

**Opening Statement of Chairman Joseph Lieberman
Homeland Security and Governmental Affairs Committee
“Charting a Path Forward: The Homeland Security Department’s
Quadrennial Homeland Security Review and Bottom Up Review.”
Washington, DC
July 21, 2010
As Prepared for Delivery**

The hearing will come to order. Good morning and welcome to the Deputy Secretary of the Department of Homeland Security, Jane Holl Lute. In the 9/11 Recommendations Act of 2007, Congress mandated that the Department of Homeland Security carry out a Quadrennial Homeland Security Review, a QHSR, as a way to develop and update strategies for homeland security within the federal government and ensure that the Department’s programs and activities were aligned with that homeland security strategy.

The Act required that the annual QHSR be provided to Congress by the end of 2009.

The QHSR was modeled on the Quadrennial Defense Review (QDR) that was put in place in the 1990s to ensure that the leaders of the United States military would focus on emerging national security threats, that to some extent the requirement to do the QDR would force them to look above the pressing events of the day, over the horizon to the challenges that were ahead and then to present to Congress and the public the strategies and resources to counter them.

The QHSR, which was completed in early February, and the follow-on Bottom Up Review – or BUR – which was completed and issued just a few weeks ago are meant to serve the same purpose for homeland security. They have the potential to be the catalyst for ongoing transformation and improvement of the Department, as well as across our entire homeland security community outside of the Department. In that sense we're very fortunate to have Secretary Lute with us because I know that you oversaw these two reports.

This morning we want to hear about the results of this process, including the impact that it is having on strategic planning more broadly within the Department and at other homeland security agencies.

I'd like to hear about the steps that will be taken to implement the initiatives described in the report – including how it will impact the Department's budget priorities in future years and how the Department intends to work with Congress on initiatives that may require statutory changes.

Forty-four initiatives are described in the BUR report, the Bottom Up Review, in areas such as information-sharing, management integration, DHS regional alignment, and the organizational framework for cybersecurity. In fact, cybersecurity—in a noteworthy change—has now made its way into the top five mission areas of the Department of Homeland Security and I applaud that placement because that's exactly where I think it belongs.

The BUR is also a broad narrative of the Department's key missions, too broad at least in its first iteration and various of its parts, and its goals for improving those missions, which sometime in the reports were too vague to me as I read them. I hope, Madam Secretary, that you'll be able to develop those in some more detail today.

When Congress created the Department of Homeland Security out of 22 different federal agencies in 2002, we knew it would take time for it to mature into a cohesive agency that could focus its many parts on its two main missions – take the lead in our nation's fight against the Islamist terrorists who attacked us on 9/11 and then be able to respond better to natural disasters. And overall as I've said here many times, the Department has done very well at achieving those missions, but it still has a way to go as we all acknowledge.

The QHSR and the BUR are important steps on the path to achieving that goal and I have questions that I'm going to ask about that.

I do want to say that we hold this hearing against the backdrop of a series of articles that's been in "The Washington Post" called "Top Secret America" that examines the new institutions and programs created after 9-11, particularly focused on intelligence, but also including the Department of Homeland Security. So it makes this oversight of the QHSR and the BUR particularly timely.

The Post series has raised important questions about the big changes in our government since 9/11.

For instance: Is too much of our war against the terrorists who attacked us on 9/11 being out-sourced to private contractors? That's a big question raised by the Post series and one that has been a concern of this Committee for some significant period of time.

Going back to October of 2007, we held a hearing hearing on the Department's reliance on contractors. At that hearing, the GAO presented the results of a review that they conducted at the request of Senator Collins and myself. We've consistently pressed the Department on this issue in the context of oversight of specific programs, such as SBInet and cybersecurity for example, where there continue to be a number of private contractors involved. The former Under Secretary for Management Elaine Duke I think tried to dig into this issue towards the end of the last administration, but didn't get very far and I'm not sure there was support from people above her.

I am pleased to say that it does seem to me that a review of the contractor workforce is underway now under Secretary Napolitano and Deputy Secretary Lute. At a briefing in December, we heard for the first time that DHS is trying to quantify the number of contract employees. The numbers that we've received are really quite remarkable. At an oversight hearing on this question a while ago, I

was shocked to hear the number 200,000 contract employees working for the Department of Homeland Security, as compared to 188,000 full-time civilian employees.

After the hearing, Senator Collins and I wrote to Secretary Napolitano to ask for a more detailed breakdown on the contractor work force so we could determine whether those contract employees were doing inherently governmental work, in violation of the law. It's hard to imagine with so many of them that some of them were not and I think we've got to face that and deal with it so that the reality comes into performance with the law.

While we have been assured repeatedly by the department that a review is underway, we still as of this morning don't have a timetable for when that review will be complete or a specific breakdown at the program level of the current full-time employee to private contractor ratios.

I hope, Secretary Lute, that you'll be able to help us answer some of these questions today, and if not today then as soon as possible. While, in my opinion, a lot of the growth of the homeland security and intelligence community of the U.S. government after 9/11 was necessary and I don't know if the series in the Post intends to say that the system is out of control, I don't find from my inquiry that it's out of control, both because of the mission of the Department and also because of the creation of the Director of National Intelligence doing the same.

But there's been a lot of growth, it happened quickly and it's part of why we've been relatively fortunate since 9/11, thank god, and thanks to all the people who have helped us do that, that we have not been hit again with anything like 9/11. But the facts in the Post series, and all that we've been working on over the past three years here in the Committee, say that we can't just let the machine operate without control from the executive branch and oversight from the legislative branch so that we make sure that we're spending taxpayer dollars in a cost-effective way.

I look forward to discussing this and all the other topics that the QHSR and BUR raise with you this morning. I appreciate you being here.

Sen. Collins.