

**Testimony of**

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## **The Future of Homeland Security: The Evolution of the Homeland Security Department's Roles and Missions**

Mr. Chairman, Ranking Member Senator Collins, and members of the committee, I am pleased to have been invited to testify on this important topic and I thank you for the opportunity.

I am also pleased to be here with my distinguished colleagues, Mr. Richard Skinner, and Congresswoman Jane Harmon.

Mr. Chairman, there are three significant anniversary dates occurring in the next year that frame the discussion of the evolution of the Department of Homeland Security. I am not here to dwell on the past but it is important to understand the circumstances under which the Department was created.

### **The Past and Present**

The dates are:

- The 25<sup>th</sup> of November, the 10<sup>th</sup> Anniversary of the signing into law of the Homeland Security Act
- The 24<sup>th</sup> of January, the date the Department was created pursuant to that law
- The 1<sup>st</sup> of March, the date on which the operating components of the new Department were transferred from their respective legacy departments

Mr. Chairman you know these dates all too well, as you were part of the legislative process that created the Department. From the time legislation was submitted by the administration in June 2002 until the Department was formed less than one year elapsed. The time period between enactment of the legislation until the Department was formed there was a little over three months. While this could be considered government at light speed, little time was available for deliberate planning and thoughtful consideration of available alternatives. The situation was complicated by the fact that the law was passed between legislative sessions and in the middle of a fiscal year. Other than Secretary Ridge, early leadership positions were filled by existing senior officials serving in government and did not require confirmation. Funding was provided through the reprogramming of current funds from across government for departmental elements that did not have existing appropriations from their legacy departments.

Operating funds for components that were transferred were identified quickly and shifted to new accounts in the Department to meet the deadline. Because of the wide range of transparency and accuracy of the appropriation structure and funds management systems of the legacy departments some of the new operational components faced a number of immediate challenges. Estimating the cost of salaries

for Customs and Border Protection (CBP) or Immigration and Customs Enforcement (ICE) required the combination of different work forces, with different grade structures, different career ladders, and different work rules.

Basic mission support functions of the department such as financial accounting, human resource management, real property management, information resource management, procurement, and logistics were retained largely at the component level in legacy systems that varied widely. Funding for those functions was retained at the component level as well. In those cases where new entities were created (i.e. Departmental level management and operations, the Under Secretary for Science and Technology, the Under Secretary for Intelligence and Analysis, the Domestic Nuclear Detection Office) support systems had to be created rapidly to meet immediate demands of mission execution. Finally, components and departmental offices that did not preexist the legislation were located in available space around the Washington DC area and the Secretary and number of new functions were located at the Nebraska Avenue Complex in Northwest Washington.

At the time of this transition I was serving as the Coast Guard Chief of Staff and was assigned as the Coast Guard executive to oversee the Service's relocation from the Department of Transportation to the new Department. We began planning for eventual relocation as soon as the administration submitted legislation to the Congress. I also assigned personnel to the Transition Planning Office (TPO) that was created in the Office of Management and Budget by Executive Order to prepare for the transition. A considerable challenge during this period was the fact that the TPO was part of the Executive Office of the President and there were legal limitations on how much of their work could be shared externally. As a result much of that effort was redone or duplicated when the Department was created.

My intent is not to dwell on the past but to frame the degree of difficulty facing the leaders attempting to stand up the Department from the outset. Many of these issues persist today, ten years later. Despite several attempts to centralize and consolidate functions such as financial accounting and human resource management, most support functions remain located in departmental components and the funding to support those functions remains in their appropriations. Because of dissimilarities between appropriations structures of components transferred from legacy departments there is a lack of uniformity, comparability, and transparency in budget presentations across the department. As a result it is difficult to clearly differentiate, for example, between personnel costs, operations and maintenance costs, information technology costs, and capital investment. Finally, the five-year Future Years Homeland Security Plan (FYHSP) required by the Homeland Security Act has never been effectively implemented as a long range planning, programming, and budgeting framework inhibiting effective planning and execution of multi-year acquisitions and investments.

In the Washington Area the Department remains a disjointed collection of facilities and the future of the relocation to the St. Elizabeth's campus remains in serious

doubt. One of the great opportunity costs that will occur if this does not happen will be the failure to create a fully functioning National Operations Center for the Department that could serve at the integrating node for departmental wide operations and establish the competency and credibility of the Department to coordinate homeland security related events and responses across government as envisioned by the Homeland Security Act. As with the mission support functions discussed earlier, the Department has struggled to evolve an operational planning and mission execution coordination capability. As a result, the most robust command and control functions and capabilities in the Department reside at the component level with the current NOC serving as a collator of information and reporting conduit for the Secretary.

The combination of these factors, in my view, has severely constrained the ability to the Department of mature as an enterprise. And while there is significant potential for increased efficiencies and effectiveness, the real cause for action remains the creation of unity of effort that enables better mission performance. In this regard there is no higher priority than removing barriers to information sharing within the department and improved operational planning and execution. Effective internal management and effective mission execution require the same commitment to shared services, information systems consolidation, the reduction in proprietary technologies and software, and the employment of emerging cloud technologies.

Mr. Chairman, this summary represents my personal views of the more important factors that influenced the creation and the first ten years of the Department's operations. It is not all-inclusive but is intended to be thematic and provide a basis for discussion regarding the future. Looking to the future the discussion should begin with the Department's mission and the need to create unity of effort internally and across the homeland security enterprise.

### **The Future**

The Quadrennial Homeland Security Review was envisioned as a vehicle to consider the Department's future. The first review completed in 2010 described the following DHS missions

- Preventing Terrorism and Enhancing Security
- Securing and Managing Our Borders
- Enforcing and Administering our Immigration Laws
- Safeguarding and Security Cyberspace
- Insuring Resiliency to Disasters

An additional area of specific focus was the maturation of the homeland security "enterprise" which extends beyond the department itself to all elements of society that participate in and contribute to the security of the homeland.

The QHSR outcomes were consistent with the fiscal year 2010 budget that was submitted in early 2009 following the change of administrations. That request laid out the following mission priorities for the Department

- Guarding Against Terrorism
- Securing Our Borders
- Smart and Tough Enforcement of Immigration Laws and Improving Immigration Services
- Preparing For, Responding To, and Recovering From Natural Disasters
- Unifying and Maturing DHS

The FY 2010 budget priorities and the follow-on QHSR mission priorities have served as the basis for annual appropriations requests for four consecutive fiscal years.

I participated in the first review prior to my retirement and we are approaching the second review mandated by the Homeland Security Act. This review presents an opportunity to assess the past ten years and rethink assumptions related to how the broad spectrum of DHS authorities, jurisdictions, capabilities, and competencies should be applied most effectively and efficiently against the risks we are likely to encounter ... and how to adapt to those that cannot be predicted. This will require a rethinking of what have become traditional concepts associated with homeland security over the last ten years.

### **Confronting Complexity and Leading Unity of Effort**

In the most recent issue of Public Administration Review (PAR) that is the journal of the American Society for Public Administration (ASPA) I wrote an editorial piece entitled "Confronting Complexity and Leading Unity of Effort." (Copy attached) I proposed that the major emerging challenge of public administration and governing is the increased level of complexity we confront in mission operations, execution of government programs, and managing non-routine and crisis events. Driving this complexity are rapid changes in technology, the emergence of global community, and the ever-expanding human-built environment that intersects with the natural environment in new more extreme ways.

The results are more vexing issues or wicked problems we must contend with and a greater frequency of high consequence events. On the other hand advances in computation make it possible to know more and understand more. At the same time structural changes in our economy associated with the transition from a rural agrarian society to a post industrial service/information economy has changed how public programs and services are delivered. No single department, agency, or bureau has the authorizing legislation, appropriation, capability, competency or capacity to address complexity alone. The result is that most government programs or services are "co-produced" by multiple agencies. Many involve the private/non-

governmental sector, and, in some cases, international partners. Collaboration, cooperation, the ability to build networks, and partner are emerging as critical organizational and leadership skills. Homeland Security is a complex “system of systems” that interrelates and interacts with virtually every department of government at all levels and the private sector as well. It is integral to the larger national security system. We need the capabilities, capacities and competency to create unity of effort within the Department and across the homeland security enterprise.

### **Mission Execution and Mission Support**

As we look forward to the next decade I would propose we consider two basic simple concepts: Mission execution and mission support. Mission execution is deciding what do you and how to do it. Mission support enables mission execution.

#### **Mission Execution ... Doing the Right Things Right**

As a precursor to the next QHSR there should be a baseline assessment of the current legal authorities, regulatory responsibilities, treaty obligations, and current policy direction (i.e. HSPD/NSPD). I do not believe there has been sufficient visibility provided on the broad spectrum of authorities and responsibilities that moved to the department with the components in 2003, many of which are non discretionary. Given the rush to enact the legislation in 2002 it makes sense to conduct a comprehensive review to validate the current mission sets as established in law.

The next step, in my view, would be to examine the aggregated mission set in the context of the threat environment without regard to current stove piped component activities ... to see the department’s mission space as a system of systems. In the case of border security/management, for example, a system of systems approach would allow a more expansive description of the activities required to meet our sovereign responsibilities.

Instead of narrowly focusing on specific activities such as “operational control of the border” we need to shift our thinking to the broader concept of the management of border functions in a global commons. The border has a physical and geographical dimension related to the air, land and sea domains. It also is has a virtual, information based dimension related to the processing of advance notice of arrivals, analysis data related to cargoes, passengers, and conveyances, and the facilitation of trade. These latter functions do not occur at a physical border but are a requirement of managing the border in the current global economic system.

The air and maritime domains are different as well. We prescreen passengers at foreign airports and the maritime domain is a collection of jurisdictional bands that extend from the territorial sea to the limits of the exclusive economic zone and beyond.

The key concept here is to envision the border as an aggregation of functions across physical and virtual domains instead of the isolated and separate authorities, jurisdictions, capabilities, and competencies of individual components. Further, there are other governmental stakeholders whose interests are represented at the border by DHS components (i.e. DOT/Federal Motor Carriers regarding trucking regulations, NOAA/National Marine Fisheries Service regarding the regulation of commercial fishing).

A natural outcome of this process is a cause for action to remove organizational barriers to unity of effort, the consolidation of information systems to improve situational awareness and queuing of resources, and integrated/unified operational planning and coordination among components. The additional benefits accrued in increased efficiency and effectiveness become essential in the constrained budget environment. The overarching goal should always be to act with strategic intent through unity of effort.

A similar approach could be taken in considering the other missions described in the QHSR. Instead of focusing on “insuring resiliency to disasters” we should focus on the creation and sustainment of national resiliency that is informed by the collective threat/risks presented by both the natural and human built environments. The latter is a more expansive concept than “infrastructure” and the overall concept subsumes the term “disaster” into a larger problem set that we will face. This strategic approach would allow integration of activities and synergies between activities that are currently stove piped within FEMA, NPPD, and other components. It also allows cyber security to be seen as an activity that touches virtually every player in the homeland security enterprise.

In regard to terrorism and law enforcement operations we should understand that terrorism is, in effect, political criminality and as a continuing criminal enterprise it requires financial resources generated largely through illicit means. All terrorists have to communicate, travel, and spend money, as do all individuals and groups engaged in criminal activities. To be effective in a rapidly changing threat environment where our adversaries can quickly adapt, we must look at cross cutting capabilities that allow enterprise wide success against transnational organized criminal organizations, illicit trafficking, and the movement of funds gained through these activities. As with the “border” we must challenge our existing paradigm regarding “case-based” investigative activities. In my view, the concept of a law enforcement case has been overtaken by the need to understand criminal and terrorist networks as the target. It takes a network to defeat a network. That in turn demands even greater information sharing and exploitation of advances in computation and cloud-based analytics. The traditional concerns of the law enforcement community regarding confidentiality of sources, attribution, and prosecution can and must be addressed, but these are not technology issues ... they are cultural, leadership, and policy issues.

Mr. Chairman, this is not an exhaustive list of proposed missions or changes to missions for the Department. It is an illustrative way to rethink the missions of the Department given the experience gained in the last ten years. It presumes the first principals of (1) a clear, collective strategic intent communicated through the QHSR, budget, policy decisions, and daily activities and (2) an unyielding commitment to unity of effort that is supported by an integrated planning and execution process based on transparency and exploitation of information to execute the mission.

### **Mission Support ... Enabling Mission Execution**

Mr. Chairman, in my first two years as Commandant I conducted an exhaustive series of visits to my field commands to explain my cause for action to transform our Service. In those field visits I explained that when you go to work in the Coast Guard every day you one of two things: you either execute the mission or you support the mission. I then said if you cannot explain which one of these jobs you are doing, then we have done one of two things wrong ... we haven't explained your job properly or we don't need your job. This obviously got a lot of attention.

In the rush to establish the Department and in the inelegant way the legacy funding and support structures were thrown together in 2003, it was difficult to link mission execution and mission support across the Department. To this day, most resources and program management of support functions rest in the components. As a result normal mission support functions such as shared services, working capital funds, core financial accounting, human resources, property management, and integrated life cycle based capital investment have been vexing challenges.

There has been hesitancy by components to relinquish control and resources to a Department that appears to be still a work in progress. The structure of department and component appropriations does not provide any easy mechanism for departmental integration of support functions. As a result information sharing is not optimized and potential efficiencies and effectiveness in service delivery are not being realized. As I noted earlier, a huge barrier to breaking this deadlock is the lack of uniformity in appropriations structures and budget presentation. This problem has been compounded by the failure to implement a 5-year Future Years Homeland Security Plan and associated Capital Investment Plan to allow predictability and consistency across fiscal years.

Mr. Chairman, having laid out this problem, I see three possible ways forward. The desirable course of action would be build the trust and transparency necessary for the Department and components to collectively agree to rationalize the mission support structure and come to agreements on shared services. The existing barriers are considerable but the first principals of mission execution apply here as well ... unambiguous, clearly communicated strategic intent and unity of effort supported by transparency and exploitation of information. A less palatable course of action is top down directed action that is enforced through the budget process. The least desirable course of action is externally mandated change.

A first step that lies within the capability of the Department would be to require standardized budget presentations that can serve as the basis for proposed appropriations restructuring to clearly identify the sources and uses of funds and to separate at a minimum personnel costs, operating and maintenance costs, information technology costs, capital investment, and facility costs.

### **Conclusion**

Mr. Chairman, I have attempted to keep this testimony at a strategic level and focus and thinking about the challenges in terms that transcend individual components, programs, or even the Department itself. I have recently spoken to the Department of Homeland Security Fellows and the first DHS Capstone course for new executives. I have shared many of the thoughts provided today over the last ten years to many similar groups. This year I changed my message. After going over the conditions under which the Department was formed and the many challenges that still remain after ten years, I was very frank with both groups. Regardless of the conditions under which the Department was created and notwithstanding the barriers that have existed for ten years, at some point the public has a right to expect that the Department will act on its own to address these issues. Something has to give. In my view, it is the responsibility of the career employees and leaders in the Department to collectively recognize and act to meet the promise the Homeland Security Act. That is done through a shared vision translated into strategic intent that is implemented in daily activities from the NAC to the border through the trust and shared values that undergird unity of effort. It is that simple, it is that complex.