Building on the Quadrennial Homeland Security Review to Improve the Effectiveness and Efficiency of the Department of Homeland Security

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Subcommittee on Oversight and Management Efficiency
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Chairman Duncan, Ranking Member Barber, and members of the Subcommittee, thank you
for inviting me to testify at this hearing.

The Department of Homeland Security (DHS) will soon release its report on the second
Quadrennial Homeland Security Review (QHSR). The convergence of several trends makes
this an opportune moment for the Department to step back and assess what are the most
pressing current and emerging homeland security challenges and decide how they should be
addressed. Let me briefly mention five such trends:

- First, onset of terrorism fatigue – When DHS celebrated its ten year anniversary,
  some questioned whether law enforcement and domestic security operations had
  become too focused on terrorism at the cost of addressing other public safety issues
  such as drug violence, public health, or crime.

- Second, persistence of terrorism as a real threat – The Boston marathon bombing
  reminded us that attacks can happen anywhere, anytime. Destabilization of
  governments that followed the Arab Spring raises the prospect of new safe havens
  for terrorism emerging. The recent al Qaeda summit held in April by Nasir al-
  Wuhayshi in Yemen demonstrates that al Qaeda continues to pursue global jihad.

- Third, increasing threats from natural disasters – The effects of Super Storm Sandy
  emphasized the consequences for coastal communities of the combined impacts of
  continued population growth and sea-level rise, and the need for incorporating
  planning for community and infrastructure resilience into economic development.

- Fourth, cyber threats outpacing cyber defense – Last month's indictment of five officers in the Chinese People's Liberation Army for stealing information from six U.S. firms, along with revelations of Operation Olympic Games, reveal the scope of cybercrime and potential for malicious cyber-attacks against critical infrastructure.
- Fifth, increasingly constrained government budgets –Federal, state, local, and tribal governments have fewer resources to address this expanding list of concerns.

In short, when Secretary Johnson took the reins at DHS, he stepped into a deeply uncertain, utterly complex, and continuously dynamic environment with more constraints on the resources at his disposal. These converging trends, combined with new leadership and new guidance expected to arise from the QHSR, make now an opportune time for DHS to prioritize the Department's goals and assure its programs are best aligned to achieve them.

The first QHSR brought DHS together to develop a collective list of all missions for components across the Department.[3] Though comprehensive - the list spanned issues of terrorism, border control, immigration, cyberspace, disaster management, and governance – the first review did not set priorities.

The second QHSR will now set the stage for improving both the effectiveness and efficiency of DHS. The review includes a strategic assessment of the current and emerging homeland security threats, focused analysis on selected priority topics, and guidance on management priorities for the Department. I'd like to highlight three important ways Congress and DHS could work together to build on the second QHSR:

- First, improve the linkages between budgets of DHS's component agencies and strategic directions of the Department as a whole on risk management;
- Second, establish more effective oversight of programs once initiated;
- Third, seek ways to improve effectiveness and efficiency by leveraging Department of Defense (DoD) capabilities, especially for Defense Support of Civilian Authorities.

Improve linkages between budgets and strategic directions on risk management
The Homeland Security Strategic Environment Assessment marks a significant accomplishment for DHS and reflects well the trends that are changing the homeland security landscape. The review covers persistent threats to the nation from problems such as smuggling, illegal migration, and maritime safety. It also addresses catastrophic events such as hurricanes, earthquakes,

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[3] *Quadrennial Homeland Security Review Report: A Strategic Framework for a Secure Homeland*, Department of Homeland Security, February 2010.

pandemics, and terrorism. The strategic environment assessment describes all of these events in a common way, allowing for the first time an informed discussion of priorities based on risk.

Knowing the facts about homeland security risks is important because the public's fear of terrorism and disasters can be out of alignment with the risks the events pose. The unpredictability of terrorism, individuals' uncertainty about how to protect themselves, and the realization that attacks are purposeful and not random all contribute to increased fear about terrorism.[4] As an example of how fear can affect behavior, John Allen Muhammad and Lee Boyd Malvo (the Beltway Snipers) paralyzed communities and closed schools as the public and government officials tried to understand what was happening and how to protect themselves. Fear of terrorism is further magnified by evocative images of suicide bombings that are replayed on TV and the Internet.

Fear of terrorism matters. Numerous studies – many supported by the DHS Science and Technology Directorate – demonstrate that even if other hazards threaten the same number of lives or economic activity, people are more concerned about terrorism events than other events, support spending more for terrorism security, and are willing to cede more liberties in the name of terrorism security.[5] However, in reality, all terrorist events do not pose the same risks as other hazards.

When assessed side by side, there are many disasters, accidents and crimes that have historically threatened more lives, caused more economic damage, and led to more societal disruption than terrorism. When presented with this evidence, people with different and competing interests often can agree on what problems are most serious and make judgments that are consistent with what is known about risks.[6]

The analysis behind the QHSR will provide a basis for this type of reasoned discussion of risk management priorities. Secretary Johnson has proposed new initiatives that will build on the current progress. Specifically, in a memorandum to DHS leadership in April, Secretary Johnson proposed three initiatives:

- First, a Departmental Leadership Forum for the "*most senior leadership… to gather regularly… in an environment of trust, and openly place on the table issues, arguments, and disagreements concerning [DHS's] most challenging issues."* This forum could

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[4] Cass R. Sunstein (2003). Terrorism and Probability Neglect. *The Journal of Risk and Uncertainty* 26:2/3 121-136.
[5] For example see, W. J. Burns (2007) *Risk Perception: A Review,* CREATE Report, May 22, 2007.
[6] Russell Lundberg (2013) *Comparing Homeland Security Risks Using a Deliberative Risk Ranking Methodology*. RGSD-319, RAND Corporation, Santa Monica, CA.

provide means for coordinated implementation of leadership guidance and management initiatives.

- Second, the establishment of departmental management processes to review and implement processes to develop joint requirements for programs across DHS and improve oversight of programs once implemented.

- Third, the enhancement of headquarters strategy, planning, and analytic capability to build and maintain the organizations required to support the leadership and management initiatives being proposed.[7]

I urge Congress to consider supporting each of these important initiatives.

Establish effective oversight of programs once initiated

DHS programs are notorious for lacking appropriate oversight. Several Government Accountability Office (GAO) studies point out cases where effectiveness of DHS programs is either poor or undocumented, costs are uncontrolled, or oversight is lacking. While the Department has made progress and continues to remedy these situations, plenty of room for improvement remains.

A review by GAO in 2011 suggested that more than half of the 77 major acquisitions programs at DHS are over budget or behind schedule.[8] In July 2013, DHS reported that 63 percent of its acquisitions programs had cost growth, and one third of these programs had cost growth over 10 percent.[9]

A RAND paper published last year, *Reducing the Cost and Risk of Major Acquisitions at the Department of Homeland Security*, included a number of recommendations that could be expected to improve acquisition management at DHS based on experience with acquisition management in other contexts.[10] For example:

- Every major acquisition program should have an approved acquisition program baseline document defining milestones and requirements to which programs are held accountable for demonstrating their readiness before progressing to new phases.

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[7] Secretary Jeh Johnson (2014). *Strengthening Departmental Unity*. Memorandum for DHS Leadership, April 22, 2014.
[8] GAO, *Homeland Security: DHS Requires More Disciplined Investment Management to Help Meet Mission Needs*, Washington, D.C., GAO-12-833, September 18, 2012.
[9] GAO, *Homeland Security: Observations on DHS Oversight of Major Acquisitions and Efforts to Match Resources to Needs*. GAO-13-846T, September 10, 2013.
[10] Jeffrey A. Drezner and Andrew R. Morral (2013). *Reducing the Cost and Risk of Major Acquisitions at the Department of Homeland Security*. PE-105, RAND Corporation, Santa Monica, CA.

- Decision-making authority, given to the DHS Office of Management, should not be delegated to components until key planning requirements are met.
- Careful analysis of acquisition cost or schedule breaches should be conducted to help the department identify root causes for these failures and incorporate lessons to improve future acquisitions.
- The department should establish mechanisms for more professional development opportunities for DHS acquisition officials.

Congress can help DHS improve oversight by reinforcing and funding initiatives that allow DHS headquarters to implement recommendations like these. And in fact, this Committee has already proposed legislation, HR 4228, the DHS Acquisition Accountability and Efficiency Act, to improve acquisition management. Cooperation between Congress and DHS on improving oversight should continue.

Seek ways to improve effectiveness and efficiency by leveraging DoD capabilities
Many DHS priorities require a whole-of-government approach.

- Disaster management and pandemic preparedness to improve community resilience requires cooperation among FEMA, DHHS, DoD, HUD, local response organizations, private firms, and NGOs.
- Border security requires coordination of federal and local law enforcement agencies across several bureaucratic and geographic jurisdictions to counter smuggling networks that span several continents.
- Cyber security must protect government and private systems from both state-sponsored and criminally aligned threat networks, potentially using capabilities that exist in several departments, while balancing dynamic norms for privacy.

At the same time DHS is deciding how best to address these challenges, the Department of Defense is scaling back use of its assets in theater operations (making them potentially available for other uses) and the Federal government as a whole is wrestling with the realities of reduced budgets. The confluence of these events creates potential opportunities to identify ways to improve the effectiveness and efficiency of homeland security, especially in the areas of disaster management and border security.

The Department of Defense has also recognized the importance of these missions and the opportunity for collaboration. Defending the homeland was identified as the first pillar of national

security in the 2014 Quadrennial Defense Review. Defense Support for Civilian Authorities remains a critical responsibility.

Motivated by this synergy, RAND studies have identified several opportunities worth consideration:

- On-going DoD technology demonstration efforts could be leveraged to provide additional support to on-going DHS operations.[11]
- Information sharing among local law enforcement and response agencies and federal agencies could be improved using DoD lessons about how to design and operate cloud networks to improve both disaster management and border security.[12]
- Advanced Navy platforms and surveillance technologies could improve maritime domain awareness for counternarcotic operations.[13]

These are just a few of the many ways DoD capabilities might be used to support DHS missions. However, before implementing any of them, Congress, DHS, and DoD should work together to:

- Demonstrate how the new uses improve capability, and estimate the associated acquisition and sustainment costs.
- Coordinate transfer and use of DoD systems with existing DHS acquisition strategies.
- Ensure use of DoD capabilities for homeland security missions is consistent with existing legal authorities and policies and reflects the desired use of the military in civilian operations.
- Review policies associated with using DoD capabilities for homeland security missions and address any policies that should be streamlined or reinforced.
- Clarify which organizations should bear the costs of operating the technologies and adjust budgets accordingly.

Making the Nation Safer and More Resilient
The second QHSR should reflect continued maturation of governance at DHS and provide a stepping off point for further improvements. We all certainly want more effective protection from

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[11] Daniel Gonzales, Sarah Harting, Jason Mastbaum, Carolyn Wong (2104). *Improving Interagency Information Sharing Using Technology Demonstrations: The Legal Basis for Using New Sensor Technologies for Counterdrug Operations Along the U.S. Border*. RR-551-OSD, RAND Corporation, Santa Monica, CA.
[12] Isaac R. Porche III, Bradley Wilson, Erin-Elizabeth Johnson, Shane Tierney, Evan Saltzman (2104). *Data Flood Helping the Navy Address the Rising Tide of Sensor Information.* RR-315-NAVY, RAND Corporation, Santa Monica, CA.
[13] Scott Savitz, Irv Blickstein, Peter Buryk, et al. (2014). *U.S. Navy Employment Options for Unmanned Surface Vehicles*. RR-384-NAVY, RAND Corporation, Santa Monica, CA.

terrorism, better preparation for disasters, and more resilient communities. The multiplicity and complexity of current homeland security threats, uncertainty surrounding what new threats could emerge or how known trends might evolve, and constraints on budgets, make achieving these goals difficult. If DHS is to overcome all of these challenges, three things will be required: *strategic focus* to direct resources where they are most needed, *strong oversight* to assure that resources are used effectively, and finally, *cooperation across government* to improve efficiency.

Again, Chairman Duncan, Ranking Member Barber, and members of the Subcommittee, thank you for inviting me to testify before you today on this very important opportunity for DHS. I look forward to taking your questions.