

Before the Subcommittee on Oversight and Management Efficiency

House Homeland Security Committee

“Stakeholder Perspectives on Priorities for the Quadrennial Homeland Security Review”

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Chairman Duncan, ranking member Barber, members of the subcommittee, I am honored to testify before you today about the Department of Homeland Security’s Quadrennial Homeland Security Review (QHSR). During my time as Assistant Secretary for Policy at DHS, I was involved in launching the QHSR, as well as what was then known as the Office of Strategic Plans. As you can imagine I am a strong supporter of coordinated strategic planning in general, and of the QHSR in particular.

Our goal in starting the QHSR was to create a mechanism for the Secretary to articulate a unified set of strategies and priorities for protecting U.S. homeland security. We believed that by forcing ourselves to think strategically about the range of threats to the nation and the tools available to the Department, we could create a unified set of priorities that could guide the components of the Department without the need for constant personal attention from the Secretary and Deputy Secretary. We also hoped that doing so would make for a better budget process, one in which some of the goals and tradeoffs had already been clarified, so that budgeting was a matter of matching limited resources to an agreed set of priorities. We hoped, in short, that some of the hard choices then driven by annual budget exercises could be made with a longer perspective across all parts of the Department.

Since its inception, DHS has suffered from a lack of unity between its components. In many ways this is unsurprising. As you all know, the Department was created from the combination of several different entities, most of which brought with them a fully formed set of ideas about how to best go about protecting the nation. Reconciling these diverse missions into something resembling a coherent set of policy goals was always going to be a challenge, even under the best of circumstances. The Department has benefited tremendously over the years from strong leadership, and when the Secretary brought personal focus to the task, the Department responded with unity and focus. But without that personal involvement it has been hard to maintain mission unity among the Department’s components.

Unity has only grown more important in an era of evolving threats. The original impetus for creating DHS was to better coordinate the various entities responsible for protecting the

nation against terrorism. In certain ways this reorganization has been tremendously successful. America's enemies have been unable to replicate the destruction of 9/11 within the United States, and DHS deserves great credit for the role it has played in thwarting many post-9/11 plots. But terrorism today is a more dynamic threat than it was ten or fifteen years ago. The advances in communications technology since 2001 alone have fundamentally altered the ability of terrorists to recruit, both inside and outside of the United States, as well as to coordinate attacks. This is not to mention, of course, the many other threats beyond terrorism that the Department must guard against. Some of these threats are new or evolving. For instance, our increasing reliance on network technology has made us more vulnerable to cyber attacks. A hacker can today cause a level of damage from his living room that would have been inconceivable as recently as ten years ago. Others are as old as the planet, as Hurricane Katrina reminded us nearly ten years ago.

The QHSR is thus a mechanism for DHS to think carefully about the full range of threats it faces, and to prioritize them accordingly. In a world of unlimited resources this would be less important. But that is not the world we live in. We have settled into an extended period of austerity for the Department, and cuts to its budget remain a real possibility in the immediate future. Given that DHS cannot treat every threat equally, it is therefore even more imperative that the Secretary be able to prioritize threats and coordinate the Department's resources accordingly. This is what we hoped the QHSR would facilitate.

Grading the 2014 QHSR

DHS issued the first QHSR in 2010. The final product was, in my opinion, a good first statement of the Department's priorities. Having analyzed the range of short- and long-term threats to the United States in light of the department's responsibilities, it synthesized these priorities into five core missions: counterterrorism, border security, immigration enforcement, cyber security, and resilience to natural disasters and attacks. I imagine you are all familiar with the previous report so I will not spend much time discussing its details, other than to say that it was, in my mind, an effective articulation of where the Department's overarching focus should be.

Thankfully, substantial progress has been made since the inaugural QHSR. The second report is better, more detailed and far-reaching in scope. It maintains the previous QHSR's five core DHS missions essentially unchanged, but it goes significantly further in analyzing the dynamic risks and challenges we face within these core areas. It is a more detailed statement of the principles that should guide individual decisionmaking within the core framework. And it is a more comprehensive forecast of potential future threats to our homeland.

This is not to say that the report is perfect. From my perspective, it is not clear that areas like cyber security or nuclear terrorism were approached with the same level of care as other forms of terrorism. With respect to cyber security, the 2014 QHSR has little new to say about the need to recruit and develop a skilled cyber security workforce, for instance. It also does not appropriately prioritize the importance of protecting critical U.S. infrastructure from espionage. To be sure, there are parts of the QHSR that need work. Nonetheless, on balance the report is an improvement over its predecessor.

These improvements are not surprising to me, since this year's report has benefited from a consolidated strategic planning and risk analysis department (SPAR). As I am sure you are aware, DHS combined the Offices of Strategic Plans and Risk Management in 2012 into a single group. This was a good idea; the combination has resulted in a more methodical, efficient analysis of the relevant data. The 2014 QHSR is also the result of substantially more cooperation between DHS and stakeholders, both public and private. Accordingly, it is a more complete description of the broad range of threats we face in the United States, based on a wider range of perspectives.

The quality of this year's report is surely the product of the tremendous professionals in the Department. This begins with Secretary Jeh Johnson's stewardship. It is clear that Secretary Johnson sees the value of strategic planning for the Department. Although still relatively new to DHS, he wasted no time in quickly making the QHSR his own, apparently redrafting portions of it to better bring them into alignment with his vision. The result is a clear statement of his and the Department's priorities.

More generally, I have been pleased to see that Secretary Johnson is also committed to unifying the Department's components into something, in his words, greater than the sum of its parts. The "Unity of Effort" memo he sent to the Department's leadership in April of this year is a good example of his commitment to embrace strategic thinking beyond what is mandated by the QHSR.

I suppose it didn't hurt that Secretary Johnson was able to see how much those of us involved in starting the QHSR cribbed from the Defense Department's Quadrennial Defense Review ("QDR"). Like DHS, DoD is a group of proud, independent components with often divergent traditions and missions. Yet, DoD has often succeeded in fostering a larger sense of unity where DHS has not. Obviously, this is due in part to DoD simply having been around longer. DHS is, after all, barely ten years old. When DoD was older than that, the Secretary of Defense reportedly asked the Navy during the missile crisis how the embargo of Cuba would be carried out; he was reportedly told that it would be done in accordance with Navy tradition and international law, and that he could retire to his quarters, secure in the knowledge that the Navy would call for his advice if and when the Navy thought that was necessary. I am confident that DHS is past that point in its drive for unity.

And so of course is DOD. We looked to the QDR as an exemplary strategic planning exercise that played an important part in fostering a culture of unity within DoD – an influence Secretary Johnson has correctly reinforced.

I would also be remiss if I did not mention Alan Cohn, Assistant Secretary for Strategy, Planning, Analysis & Risk. Assistant Secretary Cohn has led the QHSR process for both the 2010 and 2014 editions. His hard work and ability to find consensus is one of the principal reasons the current report is as good as it is. The only real credit I can take for the QHSR as it stands today stems from the fact that I had the wisdom to hire and then promote Assistant Secretary Cohn. I am happy I did – he has made me look brilliant ever since (and he, at least,

knows how hard that is). Without question, he has turned out to be one of the important career talents for the Department in this area.

Bringing the Department's Budget into Alignment with the QHSR's Statement of Priorities

As I mentioned before, the 2010 QHSR did a fine job stating the Department's priorities. It was less effective, however, at actually linking the budget up with these priorities. From the perspective of 2014, we can look back and see clearly that, in practice, the allocation of money within the Department did not end up tracking the QHSR all that closely. We can chalk that up, perhaps, to the learning curve, but we should expect the second QHSR to have a greater influence on funding decisions inside the Department.

But there are more fundamental issues with the way money is allocated within DHS that make it difficult for the Secretary to bring DHS's budget into alignment with his priorities as they are described in the QHSR. These issues need to be addressed if the report is to ever approach the level of efficacy we hoped it would have. For an agency like DHS, which is mainly in the business of execution rather than oversight, funding is everything. Compare DHS with oversight agencies like the Environmental Protection Agency, whose primary function is writing rules for others to follow. While those agencies obviously need to keep the lights on, their ability to perform their mandate is less tied to appropriations and more to the legislative authority they receive. DHS, in contrast, is far more often in the business of execution rather than oversight. Most of its missions are carried out directly. When you cross a border you are met by DHS employees. The same is true if you are lost at sea and need rescue, are boarding an airplane, or are caught counterfeiting funds or illegally immigrating into the United States.

How – and how well – DHS does these jobs depends largely on how it allocates its budget. Thus, while strategic planning exercises like the QHSR are useful in their own right, they can easily become sterile exercises if no one believes they will actually drive budgetary decisions. Make no mistake about it, a statement of the Department's priorities, no matter how lucid, will ultimately ring hollow if the priorities are not honored when budget decisions are made.

Recommendations Moving Forward

This is not to say that the QHSR should be a holy writ that determines budgetary allocations for an entire four-year period. It should not be, and it will at times be necessary to deviate from the script in order for the Department to be able to effectively respond to the dynamic range of challenges it is sure to face. While long-term strategizing is vital, so too is making sure that the Secretary and the components within DHS can fluidly make decisions to respond to threats as they emerge. The QHSR is not a substitute for judgment. Instead, the report is what I would call an auto-pilot. It is a mechanism for individuals within DHS to understand how to carry out their jobs unless and until they know the Secretary has reconsidered. And it is a way to make sure the Secretary can be confident that those within the department are following his objectives, even when he is not personally overseeing them.

Finally, one other issue I would like to briefly address is the degree to which the Department of Justice has been given a near veto over the QHSR, presumably by the Office of Management and Budget. I simply do not understand how it is that DHS's strategic plan can be delayed by an agency that has no skin in the game. There is no reason to allow the QHSR to be delayed for so long, particularly at the instance of another cabinet department.