

**MEETING THE CHALLENGES OF
ESTABLISHING A NEW DEPARTMENT OF
HOMELAND SECURITY:
A CSIS WHITE PAPER**

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PREFACE

On June 6, 2002, nine months after the devastating terrorist attack on the World Trade Center and the Pentagon, President Bush announced a sweeping reorganization of the U.S. federal government designed to strengthen its ability to provide homeland security. Reaction to the President's plan – the most ambitious such reorganization in 50 years – has been both supportive of its general outlines and critical of its details.

We firmly believe that it is in the interest of all Americans for the creation of a new Department of Homeland Security to succeed. America remains vulnerable to catastrophic terrorism. Too many of the security procedures instituted since September 11, 2001 have provided too little security – often because of the lack of a central, coordinated framework for efficient government action. The President's proposal has the promise to improve this situation enormously.

But in our view, important issues must be clarified and resolved if the initiative is to realize its full potential and America is to become more secure. We also believe the plan is missing some key pieces that need to be addressed.

Most importantly, we believe that the initial steps to implement the President's proposal should be considered provisional. America's security needs will evolve as America's society, business climate, population and threat assessments change. The great burden of modern government is its lack of flexibility in adapting to change. Congress needs to institutionalize a climate of continuing assessment and evolution as our government strives to meet the demands of providing homeland security.

President Bush has shown great leadership in launching this bold initiative. Now, the Congress and all Americans have a responsibility to further the debate, with the common goal of doing what is best to protect the land we love. It is in this spirit that we offer this White Paper to the administration and the Congress.¹

¹ This white paper is the product of the CSIS Task Force on Homeland Security. Members include (in alphabetical order): Philip Anderson, Kurt Campbell, Arnaud de Borchgrave, Mary DeRosa, Jay Farrar, Michèle Flournoy, John Hamre, David Heyman, Joelle Laszlo, Thomas Sanderson, and Anne Solomon.

SUMMARY OF RECOMMENDATIONS

Empower the Office of the Secretary of Homeland Security

- Establish offices capable of performing four key functions (among others): threat assessment, strategic planning, program and budget review, and development of new “operational concepts.”

Facilitate More Effective Intelligence Sharing and Analysis

- Establish a National Intelligence Fusion Center as part of the new Department to enhance connectivity, information sharing, and collaboration at all levels of intelligence and law enforcement.
- Establish an information “classification” system for use by domestic law enforcement and the Department of Homeland Security.
- Add analyst positions in FBI field offices and law enforcement offices in major urban centers to provide analytic input to domestic intelligence databases.
- Establish information sharing protocols so that data may be shared with third parties without case-by-case review and approval procedures.

Consider Economic Issues

- Avoid mandates in the Department’s statutory authority that would inhibit or prevent consideration of economic issues.
- Formally include economic considerations in the mission and structure of the Department of Homeland Security and the White House Office of Homeland Security.

Forge Close Links Between the Department and Other Homeland Security Entities

- Establish in the new Department offices responsible for working closely with each of the following communities: international partners, the Department of Defense, state and local officials, and the private sector.

Establish Close Private Sector Ties

- Establish a departmental culture and policies that are informed by 21st Century global commercial operations and management realities.
- Create an Under Secretary for Acquisition comparable to the DoD Under Secretary for Acquisition, Technology and Logistics or NASA’s Assistant Administrator for Procurement.
- Enhance the flexibility of the new Department’s procurement mechanisms by moving the Chemical, Biological and Radiological Technology Alliance (CBRTA) of the National Technology Alliance (NTA) to the new Department and create an NTA-like instrument within the Department.

Enhance the Skills and Performance of Homeland Security Personnel

- Create a Homeland Security Training Academy that reports directly to the Secretary of the new Department.

Foster Better Communication with the American People

- Create an office within the new Department charged with undertaking an ongoing, national public education campaign to inform the American people about threats to the U.S. homeland and what individual citizens can do to enhance their own safety and security.

Support the Technical and Analytic Needs of the New Department

- Establish a Federally Funded Research and Development Center for Homeland Security.

Revamp Congressional Oversight of Homeland Security

- Create a Select Committee of oversight in the House, and a similar committee in the Senate.
- Relinquish responsibility in committees that exercise overly broad and, in most cases, duplicative oversight of the agencies that will be folded into the Department of Homeland Defense.
- Membership of each respective Select Committee should be made up of chairpersons and ranking members from the committees (House and Senate) and subcommittees (House) that now exercise oversight over the various agencies that will be consolidated in the new Department of Homeland Security. This criteria for membership will ensure cross-jurisdictional involvement by members, further providing comprehensive oversight.
- Terms of membership on each Select Committee should be governed by the same criteria that govern chairmanship or ranking member status on other committees.
- Each new Select Committee should have its own separate staff, not affiliated with any other committee or subcommittee.
- Within each Appropriations Committee, create new subcommittees of oversight. In conjunction with those new subcommittees, dissolve oversight responsibilities now resident in standing subcommittees.

BROAD CONSIDERATIONS FOR DECISION MAKERS

Although creating a Department of Homeland Security is an important step, it must be viewed as only one part of the answer to the management challenges of the homeland security mission. No single structural fix can resolve what is a massive, long-term strategic problem.

Six broad considerations should inform the efforts of homeland security decision makers:

Articulate a Homeland Security Strategy

The administration has not yet articulated a national strategy for homeland security that defines the mission as well as the capabilities and processes necessary to perform that mission. In the absence of a comprehensive U.S. Homeland Security Strategy, the formation of the new Department alone will not ensure greater success in protecting the American homeland. Because we cannot protect every possible target from every possible threat, it is imperative that the homeland security strategy that the White House publishes later this year conveys a clear understanding of the threats to be addressed and clarifies priorities for resource allocation – essentially, where to place emphasis and where to accept or manage a degree of risk. Completing this strategy should be the top priority of the White House Office of Homeland Security.

The strategy should identify clear objectives and a division of labor among all of the actors at the federal level, clearly identifying which agencies have lead responsibility in which homeland security areas, and which should be prepared to provide support. In short, the strategy should point the way toward well-defined roles and responsibilities, coordination processes, and operational procedures for enhancing the accountability and performance of the U.S. government across the homeland security domain – key elements that reorganization alone will not fully address. The strategy should also serve as the basis for allocating federal resources for homeland security – creating a foundation for unifying the efforts of the federal government and establishing the conditions for effective cooperation and coordination with state and local governments and the private sector. In order to ensure that it remains a living and relevant document, the Homeland Security Strategy should be tied to the budget process and reviewed, updated and submitted to Congress on an annual basis.

Conduct a Comprehensive Threat and Vulnerability Assessment

The foundation of any homeland security strategy must be an informed, thorough assessment of the threats we face and the vulnerabilities of our society. Such an assessment is critical to developing a risk-management mechanism for determining priorities, reconciling competing interests, and applying resources. If we try to protect equally against all possible threats, we will protect adequately against none of them.

Although there has been significant discussion of threats and vulnerabilities, no one in government has yet conducted the kind of creative, comprehensive analysis that is necessary to determine which should be accorded the highest priority – and which should be accorded the least. Most attention so far has focused on very high consequence/low probability threats, such as weapons of mass destruction – nuclear, biological or chemical devices – or a successful attack on a nuclear power plant. A comprehensive assessment would certainly include such threats, but would also look at threats at the other extreme of the consequence/probability spectrum, such as individual suicide bombers – and, crucially, at everything in between.

Threats in the middle of the consequence/probability spectrum merit greater alarm and attention than they have received to date. In retrospect, this middle space is where September 11 fell, and it is the space in which future terrorists will likely operate. Terrorist attack options in this category include “dirty bombs,” well-coordinated attacks involving multiple near-simultaneous suicide bombings nationwide, and attacks on “soft” energy targets like oil refineries, petroleum or liquid natural gas terminals.

Without a comprehensive threat and vulnerability assessment process that considers both the probability of various types of attacks and the severity of their consequences, decision makers will have little analytic basis for making tough strategy choices about where to place emphasis, where to accept or manage a degree of risk, and how best to allocate resources to improve America’s security. Like the strategy development process, the threat and vulnerability assessment process must be an ongoing one, tied to the budget, if it is to inform our national priorities for and investment in homeland security.

Strengthen White House Coordination

Many critics fear the administration’s proposal for a Department of Homeland Security will not solve the inter-agency turf and coordination problems that have come to light in the wake of the September 11 attack. Some have lamented that major players, such as the FBI and the CIA, are not included in the proposed Department, and have suggested that those entities or parts of them should be transferred. But transferring an agency because it has a homeland security mission is not necessarily the answer. Even if parts of the FBI and CIA were transferred to the new Department, a host of other agencies would still retain some homeland security role. The Department of Defense will always be a major player. The Departments of Justice and the Treasury will have significant roles, even after some of their entities are transferred. And to differing degrees, the Departments of State, Commerce, Transportation, Energy, and Health and Human Services will all retain pieces of the homeland security mission. It is simply not practicable or wise to transfer all elements of the bureaucracy that have a role in homeland security.

As the administration and Congress continue to look for ways to address the inevitable and significant coordination challenges that will remain a part of homeland security, one critical step should be to ensure strong central authority in the White House. The administration envisions a continued and critical role for a White House Office of Homeland Security, as do most proposals from Congress. The essential coordinating role

of this office should be elevated and enhanced. The Office of Homeland Security, its leader and staff must be to this mission what the National Security Council Advisor and staff are to the foreign policy/national security mission – with the authority and ability to coordinate policy decisions, resolve operational disputes, and force timely cooperation among agencies.

The administration must also act to clarify the relationship between the Homeland Security Council and the National Security Council. In this new security environment, international and domestic security are inextricably intertwined, and the success of U.S. strategy may well depend on our ability to integrate our efforts abroad and at home. At present, however, there is no mechanism in place to ensure that the necessary integration takes place. It is imperative that the administration create such a mechanism on a priority basis.

Craft an Effective Implementation Strategy

Beyond developing an organizational structure for the Department of Homeland Security, how policy makers choose to implement the reorganization is another important challenge – one that will shape how well we protect our way of life in the future.

Two key considerations should be reflected in any implementation strategy:

- *Adaptive, Flexible Bureaucracy.* We can assume that when the administration releases its Homeland Security Strategy in the next few months, the homeland security structure that the White House has proposed will fit that strategy. But given the dynamic nature of threats and rapid changes in society, the homeland security mission will require an ongoing reevaluation of strategy. Just as the threats we face will change, so must our manner of addressing them. Obviously, we cannot create or realign government agencies every time our strategy changes. That is why it is important to create a government structure that is more adaptive, flexible, and able to work across organizations than those of the past. More specifically, it is imperative that the new Secretary of Homeland Security be given the authorities and resources he or she needs to rapidly stand up an adaptive, flexible organization with a culture that places a premium on accountability and performance. In practice, this may require providing the Secretary with some rather extraordinary tools on a provisional basis, such as the ability to hire, fire and reassign employees more easily for a certain period of time, the ability to waive some procurement restrictions in order to facilitate more rapid acquisition of high priority goods and services, and the ability to reform and reorganize offices within the Department with appropriate notice to Congress. Creating this kind of flexibility will also require, among other things, a thorough review of the procurement, ethics, fiscal and privacy laws that too often interfere with agencies working together and reaching out to the private sector. We cannot accomplish this transition immediately, but at the very least we must start it.

- *Phased Implementation.* In 1947, President Truman implemented one of the nation's largest governmental reforms through the National Security Act that established the Department of Defense and the Central Intelligence Agency. The Truman Administration had the luxury of implementing these dramatic reforms during a time of peace. Today, we are in the midst of ongoing hostilities – and many of the institutions and individuals responsible for carrying out current homeland security operations are the very ones who would be uprooted in a reorganization. A transition to a new bureaucracy entails a massive transfer of resources (169,000 people and more than 20 agencies) and raises numerous practical considerations, from logistical concerns regarding new office locations to bureaucratic concerns regarding reporting structures and roles. To ensure all possible continuity in prosecuting the war on terrorism, we will need a phased approach – conceivably over several years – to integrate the new Department, as well as innovative uses of technology and management practices to create “virtual” organizations with a shared sense of mission and culture in the interim. The goal must be to strike the right balance between moving expeditiously on clear near-term needs and deliberately on long-term structural reforms.

Balance Other Critical Concerns

Security is our nation's greatest challenge and must be the government's highest priority. But the American people will suffer if actions taken to further security consistently trump other important interests and values.

- *Preexisting Missions.* Many of the entities that will become part of the Department of Homeland Security have important missions in addition to homeland security. The Customs Service, for example, has a significant economic mission; the Coast Guard is responsible for maritime safety, maritime mobility, drug and alien interdiction, and protection of natural resources; FEMA deals with natural disasters; and the Animal Plant Health Inspection Service lists animal welfare, agriculture trade, aquaculture, and several other non-homeland security matters among its functions. Some of these unrelated functions might be left behind in the transfer of these entities to the Department, but most will not. Although its primary mission will be homeland security, the Department must be flexible enough to promote these other missions as well, all of which remain extremely important.
- *Civil Liberties.* Perhaps the greatest challenge for those in the government pursuing the homeland security mission will be addressing the balance between security and civil liberties. Among the issues that will test this balance are proposals to:
 - eliminate the separation between foreign and domestic intelligence collection;
 - relax restrictions on surveillance;
 - allow greater access by the government to data collected by the private sector and local and state governments;

- use data mining and profiling techniques;
- institute a national identification system; and
- use biometric technology for identification documents.

All of these actions would involve lifting some restrictions that are designed to protect the privacy or other liberties of American citizens.

The government must not rush to judgment when considering these and other inherently controversial proposals. To the maximum extent possible, they must be fully and publicly debated. While public airing of views will sometimes make speedy action more difficult, it will also strengthen the legitimacy of whatever measures are finally agreed upon. Conversely, if the American people perceive that steps to limit their liberties are being taken secretly or without careful thought, their trust in government will erode.

Before lifting any restriction that is designed to protect privacy or other civil liberties, the government must consider the following set of questions:

- What is the history and purpose of the restriction? What liberty is it designed to protect and what are the risks if it is lifted?
- What, precisely, is achieved by lifting the restriction? What new information will it bring? Do we need the information? All of it? Will we be able to use it? Are there other ways to get it?
- Are there less onerous ways to protect liberties than the existing restriction?
- How can the government oversee the new information collection or sharing in a way that is robust enough to ensure that abuses will be detected? Is the oversight authority sufficiently detached to be effective?
- What measures have been taken to ensure strict accountability for abuses?

Seize an Historic Opportunity to Reform Government

Understandably, much of the discussion about the new Department has focused on what it needs – what functions or entities could be added to improve the government’s ability to protect the U.S. homeland. At the same time, Congress should seize this historic opportunity to rationalize the federal government and render it more effective, both within the new Department and in other agencies with homeland security functions. The consolidation of many homeland security functions under one roof should be accompanied by careful scrutiny of each component being transferred to identify internal reforms that could enhance performance and efficiency. Nor should this effort to eliminate unnecessary redundancies, streamline the bureaucracy, and increase effectiveness be restricted to the new Department. Every agency that is responsible for part of the homeland security mission should be scrutinized. Are there offices that should be disestablished, reconfigured or absorbed into others?

At the same time, Congress has an historic opportunity to accelerate (and in some cases leapfrog) recent government management initiatives (*e.g.*, e-governance) and

dramatically reform the way we organize and operate government institutions. The current organizational structure and decision-making apparatus of the U.S. Executive Branch is based on an architecture designed over sixty years ago – and was predicated on the technology that existed at that time. Today’s technologies have driven major changes to business models – significantly decreasing the effectiveness of traditionally vertically-integrated hierarchies and replacing them with flatter, more horizontal and distributed working environments that can respond to changes more rapidly and more effectively than in the past. This evolution must be incorporated by our government agencies as well to create organizations that are more adaptive, flexible and efficient in marshalling resources to secure our borders. Decision-makers can capitalize on the urgency of completing the current homeland security legislation to make some tough organizational decisions and innovations that will improve the way our government works.

RECOMMENDATIONS

Empower the Office of the Secretary of Homeland Security

- **Establish offices capable of performing four key functions (among others): threat assessment, strategic planning, program and budget review, and development of new “operational concepts.”**

The Secretary’s office should include a small **threat assessment unit** specifically charged with “thinking like a terrorist” and researching ways in which U.S. security could be breached in the future. In contrast to the near-term, operational focus of the more substantial information analysis branch, this small analytical staff would focus on the mid- to longer- term, and would undertake disciplined reviews of evolving terrorist objectives, doctrine, and techniques in an effort to inform the development of strategy and program priorities for the Department. This office should draw widely on the research community in both the United States and other countries.

The Secretary’s office should also include **a strategic planning office** whose mission would be to define and prioritize objectives for the Department, articulate a Department-wide strategy to meet those objectives, and develop a division of labor that clearly assigns responsibility for various aspects of the strategy to specific departmental actors. This planning process should build on the threat assessment work described above and include a companion assessment of the capabilities resident within the Department to deal with priority threats to the U.S. homeland. The objective should be to help the Secretary provide clear policy guidance and develop a multi-year action plan for the Department. This plan should provide the blueprint for developing the Department’s budget, identifying and prioritizing capability shortfalls that need to be addressed, specifying short-term actions to be taken on a priority basis, and highlighting long-term investments to be made to enhance performance in critical areas. This plan should be issued over the Secretary’s signature to guide resource allocation across the Department. It should also be a living document that is reviewed and revised on an annual basis. The process of developing this plan should include all stakeholders within the Department, as well as close consultations with the White House Office of Homeland Security. The development of such a strategy-based, integrated action plan will be critical to ensuring that the new Department – and the USG more broadly – gets the highest possible returns on what is likely to be tens, if not hundreds, of billions of dollars invested in homeland security over the next several years.

In order to ensure this plan is implemented, the Secretary’s office should also include an office responsible for conducting **a rigorous program and budget review**, whereby the activities and expenditures of the Department are reviewed annually in light of the requirements of the multi-year plan. This review process would provide a mechanism for ensuring that the actions of various components accord with the Secretary’s guidance, and would provide the Secretary with a critical mechanism for enforcing his or her priorities and those of the President.

Finally, the Secretary's office should include **an advanced concepts office** chartered to develop new approaches to government operations that would bridge the discontinuities and address the shortfalls identified in strategic planning and simulations. It would utilize current operations research techniques to identify new ways of doing business, and help the Secretary provide guidance to the Department's various bureaus to develop new capabilities to meet priority requirements. An excellent model for such an office is the Advanced Systems Concepts Office in DoD's Defense Threat Reduction Agency.

Facilitate More Effective Intelligence Sharing and Analysis

- **Establish a National Intelligence Fusion Center as part of the new Department to enhance connectivity, information sharing, and collaboration at all levels of intelligence and law enforcement.**

The President's proposed reorganization does not address the central problem of missed warnings due, to a large extent, to the fragmented, territorial and risk-averse cultures of the entities that collect and analyze intelligence. There is an urgent need to dismantle information stovepipes and share security data more effectively across the federal government and with states, localities, and need-to-know private sector entities. Establishing a National Intelligence Fusion Center would help to create a more collaborative relationship between U.S. intelligence agencies, U.S. domestic law enforcement, and, when warranted, foreign law enforcement agencies, with a view to closing fissures that terrorist groups could exploit. Such a fusion center would collate intelligence and information for all sources, foreign and domestic, down to the level of local law enforcement.

The Center should also: a) provide common, controlled access to relevant information and analysis for cleared government officials; b) use existing joint terrorism task forces (JTTF) as a model for law enforcement and intelligence collaboration; and c) embed a strong "ombudsman" or internal watchdog capacity to guard against civil rights abuses. The Center would require integrated databases with technology now in research and development for data mining, data fusion and data visualization. The Center would directly support the work of the analytic offices of the new Department and others across the U.S. government.

- **Establish an information "classification" system for use by domestic law enforcement and the Department of Homeland Security.**

Over the years, the Defense Department and the Intelligence Community have developed a comprehensive system for classifying and disseminating information to individuals with appropriate clearances. The lack of a comparable system for law enforcement at any level has become a substantial barrier to sharing information among those who have a need to know. One of the Homeland Security Secretary's first

assignments to the Department should be the creation of such a system. First steps should be to establish classification guidelines and a Department-wide clearance process so that all individuals with the appropriate clearance (SECRET, for example) would be eligible to see appropriately classified information. This classification system should be interoperable with existing systems for handling national security information.

- **Add analyst positions in FBI field offices and law enforcement offices in major urban centers to provide analytic input to domestic intelligence databases.**

Though the law enforcement community currently develops useful facts that might provide important insights for terrorism prevention and detection, these facts are contained in isolated case files and are not routinely developed into “knowledge” that can be transmitted through a cleared community to improve terrorism prevention efforts. One of the reasons such data is not disseminated is the lack of interoperable information systems in the law enforcement community. But an equally important reason is the absence of analysts at the local level who can turn these isolated facts into larger observations and knowledge for use by counter-intelligence and counter-terrorism experts at higher headquarters. The FBI and law enforcement agencies in major American cities should devote the resources needed to create adequate analytic capabilities in field offices. Semi-finished intelligence reports could then be provided to the larger community.

- **Establish information sharing protocols so that data may be shared with third parties without case-by-case review and approval procedures.**

One of the great impediments to information sharing is the absence of protocols that might guide the subsequent release of information shared between two agencies. A common practice in government is for two agencies to develop sharing procedures through which they exchange information needed to do their respective jobs. Such sharing procedures rarely permit a receiving agency to pass on the information to a third party without returning to the originating agency for permission. Such case-by-case review and approval procedures are a serious impediment to timely data coordination, analysis and assessment.

The new Department of Homeland Security should develop a model data sharing protocol that would govern the subsequent release of information provided by liaison organizations to third parties. Such data sharing protocols would require appropriate procedures to protect the original “sources and methods” used to gain the information. The information sharing protocols currently used in the Intelligence Community might provide a model for early action in this area.

Consider Economic Issues

- **Avoid mandates in the Department’s statutory authority that would inhibit or prevent consideration of economic issues.**

There is no question that security is now our nation’s greatest challenge and must be the government’s highest priority. But the United States will suffer if actions are taken to further security without adequate regard to their economic consequences. Security and economic vitality are not necessarily incompatible. A Department whose sole mission is security, however, may not only fail to recognize when its policies may cause economic harm, but may also view the consideration of economic consequences to be “soft on security” or even unpatriotic. The functions of the Department of Homeland Security – particularly those of the Customs Service, the transportation and border security offices, and the offices devoted to critical infrastructure protection – will have significant impact on the economy. If the Department’s statutory authority requires it to take only security into account, it will prevent attempts to find flexible solutions that further both the security and the economic health of the nation.

- **Formally include economic considerations in the mission and structure of the Department of Homeland Security and the White House Office of Homeland Security.**

Almost every government agency sees its own mission as paramount and discounts or ignores other policy priorities. At least in theory, the White House, through its coordinating offices, provides the necessary policy balance. With the creation of a massive Department of Homeland Security whose functions can have significant impact on the economy, this natural agency tunnel vision could result in a dangerous imbalance of priorities – toward security and away from economic health and efficiency – that would be difficult for the White House to realign. Therefore, both the White House Office of Homeland Security and the Department of Homeland Security must have a formal part of their structure dedicated to economic concerns. While we do not propose a specific structural solution here, one possibility for the Department would be a separate office reporting to the Secretary whose mission is to review the impact of policies on the economy. While there is no guarantee that this office would have significant day-to-day influence in the Department, if it exists by statute it would have some voice.

Forge Close Links Between the Department and Other Homeland Security Entities

- **Establish in the new Department offices responsible for working closely with each of the following communities: international partners, the Department of Defense, state and local officials, and the private sector.**

Protecting the American homeland will require the new Department to work in close partnership with a number of outside entities. At the international level, the Department

will need to build relationships with counterpart agencies in other countries in an effort to help strengthen aspects of their security that have a direct impact on ours and to identify international resources – such as cutting-edge products, services or practices – that could be imported or adapted to enhance the security of the United States.

The new Department should also seek close links to the Department of Defense's new Northern Command, which will become the single focal point for all DoD support to civil authorities. Specifically, DoD should, as an urgent near-term step, establish a permanent Northern Command liaison office in close proximity to (preferably in the same building as) the Secretary of Homeland Security. This liaison office should have full capability to link the command center of the new Department with the command center of Northern Command.

The new Department will also need to create mechanisms for ensuring close communication and coordination with state and local officials involved in homeland security. The kind of mechanisms pioneered by FEMA for federal-state-local cooperation in the area of natural disasters may be a model that can be applied more broadly across the four pillars of the new Department. Working with state and local officials must be a central element of the Department's day-to-day operations.

Similarly, the private sector will be a critical partner in almost every dimension of the new Department's work, and the Department should be structured so as to enable maximum communication and cooperation with those private sector entities that will be critical to achieving its mission (see recommendations below).

Establish Close Private Sector Ties

- **Establish a departmental culture and policies that are informed by 21st Century global commercial operations and management realities.**

The Department will depend on private sector entities for two essential needs:

- first, to provide counter terrorism-related products, systems and services; and
- second, to safeguard critical transportation, energy, water and other systems that are privately owned or managed.

To establish effective private sector ties, the structure, policies and procedures of the new Department must be informed by an understanding of a commercial environment transformed during the post-Cold War era. During the 1990s, both U.S. and foreign firms established partnerships with competitors outside national borders and developed markets, R&D and manufacturing facilities abroad. For example, many biologics manufacturing facilities that may be relevant to U.S. acquisition of bioterrorism countermeasures are located abroad. Similarly, many critical infrastructure facilities within U.S. borders are foreign-owned or operated. Leveraging such private sector

activities to achieve public sector objectives will require sector-specific analysis of these realities and a Department equipped to deal with them.

- **Create an Under Secretary for Acquisition comparable to the DoD Under Secretary for Acquisition, Technology and Logistics or NASA’s Assistant Administrator for Procurement.**

A streamlined acquisition infrastructure with senior, experienced leadership is essential to develop and implement critical private sector partnerships. Acquisition officials in the new Department must be cognizant of sector-specific industrial cultures and considerations that will influence firms’ capacity to respond to national needs, and must develop policies and incentives accordingly.

Corporate concerns include risk management and liability, patent, tax, and anti-trust issues, among others. For example, in the area of risk management and liability, existing statutes such as Public Law No. 85-804 and the Price Anderson Act should be reviewed to assess their usefulness across sectors. Such a review should consider the range of potential customers to be served, including state and local governments and private sector entities. New indemnification legislation and liability exposure protection may be required. Other issues will require similar sector-specific analysis and policy approaches. These steps should be taken to disperse the “clouds of uncertainty” that darken private sector trust in stable government regulation, legislation and contracts.

- **Enhance the flexibility of the new Department’s procurement mechanisms by moving the Chemical, Biological and Radiological Technology Alliance (CBRTA) of the National Technology Alliance (NTA) to the new Department and create an NTA-like instrument within the Department.**

The Department of Homeland Security should benefit from innovative instruments such as the National Technology Alliance (NTA) whose mission is to influence commercial and dual-use technology development to meet national needs. The National Imagery and Mapping Agency (NIMA) currently serves as the NTA Executive Agent. Several steps should be considered. One is to move the Chemical, Biological and Radiological Technology Alliance, part of the NTA, from NIMA to the new Department. A second step is to establish within the Department an NTA-like entity based on Section 845 of the National Defense Authorization Act, Public Law No. 103-160.

Enhance the Skills and Performance of Homeland Security Personnel

- **Create a Homeland Security Training Academy that reports directly to the Secretary of the new Department.**

In designing the new Department of Homeland Security, Congress should establish a new training academy charged with conducting an extensive program of exercises and

training for U.S. government personnel involved in homeland security. This academy should focus on two primary objectives: creating a more proactive, analytically-based counterintelligence culture, and improving national capabilities for crisis response and consequence management.

At present, the U.S. Government's considerable counter-intelligence capabilities are largely reactive in nature, using a "case file" approach aimed primarily at prosecuting suspected spies and terrorists. Counterintelligence officers have considerable skill when tipped off about a potential spy or terrorist, but virtually no analytic experience proactively anticipating where and how terrorists might next try to attack America – a skill that is critical to prevention. The President has said that he wants a proactive, analytically-grounded approach to counterterrorism to be a hallmark of the new Department. We believe that establishing a training academy to develop these new analytic skills and create a more prevention-oriented culture in the counterintelligence community is critical the success of the new Department.

The second focus of a homeland security training academy should be a rigorous program of homeland security exercises allowing key decision makers from across government (and in collaboration with state and local governments) to refine approaches to incident management for various types of attacks. Such exercises can serve several valuable purposes. They can: uncover discontinuities in planning for future events; reveal insights into the complexity of problems that cannot be developed through other means of analysis; establish operational working relationships among participants in "peacetime" that become crucial for communication and trust in crisis; help organizations to surmount turf battles and recognize what they can and cannot do as well as what other organizations bring to the table; and reveal critical shortfalls in processes and capabilities that need to be addressed. A comprehensive homeland security exercise and training program should include periodic sessions for not only senior officials in the Department but also key players in other federal agencies involved in homeland security as well as state, local, and private sector officials.

Foster Better Communication with the American People

- **Create an office within the new Department charged with undertaking an ongoing, national public education campaign to inform the American people about threats to the U.S. homeland and what individual citizens can do to enhance their own safety and security.**

Since September 11, 2001, Americans have heard a great deal about potential threats to the U.S. homeland, but very little about what they, as citizens, can do to enhance their own safety and security. For example, few Americans know how best to respond to a terrorist attack involving biological agents – yet how they respond in the first hours of such a scenario could mean the difference between life and death, and between a contained number of casualties and much more catastrophic effects for the nation. Public education is a critical element of any effective national strategy of homeland security, yet

no senior official or agency has been designated and resourced to be responsible for this vital function. Building on the lessons learned from past civil defense efforts, Congress should create an office in the Department of Homeland Security responsible for leading the development and implementation of a nation-wide campaign aimed at educating Americans about the nature of potential threats to the U.S. homeland, what individual citizens can do to help law enforcement agencies prevent attacks, and what they should do in response to specific kinds of attacks to reduce the risks to their health and safety.

Support the Technical and Analytic Needs of a New Homeland Security Department

- **Establish a Federally Funded Research and Development Center for Homeland Security.**

There are numerous technical and analytic needs required to stand up and operate the proposed Homeland Security Department. They include (among others): developing new tools and techniques for integration and analysis of intelligence; assessing the balance of the homeland security research portfolio and establishing priorities for investments; developing recommendations for counterterrorism technology standards; establishing a risk-based management system for evaluating threats and allocating resources; and determining optimal ways to deploy WMD countermeasures. An existing mechanism that can support these needs is the use of a Federally Funded Research and Development Center or FFRDC. No such institution, however, is currently dedicated to these critical homeland security functions.

The use of FFRDCs is a common practice in government for agencies that seek the best expertise the country can offer and independent, objective advice. FFRDCs have flexible hiring and firing authority that allows for comparatively easy recruitment and retention of experts relative to the federal government. FFRDCs are also not allowed to make a profit or compete for follow-up work in which their analysis guided the parent agency. Consequently, decision-makers can be more confident that the advice that comes from an FFRDC is independent and objective. In the past, such research centers have played a critical role in enabling federal agencies to grapple with new security challenges. Given the scope and importance of the challenges associated with homeland security, establishing a new FFRDC for this purpose would provide the new Department with a powerful tool.

Revamp Congressional Oversight of Homeland Security

- **Create a Select Committee of oversight in the House, and a similar committee in the Senate.**

Congressional leadership should create new select committees in order to streamline the reporting process, eliminate fragmentation of authority, and ensure efficient and effective oversight of the new Homeland Security Department.

- **Relinquish responsibility in committees that exercise overly broad and, in most cases, duplicative oversight of the agencies that will be folded into the Department of Homeland Defense.**

Today, far too many Congressional committees and subcommittees have been given, or have taken, oversight responsibility for various aspects of homeland security. To ensure effective oversight of homeland security, Congress must rein in the number of committees and subcommittees that exercise authority over the new Department.

Specifically, the scope of jurisdiction of the House Government Reform Committee should be narrowed and its functions redefined to eliminate duplicate oversight over the many defense and homeland security functions already under the jurisdiction of other committees.

The Senate Government Affairs Committee should revise its charter and divest itself of the International Security and Proliferation function of the Subcommittee on International Security, Proliferation and Federal Services. This oversight role is adequately exercised in other standing Senate committees.

- **Membership of each respective Select Committee should be made up of chairpersons and ranking members from the committees (House and Senate) and subcommittees (House) that now exercise oversight over the various agencies that will be consolidated in the new Department of Homeland Security. This criteria for membership will ensure cross-jurisdictional involvement by members, further providing comprehensive oversight.**

The relevant Senate committees include: Agriculture; Appropriations; Armed Services; Banking, Housing and Urban Affairs; Commerce, Science and Transportation; Energy and Natural Resources; Judiciary; and Intelligence.

The relevant House committees (and attendant subcommittees) include: Agriculture (Specialty Crops and Foreign Agriculture); Appropriations (Agriculture; Commerce, Justice, State; Defense; Energy and Water; Transportation; Treasury, Postal Service and General Government); Armed Services (Military Readiness; Military Research and Development); Energy and Commerce (Environment and Hazardous Materials; Health; Telecommunications and the Internet); Financial Services (Financial Institutions and Consumer Credit); Judiciary (Courts, the Internet and Intellectual Property; Crime; Immigration and Claims); Science (Energy; Research); Transportation (Aviation; Coast Guard and Maritime Transportation; Highways; Railroads); and Intelligence (Human Intelligence, Analysis and Counterintelligence; Intelligence Policy and National Security; Terrorism and Homeland Security).

- **Terms of membership on each Select Committee should be governed by the same criteria that govern chairmanship or ranking member status on other committees.**

Term limits on membership ensure fresh perspectives, while maintaining more than adequate understanding of the issues because of members' other committee assignments.

- **Each new Select Committee should have its own separate staff, not affiliated with any other committee or subcommittee.**

Separate staff will ensure independence and limit cross-jurisdictional turf battles. Further, a separate staff provides focused and expert insight to members of each Select Committee.

- **Within each Appropriations Committee, create new subcommittees of oversight. In conjunction with those new subcommittees, dissolve oversight responsibilities now resident in standing subcommittees.**

Unless separate new subcommittees are created, and oversight within current subcommittees is dissolved, the new Department will be whipsawed by competing demands and lines of authority within the Appropriations Committees.