



**Testimony of
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**Before the
Senate Committee on Homeland Security and Governmental
Affairs
July 21, 2010**

Good morning Chairman Lieberman, Ranking Member Collins, and members of the committee. It is my distinct honor to appear before you today to discuss the Quadrennial Homeland Security Review (QHSR) and Bottom-Up Review (BUR), and in particular how the Department of Homeland Security (DHS) plans to implement the initiatives set forth in these two efforts; how they will improve the performance of DHS and enhance the nation's homeland security; and lessons learned that can inform the next QHSR.

As you know, the submission of the QHSR Report to Congress on February 1, 2010 marked an important first step in a multi-step process to examine and address fundamental issues that concern homeland security. The QHSR Report described the Nation's homeland security interests, identified the critical homeland security missions, and defined a strategic approach to those missions by laying out the principal goals, essential objectives, and key strategic outcomes necessary for that approach to succeed.

The bottom-up review (BUR) was initiated in November 2009 as an immediate follow-on and complement to the congressionally mandated QHSR with the aim to align the Department's programmatic activities and organizational structure with the broader mission sets and goal identified in the QHSR. The BUR Report reflects that endeavor and represents an intermediate step between the QHSR Report and the DHS FY 2012-2016 Future Years Homeland Security Program (FYHSP), which will propose specific programmatic adjustments based on the QHSR strategic framework. Together, these three elements—the QHSR, the BUR, and the DHS FY 2012-2016 FYHSP—will address the primary legislative requirements set forth in Section 707 of the Homeland Security Act.

The QHSR

The QHSR resulted in a new strategic framework and a positive, forward-looking vision for homeland security: *A homeland that is safe, secure, and resilient against terrorism and other hazards where American interests, aspirations, and way of life can thrive.* The QHSR strategic framework grounds homeland security in five missions and their associated goals and objectives, informed by a new conception of homeland security that places emphasis on: (1) the homeland security enterprise; (2) a more comprehensive and complete understanding of homeland security threats; and (3) the need to achieve balance across efforts related to Security, Resilience, and Customs and Exchange.

<p>Mission 1: Preventing Terrorism and Enhancing Security</p> <ul style="list-style-type: none"> • Goal 1.1: Prevent Terrorist Attacks • Goal 1.2: Prevent the Unauthorized Acquisition or Use of Chemical, Biological, Radiological, and Nuclear Materials and Capabilities • Goal 1.3: Manage Risks to Critical Infrastructure, Key Leadership, and Events
<p>Mission 2: Securing and Managing Our Borders</p> <ul style="list-style-type: none"> • Goal 2.1: Effectively Control U.S. Air, Land, and Sea Borders • Goal 2.2: Safeguard Lawful Trade and Travel • Goal 2.3: Disrupt and Dismantle Transnational Criminal Organizations
<p>Mission 3: Enforcing and Administering Our Immigration Laws</p> <ul style="list-style-type: none"> • Goal 3.1: Strengthen and Effectively Administer the Immigration System • Goal 3.2: Prevent Unlawful Immigration
<p>Mission 4: Safeguarding and Securing Cyberspace</p> <ul style="list-style-type: none"> • Goal 4.1: Create a Safe, Secure, and Resilient Cyber Environment • Goal 4.2: Promote Cybersecurity Knowledge and Innovation
<p>Mission 5: Ensuring Resilience to Disasters</p> <ul style="list-style-type: none"> • Goal 5.1: Mitigate Hazards • Goal 5.2: Enhance Preparedness • Goal 5.3: Ensure Effective Emergency Response • Goal 5.4: Rapidly Recover

The QHSR outlined this strategic framework to guide the activities of the members of the homeland security enterprise toward a common end.

The BUR

The BUR is the second major step of a three-step process that began with the QHSR and will culminate in the President’s Fiscal Year 2012 budget request and the accompanying Fiscal Year 2012-2016 FYHSP. The BUR provided a DHS-specific review of the Department’s responsibilities and authorities within each homeland security mission set forth in the QHSR, and the programs and activities required to effectively execute the Department’s responsibilities within those missions. As required by the QHSR statute, the BUR included an assessment of the organizational alignment of the Department with the homeland security missions—including the Department’s organizational structure, management systems, procurement systems, and physical and technical infrastructure—and a review and assessment of the effectiveness of the mechanisms of the Department for turning the requirements developed in the QHSR into an acquisition strategy and expenditure plan for the Department.

The BUR had four specific aims:

- (1) To gauge how well current activities and departmental organization align with mission priorities and goals as outlined in the QHSR;

- (2) To identify ways to achieve better programmatic and budgetary alignment across the entire department;
- (3) To identify areas for enhanced mission performance; and
- (4) To prioritize initiatives to strengthen existing programs and organization, address shortfalls, and establish a foundation for innovation and advancement.

While the robust portfolio of DHS's component agencies could not be completely represented in a 40-page report, the BUR Report discusses the Department's core role in each of the homeland security missions, considers the additional statutory responsibilities of DHS component agencies, and outlines enhancements and initiatives that address three principal areas of emphasis:

- **Strengthening and Maturing DHS**—There is a need to strengthen the Department's ability to execute its mission responsibilities, run itself, and account for the resources that have been entrusted to it.
- **Enhancing Partner Capability and Capacity**—Responsibilities for homeland security extend beyond DHS and indeed, beyond the Federal government. For that reason, there is a need to strengthen the ability of partners in the homeland security enterprise—in particular, State, local, tribal, and territorial governments, and the private sector—to execute important aspects of core homeland security mission activities.
- **Deepening International Engagement**—Security of our homeland begins far from our shores. We must work with key international partners to improve the critical partnerships and activities that affect the homeland security mission space, consistent with the broad range of U.S. Government international priorities and in consultation and coordination with the Department of State and the U.S. Chiefs of Mission stationed in foreign countries.

The BUR Process

Beginning in November 2009, each DHS directorate, component, and office subdivided its programs into activities, and categorized those activities as mission activities, mission support activities, or business support activities. Each mission activity was then given a primary mapping to one of the five homeland security missions articulated in the QHSR Report, as well as to one of the six functional capability portfolios set forth in the Homeland Security Enterprise Architecture.¹

The activities inventory resulted in a comprehensive catalogue of DHS activities across the homeland security missions. The three basic aims of the activities inventory were to: (a) increase comparability within and across Components; (b) improve measurement of mission outcomes and the contribution of particular programs to those outcomes; and (c) attain better cost

¹ The six functional capability portfolios in the Homeland Security Enterprise Architecture are Screening, Securing, Law Enforcement, Domain Awareness, Benefits Administration, and Incident Management. These mappings were done to facilitate functional capability portfolio reviews that are being conducted separately from the BUR.

estimating of missions, programs, and activities. The activities alignment allowed DHS leadership to view the full panoply of DHS activities within each mission, in order to enhance the accomplishment of the mission priorities identified in the QHSR through alignment and prioritization of DHS programs and resources.

As the activities inventory progressed, Department leadership began identifying policy, legislative, and organizational implications arising out of the QHSR mission goals and objectives and the activities inventory. I personally held several meetings with the leadership of the Department's directorates and operating components, as well as key offices, to discuss priority initiatives and enhancements in each of the five homeland security missions, as well as in the categories of Improving Department Management and Increasing Accountability. Those meetings resulted in an initial list of over 300 potential initiatives and enhancements. Through further discussion and analysis, that list was reduced to the 44 initiatives and enhancements that are described in the BUR Report.

BUR Results

The BUR resulted in priorities across three main categories: (1) Enhancing Mission Performance; (2) Improving Department Management; and (3) Increasing Accountability. It should be noted that these are *four-year priorities*; DHS will not accomplish all 44 of the initiatives and enhancements in Fiscal Year 2012. Instead, DHS will begin work on the highest-priority initiatives now, propose the initiation of others in the President's Fiscal Year 2012 budget proposal, and accomplish others through the Fiscal Year 2012-2016 time frame of the FYHSP.

Enhancing Mission Performance

Mission 1: Preventing Terrorism and Enhancing Security

Protecting the United States and its people from terrorism is the cornerstone of homeland security. DHS shares leadership roles and responsibilities in the U.S. government's efforts to prevent terrorist attacks with several Federal departments and agencies. DHS's responsibilities focus on three goals: preventing terrorist attacks; preventing the unauthorized acquisition, importation, movement, or use of chemical, biological, radiological, and nuclear (CBRN) materials and capabilities within the United States; and reducing the vulnerability of critical infrastructure, key leadership, and events to terrorist attacks and other hazards. To improve performance in this mission area, the Department will:

- Strengthen counterterrorism coordination across DHS;
- Strengthen aviation security by bolstering the international aviation security system, improving security processes and technologies, and encouraging partnerships with industry;
- Create an integrated Departmental information sharing architecture and link that architecture to interagency efforts to prevent terrorism while protecting privacy, civil rights and civil liberties;

- Deliver infrastructure protection and resilience capabilities to the field, in conjunction with efforts to “design in” greater resilience in critical infrastructure;
- Set national performance standards for identification verification;
- Increase efforts to detect and counter nuclear and biological weapons and dangerous materials;
- Standardize and institutionalize the National Fusion Center Network;
- Promote safeguards for access to secure areas in critical facilities, including through increased risk-informed screening and recurrent vetting;
- Establish DHS as a center for excellence for canine training and deployment; and
- Redesign the Federal Protective Service to better match mission requirements.

Mission 2: Securing and Managing Our Borders

DHS is responsible for secure, well-managed borders that not only protect the United States against threats from abroad, but also expedite the safe flow of lawful travel and commerce. Achieving this outcome rests on three interrelated goals: effectively securing U.S. air, land, and sea borders; safeguarding lawful trade and travel; and disrupting and dismantling transnational criminal and terrorist organizations. To strengthen efforts to achieve these goals, the Department will:

- Expand joint operations and intelligence capabilities, including enhanced domain awareness;
- Enhance the security of the global trade and travel systems responsible for the secure movement of people and goods, including enhanced container and maritime security and prioritization of immigration and customs investigations relating to global trade and travel systems;
- Strengthen and expand DHS-related security assistance internationally (e.g. border integrity and customs enforcement security assistance) consistent with U.S. government security and foreign assistance objectives in consultation and coordination with the Departments of State and Defense; and
- Work closely with the governments of Canada and Mexico to enhance North American security.

Mission 3: Enforcing and Administering Our Immigration Laws

Smart and effective enforcement and administration of our immigration laws allows the government to facilitate lawful immigration while identifying and removing those who violate our laws. To support this mission area, DHS will:

- Pursue comprehensive immigration reform;
- Strengthen and improve the Department's immigration services process;
- Prioritize national security and fraud detection vetting in immigration services processes;
- Target egregious employers who knowingly exploit illegal workers;
- Dismantle human smuggling organizations through concerted law enforcement activity;
- Improve the detention and removal process by increasing non-investigatory law enforcement staffing and expanding Secure Communities and the Criminal Alien Program;
- Work with new Americans so that they fully transition to the rights and responsibilities of citizenship; and
- Build and maintain a model immigration detention system.

Mission 4: Safeguarding and Securing Cyberspace

Cyber infrastructure forms the backbone of the Nation's economy and connects every aspect of our way of life. While the cyber environment offers the potential for rapid technological advancement and economic growth, a range of malicious actors may seek to exploit cyberspace for dangerous or harmful purposes, disrupt communications or other services, and attack the Nation's infrastructure through cyber means. By statute and Presidential directive, DHS has the lead for the Federal government to secure civilian government computer systems, works with industry to defend privately-owned and operated critical infrastructure, and works with State, local, tribal and territorial governments to secure their information systems. In pursuing these initiatives and enhancements to strengthen the Department's capabilities in cybersecurity, DHS will:

- Better integrate and focus DHS cybersecurity and infrastructure resilience operations;
- Strengthen DHS's ability to protect cyber networks;
- Increase predictive, investigative, and forensic capabilities for cyber intrusions and attacks; and
- Promote cybersecurity public awareness through the cyber awareness program and the planned implementation of a national public awareness and education campaign.

Mission 5: Ensuring Resilience to Disasters

Ensuring domestic resilience to disasters is grounded in the four fundamental elements of emergency management: mitigating hazards, increasing our Nation's preparedness, effectively responding to emergencies, and supporting community recovery. During domestic disasters, the Department's role, largely executed through the Federal Emergency Management Agency

(FEMA), is principally one of coordinator, working closely with our State, local, regional, tribal, and territorial partners, as well as nongovernmental organizations and the private sector, to enhance preparedness, build and sustain capabilities, and act as an aggregator of resources from across the Federal government. DHS, through FEMA, also has specific direct responsibilities, including disaster preparedness, response, recovery, and mitigation, including field coordination, disaster logistics, individual and public assistance programs, as well as national continuity programs. DHS maintains a significant first responder capability for disasters in the maritime domain through the U.S. Coast Guard (USCG), and also ensures the resilience of critical infrastructure to disasters through the National Protection and Programs Directorate. In order to strengthen mission performance, DHS will:

- Enhance catastrophic disaster preparedness through shared objectives and capability standards at the Federal, State, local, regional, tribal, territorial, nongovernmental, and private sector level, developed in close collaboration with all partners and based on planning assumptions that address risk-based worst case scenarios (maximums of maximums);
- Improve the capabilities of DHS to lead in emergency management through a new strategic approach to developing FEMA’s workforce, creating an emergency management career path, and harmonizing emergency responder training across DHS;
- Explore opportunities with the private sector to “design-in” greater resilience for critical infrastructure; and
- Make individual and family preparedness and critical facility resilience inherent in community preparedness.

Complementary Department Responsibilities and Hybrid Capabilities

DHS also performs a number of services and functions that are complementary to its homeland security mission responsibilities, including marine safety, stewardship, and environmental protection, and certain categories of law enforcement activities. These services and functions are typically performed with hybrid capabilities—assets and resources capable of performing multiple missions—which are a hallmark of homeland security. For example, the same assets and personnel that patrol our borders, enforce our immigration laws, and respond to major oil spills also enforce safety regulations, assist travelers, and safeguard natural resources. These complementary activities are critical to fulfilling other national interests and are often intertwined with and mutually supporting of homeland security activities.

Improving Department Management

The integration of 22 different Federal departments and agencies into a unified, integrated Department of Homeland Security continues to represent a significant public policy and management challenge. Over the course of its brief history, DHS has evolved to its current structure, which includes seven operating components, four headquarters directorates, and over 15 additional supporting offices, many of which combine responsibilities for policy,

management, operations, acquisition, external affairs, and research and development. In order to improve department management, DHS proposes to:

- Seek restoration of the Secretary’s reorganizational authority for DHS headquarters to address new threats and realize greater efficiencies;
- Realign component regional configurations into a single DHS regional structure;
- Improve cross-Departmental management, policy, and functional integration;
- Strengthen DHS internal counterintelligence capabilities and internal intelligence sharing and distribution;
- Enhance the Department’s risk management capability;
- Invest in the DHS workforce and improve retention and morale by strengthening employee health and wellness and other human resources programs;
- Strengthen coordination within DHS through cross-Departmental training and career paths;
- Increase diversity in the DHS workforce, especially at senior levels; and
- Balance the DHS workforce by ensuring strong federal control of all DHS work and reducing reliance on contractors as needed to enhance competency and meet long-term mission requirements.

Increasing Accountability

To enhance mission performance and improve Departmental management, DHS must increase accountability across the organization. While accountability cuts across all aspects of the organization’s operations, our initial focus will be to maximize the performance and resource data we collect to support strategic and risk-informed decision-making. The initiatives described below are intended to improve the effectiveness of the Department in turning the requirements developed in the QHSR into an acquisition strategy and expenditure plan. DHS proposes to:

- Increase its analytic capability and capacity by enhancing strategic planning, resource allocation, risk analysis, net assessment, modeling capabilities, statistical analysis, and data collection;
- Improve performance measurement and accountability by increasing the quality of the Department’s performance measures and linking those measures to the mission outcomes articulated in the QHSR Report; and
- Strengthen acquisition oversight by strengthening the Department’s independent cost estimation capability.

Implementing the BUR and the Path Forward

BUR implementation began on April 19 with the submission of resource allocation plans by DHS directorates, components, and offices. The resource allocation plan submission process was restructured to show resources in a common set of expenditure categories according to the activities identified in the BUR. By collecting the data in this way, DHS has been able to systematically look at costs associated with salaries (people), expenses, investments (planning, acquisition, and maintenance), research and development, and assistance payments (grants) across components, which DHS has never been able to do before. From this, DHS directorates, components, and offices were able to construct a more unified FYHSP program structure based on the activities. That programmatic structure facilitates much easier evaluation of resource prioritization and a clearer understanding of the alignment of program outcomes with the overall mission goals and objectives set forth in the QHSR Report. DHS is currently evaluating the resource allocation plans through its Program Review Board, and the final decisions on the resource allocation plans will ultimately be set forth in the President's Fiscal Year 2012 budget proposal and the accompanying Fiscal Year 2012-2016 FYHSP.

In addition, each of the 44 initiatives and enhancements set forth in the BUR Report have been assigned to a DHS directorate, component, or office, to lead Department-wide efforts to implement the initiative. Some of the initiatives will require programmatic or budgetary activity, and the Administration's proposals for those initiatives will be included in the President's Fiscal Year 2012 budget proposal and the accompanying Fiscal Year 2012-2016 FYHSP. Other initiatives involve policy, legislative, and organizational activities. DHS will evaluate policy alternatives and change policy as appropriate, and those legislative and organizational proposals for Fiscal Year 2012 will be proposed either within the President's Fiscal Year 2012 budget proposal and the accompanying Fiscal Year 2012-2016 FYHSP or another venue as appropriate.

DHS will also undertake, in coordination with appropriate interagency partners, additional efforts in support of the QHSR, including the development of requirements for intelligence, science and technology, support to civil authorities, and other elements described in the QHSR and BUR reports.

Lessons Learned

As we look toward the next QHSR, I would like to share with you a few lessons learned. First, future QHSRs should not be conducted in transition years. Senior leadership engagement and support is critical to any planning process of this scale, and the timeline of the transition process creates significant challenges in the critically important conceptualization and launch phases of a review. Based on the foundation set by the 2009 QHSR, the next QHSR will involve significant analytics during both the preparatory and early phases of the review, which must be conducted with full buy-in and awareness of senior leadership.

In addition, the other major quadrennial reviews, including the Quadrennial Defense Review and Quadrennial Diplomacy and Development Review, among others, must be synchronized. Today's security environment demands whole of government solutions and flexible and adaptable policy responses to difficult challenges. Quadrennial reviews offer an important opportunity to pause and ensure the strategy is right and the organization is aligned. We must

find ways to do this in a way that meaningfully leverages the knowledge of each relevant department and agency, as well as stakeholders beyond the federal government.

Lastly, though the QHSR succeeded in breaking down bureaucratic and other barriers to large-scale engagement with the public, there is still more we can do. The technology and the tools are there for government to significantly enhance representative policymaking and we must facilitate the use of such tools across the government.

Conclusion

Thank you again for the opportunity to speak with you today about implementation of the QHSR and DHS Bottom-Up Review, and lessons learned for the future. I look forward to your questions.