dollars Wisely." Like the Chairman and the Ranking Member—they are asking questions about value, and, like the Chairman, I spent 28 years in the private sector, where every dollar is scrutinized for return on investment.

I want to move over to the issue of cybersecurity. I think it is another hot topic. How do we ensure we are going to get the most effective, you know, bang for the buck as it relates to spending dollars on cybersecurity?

Because I think there is going to be more investment made there. I have only been here for 40-plus days, but I can see this town knows how to spend money, and I want to make sure we are getting good return on investment and value.

So maybe that might be for Mr. Nelson.

Mr. NELSON. Great. I thank you for the question.

I think that DHS obviously has a huge role in this. I mean, it goes back to our information-sharing architecture, which is in place, for the most part. It is, now, how do we utilize that, utilizing, for example, the fusion centers?

One of the things that we have to focus on when it comes to cyber, because it is such a sensitive thing, because the private sector obviously owns most of that infrastructure, is that flow of information has to be two ways. It can't just be that the Department is giving threat information to the corporations, to the companies. It has to be, as well, the companies have to be willing to share that threat information.

That is one of the biggest challenges we are having right now due to liability issues and marketing issues, that some companies are afraid to share where they are being attacked, and they are being attacked. That is something I think the DHS is a relatively low-cost solution. How do we open up that flow of communication on what the threats are that we are actually facing?

Another one is I think DHS as an institution should be the lead for the Federal Government on cybersecurity training. Someone has to do this. Every department has some sort of cybersecurity training. It is not congruent across Government. Give one department the mandate to do that, consolidate those resources, and let them set the baseline for how our Government employees should be trained.

Thank you.

Mr. DAINES. Thank you.

I yield back.

Mr. GILMORE. If I could add, Congressman——

Mr. DAINES. Yes?

Mr. GILMORE [continuing]. Yesterday, I discovered I left my cell phone charger in Richmond when I came back to Washington, and my phone went down. I felt completely disengaged and had to race over to my iPad to get back on-line again.

The enemy understands that, with the more sophisticated economy that is now developing in the United States, that if they can disrupt our cyber abilities, they can disable our response abilities. That is certainly true in a terrorist situation.

I ask this question: Do we have a unified American strategy for cybersecurity? I am aware that the Department of Defense has set up an entire Cyber Command. They are, by the way, completely unconnected to the Department of Homeland Security.

The question, I guess, that one would repeat is: Do we have a unified approach in the United States Government to cybersecurity in this country and infrastructure protection? I think we probably don't, which means there is a danger of duplication or even confusion.

Mr. DAINES. Thank you.

I have one more question, Mr. Chairman, if I could.

I spent the last 12 years, actually, with a cloud computing company, a global company. We think about border security as this, you know, physical borders, lines we can see. Certainly in the area of cybersecurity now, it is the entire—it is the global challenge we face.

Any comments, too, around how we can kind of unleash the private sector, who are—it is in their self-interest, certainly in their best interest, to ensure that we have, you know, hard networks and tight security. Any comments from the witnesses?

Mr. NELSON. Again, it comes down to how—85 percent of the critical infrastructure is owned by the private sector. How do we enable DHS to work with those entities? How do we share that information? Should it be that we have DHS cyber experts embedded inside companies and companies embedded inside, you know, DHS to share that information? We have to make those relationships much more robust, and that is going to be the key going forward.

Ms. BERRICK. If I could just add, GAO has designated cybersecurity as a Government-wide high-risk area. We have experts who spend a lot of time looking at this issue across Government. They would be happy to come up, if you would like, and talk to you more about the work GAO has done, what we have recommended across Government.

I mean, it is a massive problem. DHS has key responsibilities. You asked specifically about the private sector. They have set up a—they call it Computer Emergency Readiness Team that helps the private sector with their detection capabilities, and the private sector can report incidents through this center. That showed a significant uptick in issues.

So it is, again, a massive problem. It is going to take a lot of work for DHS to address this. It is going to be a Federal Government-wide effort. Again, GAO would be happy to come up and talk to you in more detail if you would like.

Mr. DAINES. Thank you.

Mr. DUNCAN. The gentleman's time——

Mr. DAINES. I yield back.

Mr. DUNCAN. Thank you.

I would just inform the Members that Chairman McCaul is planning to have a full committee hearing on cybersecurity sometime in the very near future. I know that the Chairman of the Subcommittee on Cybersecurity, Mr. Meehan, is very interested in a lot of the questions that you had today.

So, with that, I will recognize Mr. O'Rourke from Texas for a question.

Mr. O'ROURKE. Mr. Nelson, you cited the Secretary's goal of getting 50 percent of travelers enrolled in a secure traveler program like the SENTRI program.

Again, to use El Paso as an example, we have millions of border crossings every year. The Mexican nationals who are crossing north really keep our retail economy alive. They spend upwards of $2 billion a year in El Paso. You can imagine the thousands of jobs that are tied to that spending.

Yet, right now, those Mexican nationals are waiting 3 and 4 hours in auto lines and, I think more cruelly, in pedestrian lines. It can be 35 degrees and raining in El Paso right now. Folks are waiting 3 and 4 hours for the privilege of spending their hard-earned dollars in the El Paso economy. As I mentioned earlier, with the prospect of sequester, furloughing agents, it could get even worse.

One additional example, the Paso del Norte Bridge in downtown El Paso, of the 11 potential lanes at peak travel times, according to a study conducted last year by Cambridge Systematics, only 5 of those are manned.

So I really appreciate the goal. However, enrollment in—an application into the SENTRI program costs $122, which may not seem like a lot to some of us, but for the folks who are crossing that is not money that they ever have at any one given time, for many of them.

Is there any wisdom in finding a way to cover that cost for the benefit of having those folks screened, having biometric scanning, reducing the labor at the point of border crossing, and obviously helping the economy of El Paso and the United States?

Mr. NELSON. Thank you for that question. I appreciate that.

As we talk a lot about the balance between privacy and security, there is obviously the critical balance and some would argue more critical disjuncture between trade and security. We have to provide a secure border, but we have to facilitate trade, not just with our partners up north but obviously with your district near El Paso.

The good thing about technology is, over time, the price goes down. It does become more affordable. Again, as we have, as I am encouraging, an enterprise-wide, you know, approach to training, DHS can see cost savings. Using something like biometrics, which, you know, confirms someone's identity, allows an individual or allows DHS to spend time screening those individuals that are a great risk.

Most of the people that are crossing that border coming into the United States want to go back to Mexico. So how do we get them in the system once, where we can expedite how they are crossing, they can add to the economy of El Paso, and then go back, and they are considered trusted. Then DHS can spend its time going after those that are trying to smuggle drugs or other illicit activities.

So I think if they invest in this capability and pursue this, you will see a cost savings in terms of trade in those kinds of programs when they are paying for themselves.

Mr. O'ROURKE. For Governor Gilmore, again, I appreciate your comments in regards to how we better pursue the war on drugs, stop illegal and dangerous drugs from coming in to this country. But in the spirit of this panel and spending taxpayer dollars wisely, let me try to get at the solution that I hope to arrive at.

You know, we are spending billions of dollars right now to interdict these drugs. By volume, marijuana is the largest. We have put up billions of dollars in walls. We have doubled the size of the Border Patrol. As the father of three young children, I am deeply concerned that marijuana is just as or even more available today, especially in middle schools, than it has been before.

So, again, in the spirit of today's hearing, how do we spend that money more effectively, do a better job of interdicting and stopping those drugs from coming into our communities, and yet still meet all of the other threats that are posed at our international border crossings?

Mr. GILMORE. Congressman, I have actually been to El Paso, and I appreciate your able representation of that community and your

focus on their economic well-being. I appreciate the spirit of your remarks here today.

I have put a lot of thought into the drug issue, and you can tell by my emphasis today that I am deeply concerned about this. I guess my answer to you is that I see the poisoning of young people, whether it is in El Paso or Chicago, as a threat to the National security. That is the way I define National security, as well as al-Qaeda and other potential attacks.

We can also broadly address the threat of this country as natural disasters. We just saw the protestations of the New Yorkers the other day because of the hurricane up there.

So here is the answer, I think. I think that the Congress should and this committee should put a lot of thinking into the definition, as my colleagues have said, of what homeland security is and then set its priority and then make a decision about where our limited funds are best spent.

I, for one, believe that the enabling of any drug culture in this country is inimical to the interests of the United States. But I certainly acknowledge that you can pick and choose and make those decisions as to what the greatest threat to this country is and use your money accordingly.

Mr. O'ROURKE. Thank you.

Mr. DUNCAN. Well, that concludes the first foray of this subcommittee into this hearing of the DHS after 10 years. I want to thank the witnesses for their valuable testimony and the Members for their questions and participation today.

The Members of the committee may have some additional questions for the witnesses, and we will ask you to respond to these in writing. Pursuant to Committee Rule 7, the hearing record will be held open for 10 days.

Without objection, the subcommittee stands adjourned.

[Whereupon, at 10:36 a.m., the subcommittee was adjourned.]

APPENDIX

QUESTION FROM CHAIRMAN JEFF DUNCAN FOR JAMES S. GILMORE, III

Question. With the recent announcement by Immigration and Customs Enforcement (ICE) of the releasing of a large number of detained persons without the supposed knowledge of Secretary Napolitano or head ICE officials, what does this say about management of the Department? Please explain.

Answer. Response was not received at the time of publication.

QUESTIONS FROM CHAIRMAN JEFF DUNCAN FOR RICK "OZZIE" NELSON

Question 1. With the recent announcement by Immigration and Customs Enforcement (ICE) of the releasing of a large number of detained persons without the supposed knowledge of Secretary Napolitano or head ICE officials, what does this say about management of the Department? Please explain.

Answer. Response was not received at the time of publication.

Question 2. For 10 years, the Department's Office of Inspector General has identified multiple employee integrity and corruption cases. How has the Department dealt with this major management issue in the past and what are your suggestions to the Department moving forward?

Answer. Response was not received at the time of publication.

QUESTIONS FROM CHAIRMAN JEFF DUNCAN FOR CATHLEEN A. BERRICK

[*Note.*— The responses are based on previously-issued GAO products.[1]]

Question 1. With over 225,000 people employed at DHS, a vast bulk of funding is allotted for human capital costs. Can the Department's workforce be streamlined to ensure that taxpayer dollars are spent on the Department's most essential programs?

Answer. The Department of Homeland Security's (DHS) workforce of over 225,000 people supports the Department's multiple missions to prevent terrorism and enhance security, secure and manage the Nation's borders, enforce and administer immigration laws, safeguard and secure cyberspace, and ensure resilience from disasters. Given the critical nature of DHS's mission to protect the security and economy of our Nation, it is important for DHS to have the personnel needed with the right skills to accomplish these missions. Our work has shown that DHS needs to better align its strategic planning with programmatic goals and budgetary realities to develop long-term strategies for acquiring, developing, and retaining staff to achieve these goals.[2] Strategic workforce planning that is integrated with broader organizational strategic planning is essential for ensuring that agencies have the talent, skill, and experience mix they need to cost-effectively execute their mission and program goals.

In December 2010, DHS issued a workforce strategy and a revised workforce planning guide to help the Department plan for its workforce needs. DHS components are in various stages of implementing these workforce planning efforts. In December 2012, we identified several factors that have hampered DHS's strategic workforce planning efforts, such as the lack of an effective oversight approach for monitoring

[1] See GAO, *DHS Strategic Workforce Planning: Oversight of Department-wide Efforts Should Be Strengthened,* GAO–13–65 (Washington, DC: Dec. 3, 2012); *Federal Emergency Management Agency: Workforce Planning and Training Could Be Enhanced by Incorporating Strategic Management Principles,* GAO–12–487 (Washington, DC: Apr. 26, 2012); *Homeland Security: DHS Requires More Disciplined Investment Management to Help Meet Mission Needs,* GAO–12–833 (Washington, DC: Sept. 18, 2012); *DOD Civilian Workforce: Observations on DOD's Efforts to Plan for Civilian Workforce Requirements,* GAO–12–962T (Washington, DC: July 26, 2012); and *Workforce Reductions: Downsizing Strategies Used in Select Organizations,* GAO/GGD–95–54 (Washington, DC: Mar. 13, 1995).

[2] GAO–13–65.

and evaluating components' progress in implementing strategic workforce planning.[3] We recommended that DHS, among other things, identify and document additional performance measures to assess workforce planning efforts at the component level, integrate human capital audit results with components' annual operational plans, and provide timely feedback on those plans. DHS agreed with these recommendations and stated that it plans to take actions to address them.

We have also previously reported on workforce planning-related challenges at DHS and its components. These challenges include collecting and analyzing workforce data, determining optimal staffing, and identifying gaps in workforce needs, amongst others. For example, in April 2012, we reported that the Federal Emergency Management Agency's (FEMA) workforce-related decisions could be enhanced by developing systematic processes to collect and analyze its agency-wide workforce and training data.[4] Without systematically collecting and analyzing workforce and training data, FEMA will be limited in its understanding of its workforce and training needs. Further, in September 2012, we reported that most of DHS's major acquisition programs experienced workforce shortfalls—specifically a lack of Government personnel-increasing the likelihood their programs will perform poorly in the future.[5]

Should Congress or DHS determine that workforce reductions or streamlining is warranted at the Department, our body of work on prior workforce reductions at the Department of Defense (DOD) and other organizations can provide important lessons learned and highlight the importance of strategic workforce planning, including a consideration of costs, to help ensure that DHS has a fully capable workforce to carry out its mission. For example, in July 2012, we testified that DOD's downsizing in the early 1990s did not focus on reshaping the civilian workforce in a strategic manner.[6] This downsizing resulted in significant imbalances in terms of shape, skills, and retirement eligibility and a workforce characterized by a growing gap between older, experienced employees and younger, less experienced ones. We also found that DOD's efforts were hampered by incomplete data and the lack of a clear strategy for avoiding the adverse effects of downsizing and minimizing skills imbalances.

Our prior work on the downsizing conducted by other organizations adds further perspective on some challenges associated with certain strategies and the need to conduct effective planning when downsizing a workforce. In 1995, we conducted a review of downsizing undertaken by 17 private companies, 5 States, and 3 foreign governments, generally selected because they were reputed to have downsized successfully.[7] We reported that:

- a number of factors may constrain organizations' downsizing strategies, such as public sentiment, budget limitations, legislative mandates to maintain certain programs, and personnel laws;
- using attrition as a sole downsizing tool can result in skills imbalances in an organization's workforce because the employees who leave are not necessarily those the organization determined to be excess;
- attrition is often not sufficient to reduce employment levels in the short term; and
- some workforce reduction strategies have been found to slow the hiring, promotion, and transfer process and create skills imbalances.

We found that one key theme emerged from such downsizing efforts. Specifically, most organizations found that workforce planning had been essential in identifying positions to be eliminated and pinpointing specific employees for potential separation. In organizations where planning did not occur or was not effectively implemented, difficulties arose in the downsizing. For example, we reported that a lack of effective planning for skills retention can lead to a loss of critical staff, and that an organization that simply reduces the number of employees without changing work processes will likely have staffing growth recur eventually.

With the long-term fiscal challenges currently facing the Nation, streamlining the DHS workforce, as well as those of other Federal agencies, may be considered in the future as an option to achieve cost savings. These decisions should be made with care. If reductions are made, it is imperative that DHS cautiously and strategically take into account Department-wide critical skills and competencies needed to maintain and meet its mission, drawing upon experiences and lessons learned from other agencies, as appropriate.

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[3] GAO–13–65.
[4] GAO–12–487.
[5] GAO–12–833.
[6] GAO–12–962T.
[7] GAO/GGD–95–54.

Question 2. To what extent has the Department assessed the managerial and cost impacts of increased telework and alternate work schedules? What cost savings, if any, could DHS incur and what challenges in the Department's management and information sharing could result?

Answer. We have not examined DHS's telework and alternative work schedule policies and practices. As a result, we are unable to comment on DHS's use of telework and alternative work schedules and the extent to which these practices have led to cost savings and challenges. However, telework and alternative work schedule policies and practices have both been cited as important management strategies with benefits for both the organization and employees. For example, the benefits of telework include supporting continuity of operations during emergencies, contributing to a greener environment, increasing employees' ability to balance work and life demands, decreasing facility operating costs, and improving employee retention and recruitment. For more than a decade, Congress has indicated its desire that agencies create telework programs. In 2010, the Telework Enhancement Act of 2010 (the Act) was enacted.[8]

The Act required Federal agencies to submit annual reports to the Office of Personnel Management (OPM) on their telework programs, and OPM to report annually to Congress on the telework programs of each agency, among other things. According to OPM's 2012 telework report, 10 percent of eligible DHS employees reported teleworking in September 2011, and DHS's established goal for the next reporting period is 15 percent. The Act also calls for OPM to assess progress made by agencies in achieving any identified, non-participation goals (e.g., energy use, recruitment, retention, and employee attitudes). OPM reported that agency progress on measuring telework cost savings and results on telework goals other than participation are a work in progress.

[8] Pub. L. No. 111–292, 124 Stat. 3165.