Protecting America Against Terrorists: The Case for a Comprehensive Reorganization of the Department of Homeland Security

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Introduction

On March 16, 2005, Department of Homeland Security Secretary Michael Chertoff announced that he would undertake a 60 to 90 day "Second Stage Review" ("2SR") of the Department. This 2SR was designed to determine what changes, if any, should be made to the agency's mission and function, as well as any structural changes needed to address ongoing organizational inefficiencies.

We commend Secretary Chertoff for taking the initiative to review the Department's structure. His findings confirm what many of us on the Homeland Security Committee have observed in our oversight capacity: the Department is broken and needs major changes. The reorganization proposed by the Secretary demonstrates that the current Administration is not doing enough to secure our nation and more must be done to prevent terrorists from attacking us here at home.

We are heartened to see that the Department has decided to undertake some changes that Democrats have identified during the last two years as being necessary to improve the agency. For example, the Department will require the U.S. VISIT program to use ten fingerprints, instead of the currently used two-print system. As early as January 2004, at a Select Committee on Homeland Security hearing, Congressman Norman D. Dicks (D-WA) suggested "two prints are not always reliable for finding a person's records in some of our databases. Now, if we had done this right, I think, and have had them [Departments of Homeland Security] do either eight or ten [fingerprints] we would have had a much more reliable system."

The Secretary also is creating an Assistant Secretary for Cybersecurity and Telecommunications, something that Committee Democrats and Republicans, led by Congresswoman Zoe Lofgren (D-CA) and Congressman Mac Thornberry (R-TX), have called for since July 2003.

While the 2SR does call for some changes that we all agree must be undertaken, it is not comprehensive. We remain concerned that in another three years, we will have to revisit the Department's organization and recommend further improvements to ensure the agency is functioning at its optimal level. It is essential that the Department be reorganized correctly today so that the federal government can assure the public that it is doing everything it can to prevent, detect, and respond to terrorism here at home.

The 2SR contains some provisions that are generally supported by various groups, but it also contains some reforms that have been untested and are not well-explained in the materials that have come out to date. We have heard from many in the private sector, on the state and local level, and other sectors of the federal government that they were not extensively consulted for input in the review, despite a process that lasted more than three and a half months.[1] Indeed, the Department's request for input from Members of this Committee occurred less than twenty-four hours before the Secretary announced the

[1] See e.g. Edward Wytkind, President,Transportation Trades Department, AFL-CIO. Letter to Secretary Michael Chertoff, Department of Homeland Security, June 16, 2005.

reorganization. In order to fully assess the necessity and value of these particular changes, several questions must be answered.

Lastly, there are some glaring omissions in the 2SR offered by Mr. Chertoff. If these gaps are not addressed, our nation is at risk. For example, there is little to no change offered to ensure that the Transportation Security Administration (TSA) is working to secure our transit systems, along with our aviation systems. Given last week's events in London and the concerns raised about our nation's own public transit systems, a failure to fix TSA's problems is unacceptable. In order to assist Mr. Chertoff with his review, we offer several recommendations, generally supported by experts and "people in the field," that would streamline the Department and allow it to achieve its mission. We encourage Mr. Chertoff to review these recommendations and would be happy to work with him to integrate them into the current 2SR.

Some Movement in the Right Direction

As noted above, there are several provisions in the 2SR that Committee Democrats support and, in many instances, have been the leading advocates on. We commend Mr. Chertoff for these changes, though we would ask for more clarification on a few of these provisions.

Requiring "Ten Fingerprints" For US-VISIT

Requiring US-VISIT and visa applicants to submit at least ten fingerprints, rather than two fingerprints is a strong first step to identifying terrorists at our borders and preventing them from entering the United States. Democrats on this Committee, led by Rep. Norman D. Dicks, have long advocated for this change. We request, however, further clarification as to what other changes the Department may be considering for US-VISIT. Numerous investigations have revealed serious problems with US-VISIT, such as a lack of action plan to identify information security weaknesses.[2] We also would ask the Department to stop using "Soundex" and other similar antiquated modern name recognition technology in favor of a system that better screens people with non-western names. Ranking Member Bennie G. Thompson (D-MS) sent a letter to the Deputy Secretary on this issue on February 15, 2005, which has yet to be answered.

Creating an Assistant Secretary for Cybersecurity and Telecommunications

The Secretary's decision to create an Assistant Secretary for Cybersecurity and Telecommunications is the extension of a change that this Committee has advocated for more than two years. However, it is unclear whether the Assistant Secretary for Cybersecurity and Telecommunications will have authority over all telecommunications activities throughout the Department, such as the SAFECOM program and the Wireless Management Office, both of which seek to improve communications interoperability for first responder equipment. The Secretary must nominate a strong candidate with

[2] "DHS Needs to Fully Implement Its Security Program," GAO-05-700, June 2005.

adequate technical capability and leadership skills for the Assistant Secretary post to assure success in securing our nation's computer systems and networks.

Creating a Chief Medical Officer and Military Liaison at the Department

The Secretary's proposals to create a Chief Medical Officer and a Military Liaison are progressive changes that we support. The Department has not provided public health officials with adequate guidance and support to respond to a biological attack. Representative Donna M. Christensen (D-USVI), a physician, raised this critical issue in a September 2003 hearing on the need for aggressive bio-surveillance. She explained that "[i]f we know what we have and we are not able to respond because facilities are not prepared, labs are not up to date, staff are not properly trained, we will not save lives."

The inclusion of agroterrorism in the Chief Medical Officer's mission is also critical to protecting our food supply from field to fork. As Bob Etheridge (D-NC) observed in a May 2005 hearing on agroterrorism, "the agricultural industry is one of our nation's critical infrastructure sectors. It contributes about $1.2 trillion to our economy every year and counts for one in six jobs. We certainly know that terrorists would like nothing better than to interrupt our food supply."

It is unclear, however, whether the Chief Medical Officer or some other entity within the Department is responsible for ensuring that emergency medical services (EMS) personnel have the training and equipment they need to respond to a major emergency, a task no office at the Department is currently designated to do.

Creating an Undersecretary for Policy

A centralized policy and planning office is vital to mapping the Department's long-term planning and assuring that agency policy is coordinated. Such an office could also undertake creating such items as best practices for infrastructure at risk of a terrorist attack. Currently, the Department has no such office, causing it to focus too much on day-to-day problems and short-term planning. The inclusion of a strengthened international affairs component is also a welcome change. That said, the Undersecretary of Policy must have the resources and expertise needed to develop strong policy ideas.

Eliminating the "30 Minute Rule" at Washington National Airport

The Secretary's proposal to modify the "30 Minute Rule" requiring passengers to remain seated for the first 30 minutes after takeoff and before arrival at Washington National Airport in Washington, D.C. will eliminate unnecessary inconveniences for many passengers who are not a threat, such as small children who need to use the restroom. It will also prevent unnecessary diversions to Dulles airport, thereby disrupting air traffic and passenger travel. A careful examination of whatever rule replaces the "30 Minute Rule" will have to be made in order to ensure that security and the needs of passengers are respected.

Unclear Objectives

Several proposals contained in the 2SR have unclear objectives. Based on the limited amount of information available to us, it is difficult to assess whether the recommended changes have merit or not. Until we receive further information, we remain concerned about these recommendations.

Creating an Intelligence Chief

Democrats applaud Secretary Chertoff's decision to elevate the importance of intelligence information analysis within the Department of Homeland Security by creating a Chief Intelligence Officer who will report directly to the Secretary. We strongly concur that the Chief Intelligence Officer has a valuable role to play in coordinating the efforts of all of the intelligence components located within the Department and encouraging them to work together in a common analysis effort.

We are disappointed, however, that Secretary Chertoff has not provided further details about the key issue facing this new Chief Intelligence Officer: what the focus of his or her intelligence information mission should be, and what value it will bring to America's overall homeland security effort. It is simply pointless to have a Chief Intelligence Officer who does not have intelligence that actually advances the Department's homeland security mission. Among the unanswered questions that will require clarification from Secretary Chertoff are the following:

(1) Will the Chief Intelligence Officer have direct line authority over intelligence offices in other Department components, such as TSA and CBP, so that he or she can drive a common intelligence mission? This direct line authority should not only be for coordinating the disparate intelligence components within the Department on a general level, but also for directing them to gather certain kinds of information for particular homeland security purposes.

(2) Will the Chief Intelligence Officer "bolt together" the intelligence components of the Department, not only by coordinating their efforts, but also by creating a common repository for intelligence information that can be accessed, revised, and utilized by each component as it performs its particular intelligence work?

(3) How will the Chief Intelligence Officer leverage other information resources within the Department – specifically, from those employees who do not self-identify as intelligence gatherers or contributors to the Department's information analysis work but who nevertheless come into possession of information that – if provided to appropriate personnel – could help expose terrorists among us and reveal emerging terrorist threats?

(4) How will the Chief Intelligence Officer provide specific, actionable intelligence information to State, local, and tribal law enforcement authorities – as well as to the private sector – given continuing problems with de-classifying intelligence information?

(5) Conversely, how will the Chief Intelligence Officer encourage the private sector to share sensitive but unclassified information about the vast amounts of privately-owned critical infrastructure within the United States, given private industry concerns about business losses due to public disclosure of proprietary information, private sector fears of liability for disclosure, and private citizens' fears of inappropriate and overreaching government secrecy?

(6) How will the Chief Intelligence Officer coordinate and direct the intelligence information analysis process within the Department in order to ensure that intelligence "products" are helpful and responsive to the particular needs of the Department components charged with infrastructure protection?

Creating a Preparedness Directorate and Moving FEMA

Having the Federal Emergency Management Agency (FEMA) report directly to the Secretary may improve its ability to focus on its traditional mission of responding to emergencies. Considering that preparedness and response are closely linked for first responders, if FEMA does not retain a strong working relationship with the new Preparedness Directorate the Department may fail to develop strong policies in these areas.

While the Preparedness Directorate may ensure the United States is able to better prepare for and prevent a terrorist attack, the structure advocated by the Secretary may create harmful competition between infrastructure protection, cybersecurity, and first-responder needs. For example, placing the office of the Assistant Secretary for Infrastructure Protection in the same directorate as the United States Fire Administration may force firefighter needs into an awkward competition for attention with infrastructure vulnerability and risk assessments when the new Undersecretary for Preparedness is deciding his or her priorities.

In general, as Subcommittee Ranking Member Bill Pascrell, Jr (D-NJ) noted at a June 23, 2005 Subcommittee on Emergency Preparedness, Science and Technology hearing, "we must make sure that the first responders on the local level have access to the training they need. We also must ensure that first responders receive training in the most efficient way possible. In this respect, the current system of training may not be the best model." The 2SR proposal to create an Assistant Secretary for Grants and Training hopefully will resolve these problems.

Another issue left unaddressed by the Department's 2SR is the interoperability of systems across the board, but most specifically for first responders. Under the status quo, firefighters, police officers, emergency medical technicians and other responder personnel do not have a dependable method of communicating during an emergency or disaster. This is due to frequency or spectrum used by these first responders becoming too crowded during an emergency situation. Our first responders need these channels now, not later. Congresswoman Nita Lowey (D-NY) observed in November 2003 that, "First responders need, and quite frankly deserve, a commitment from this Congress that the roadblocks that have prevented the implementation of an interoperable communications system, incompatible and aging equipment, limited and fragmented funding, and lack of radio spectrum, will be eliminated. They have been waiting since September 11th and it is inexcusable that they have been left hanging."

National security is of utmost importance and our first responders need channels to communicate effectively, especially in light of a possible attack. Nearly four years later, our first responders still are unable to communicate properly. Congresswoman Jane Harman (D-CA) and Congressman Curt Weldon (R-PA) introduced the HERO Act in December of 2001, just after 9-11. The bill seeks to provide first responders with badly needed access to broadcast frequencies for communications because the spectrum currently used becomes too crowded during emergencies. It was reintroduced this Congress as H.R. 1646 in April 2005. We encourage the Department to publicly support this legislation.

Relocating the Office Charged with Private Industry Outreach

The Secretary proposes eliminating the position of the Special Assistant to the Secretary for the Private Sector and creating a new Assistant Secretary for Policy for the Private Sector who will be part of the Office of the Undersecretary for Policy. The existing Special Assistant position was created as a result of the recognition that the private sector plays an important role in securing our homeland and the Secretary needs an office focusing on the public-private partnerships that evolve to achieve this mission. Questions remain about whether the new Assistant Secretary for Policy for the Private Sector will have the same level of access to the Secretary and the Deputy Secretary that is enjoyed by the Special Assistant. If the Secretary is proposing a demotion for the official in charge of private sector outreach at the Department, that would be a step backward.

Creating an Operations Role in the Secretary's Office

Currently, the Customs and Border Protection (CBP), Immigration and Customs Enforcement (ICE), Transportation Security Administration (TSA), and US-VISIT are separate entities which each have responsibility for some aspect of border and transportation security. The Department's current separation of these entities has created organizational "turf battles" and inefficiency.

To achieve greater efficiency and a flatter organizational structure, some changes to these operational agencies should be made. However, the Secretary's proposal to

"flatten" the organization of the Department by having all of the Department's operational agencies report directly to him raises some serious questions. In effect, this proposal places a large portion of the Department's functions directly in the Secretary's office. While reorganization of operational functions is generally a good idea, if the Secretary's office is not structured in a way that will channel the oversight of all these agencies, a Secretary less able or influential than Secretary Chertoff may become overwhelmed.

Additionally, such a "flatter" structure could lead to political staff in the Secretary's office having too much control over daily operations of law enforcement and screening agencies, such as ICE, CBP, and TSA. We are concerned that this structure will eliminate critical "historical memory" at the agency. The Secretary should provide more details about how he will organize his Department to prevent these problems.

Missing the Mark

Protecting our Skies, Roads, and Rails

Long lines at airports, missed deadlines, and misspent money have plagued TSA's aviation screening efforts since its inception. Despite these inefficiencies, there is general agreement that the federalization of the passenger screening efforts was a necessary improvement to airline passenger security in the wake of 9/11. However, GAO recently found that although TSA has performed its airline passenger screening functions reasonably well, it has failed to clarify plans to address security concerns for other modes of transportation.[3] The recent attacks on rail and transit systems in London demonstrate that the rapid development of such plans is vital to increasing security for non-aviation modes of transportation.

Unfortunately, the Secretary failed to address the inability of TSA to serve as both an aviation security agency and a surface transportation security agency. As evidenced in news reports, TSA has not effectively mastered both security functions. As noted by Subcommittee Ranking Member Loretta Sanchez (D-CA) at a June 9, 2005 Subcommittee on Economic Security, Infrastructure Protection and Cybersecurity hearing, "The constant state of flux at TSA does not give me much confidence that it can get the job done. Time and again, TSA has failed to show leadership to fully deploy important new security programs."

TSA has also had problems managing its research and development programs and deploying aviation security technologies. As Peter DeFazio (D-OR), a leader on Transportation and Infrastructure Committee, observed during the Fiscal Year 2006 Authorization mark up on April 27, 2005, "We have technology that can find most plastic explosives and it can find other threat objects much more reliably than the outmoded junk we are making airport screeners work with, and then we dump on the screeners because they cannot find the threats. The GAO, the IG and the 9/11 Commission say we need

[3] Transportation Security R&D: TSA and DHS are Researching and Developing Technologies, but Need to Improve R&D Management, Government Accountability Office, GAO-04-890, September 2004

new technology, new equipment in these airports. We are taking the money from the passenger $1.5 billion. It is being diverted to who knows what else."

The London attacks and Madrid attacks last year, demonstrate that terrorists remain focused on surface transportation, especially rail and public transit. As Congressman James R. Langevin (D-R.I.) said, "Going forward, we must make sure we are paying appropriate attention to our mass transit systems in an effort to make them as safe as possible. I will continue to push the President to follow through on his promise to create a national transportation security plan, which is three months overdue. I will also continue to advocate for dedicated funding for transit and rail security as well as money to ensure that our citizens are better prepared." So long as surface transportation is balanced against aviation security, our nation remains at risk. In order to assure that the Department is securing transportation across all modes, we encourage the Secretary to further evaluate the structure of TSA. It may be necessary to separate the two components to fully protect our nation.

The 2SR does not address the Department's Science & Technology functions. It is worth noting, however, that the Department has not dedicated any of the university research centers it is creating to transportation security. Given the prominence of this issue and the need to secure our skies, our roads, and our rails, we would encourage the Secretary to dedicate one of the ten university research centers as a Transportation Security Research Center.

America's public transportation systems are used 9.6 billion times a year, 32 million times a day, or 16 times more regularly than we use the domestic airlines.[4] Unfortunately, TSA does not recognize this disparity. Instead, TSA spends 90% of its budget on aviation security.[5] Congresswoman Eleanor Holmes Norton (D-DC) and other Democratic leaders have recently introduced the ''Secure TRAINS Act," which gives the Department new authority to strengthen rail and transit security, makes substantial investment in rail and transit security, and provides whistleblower protections for employees who report security risks. The Secretary should support the Secure TRAINS Act.

In addition, across the country, enough chlorine to kill or injure 100,000 people in half an hour is routinely contained in a single rail tanker car that rolls right through crowded urban centers without adequate security protections. Congressman Edward J. Markey (D-MA) has introduced H.R. 1414, which calls on the Department to issue regulations to upgrade the security of shipments of extremely hazardous materials, including re-routing these shipments around areas of concern unless no safer route exists, and also includes worker training and strong whistleblower protections for employees who report security risks. The Secretary should support this legislation as well.

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[4] "Transit mentioned in DHS budget for first time; needs far exceed budget proposal," American Public Transportation Association, February 7, 2005, available at http://www.apta.com/media/releases/050207proposed_dhs_budget.cfm.

[5] "The 9/11 Commission Report," Final Report of the Nation Commission on Terrorist Attacks Upon the United States, August 2004, p. 391.

Streamlining Immigration and Customs Enforcement and Customs & Border Protection

The Secretary's refusal to merge Immigration and Customs Enforcement (ICE) and Customs and Border Protection (CBP) is a mistake. CBP is responsible for protecting the borders while ICE is responsible for immigration enforcement and investigations. The separation of these two agencies has caused numerous problems with border security and investigations. For example, T.J. Bonner, the President of the National Border Patrol Council, which represents many border patrol agents, recently testified that "the dual enforcement structure of CBP and ICE has proven to be a major barrier to the accomplishment of the extremely vital mission of the Department of Homeland Security, stopping terrorists from entering our country[,] and carrying out their dastardly deeds."[6]

A joint report by the Center on Strategic and International Studies (CSIS) and the Heritage Foundation concluded that "merging the CBP and ICE will bring together under one roof all of the tools of effective border and immigration enforcement."[7] The Secretary should reconsider his decision to leave CBP and ICE as separate operating entities.

Strengthening Privacy

When Congress created the Department of Homeland Security in 2002, it tasked the Department's Privacy Officer with numerous duties such as "assuring" that new technologies do not erode privacy and "evaluating" the privacy impact of new government programs.[8] Congress failed, however, to provide the Privacy Officer with the power to adequately investigate privacy violations. The Privacy Officer is required to investigate privacy complaints, but lacks the subpoena authority. Instead, the Privacy Officer must rely upon voluntary submissions of information in order to conduct investigations.

This lack of investigative power has led to considerable difficulties. For example, in one investigation, the Privacy Officer's request for documents regarding TSA's transfer of private passenger data from JetBlue Airways to the Department of Defense was repeatedly rebuffed[9].

Furthermore, the Privacy Officer's independence within the Department is limited. Unlike the Canadian version, for example,[10] the Department's Privacy Officer is

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[6] Prepared Statement of T.J. Bonner, President of the National Border Patrol Council, Homeland Security Committee Subcommittee on Management, Integration, and Oversight, March 9, 2005.

[7] DHS 2.0: Rethinking the Department of Homeland Security, James Carafano, Ph.D. and David Heyman, The Heritage Foundation, SR-02, December 13, 2004.

[8] Homeland Security Act of 2002, section 222, P.L. 107-296, 107th Congress

[9] Declan McCullough, Sidelining Homeland Security's Privacy Chief, News.com.com. at http//news.com.com/sidelining+Homeland+Security+Privacy+Chief/2010-1071_3-5660795.html

[10] *Id*

not appointed for a specific term. Additionally, the Privacy Officer does not have the authority to report directly to Congress, unlike the Department's Ombudsman for the Citizenship and Immigration Services.[11]

The Secretary should have asked Congress for new authority to permit the Privacy Officer to: (1) access all records deemed necessary; (2) undertake any privacy investigation that the Privacy Officer believes is appropriate; (3) subpoena documents from the private sector when necessary to fulfill statutory mandates; (4) obtain sworn testimony; and (5) take the same actions that the Department's Inspector General may take in order to obtain answers to questions and responsive documents required for investigatory work. To insulate the Privacy Officer from outside political pressure, the position should be granted a five-year term and should be allowed to submit reports directly to Congress. Democrats on the Homeland Security Committee have introduced H.R. 3041, The POWER Act, which will grant these new powers, and the Department should support that legislation.

By assuring that the Privacy Officer has the authority and the resources to adequately protect the privacy concerns of the flying public, we can guarantee that fundamental rights are protected without sacrificing America's security needs. This change will also make the Department more efficient by reducing concerns about privacy protections that often hinder the development of innovative programs. The Secretary's failure to request these new powers for the Privacy Officer was a mistake.

Creating Greater Authority for Chief Information, Financial and Procurement Officers

The Government Accountability Office (GAO) and the Department's Inspector General have repeatedly cited the Department for lax management and procurement practices. The GAO has placed the Department on its "High Risk List" and the Department's IG has indicated that it may be five to seven years before the Department can produce an auditable financial statement.[12]

Unfortunately, the Secretary did not respond to these management weaknesses by elevating the offices in the Management Directorate, which includes the Chief Procurement Officer (CPO) and the Chief Information Officer (CIO), and the Chief Financial Office (CFO), to a level above the other directorates. Such an elevation would provide greater oversight of contracting and improve technology and information systems within the Department.

Although the Secretary has indicated the offices in the Management Directorate will have more authority over information, management and procurement offices

[11] Homeland Security Act of 2002, section 452, P.L. 107-296, 107th Congress
[12] Department of Homeland Security Office of Inspector General, "Major Management Challenges Facing the Department of Homeland Security," OIG-05-06, December 2004.

elsewhere in the Department, his decision not to elevate them calls into question just how much authority these offices will really have.

The source of many of the management problems at the Department has been a failure to provide enough central authority in the Department for procurement, financial management, and information sharing. Right now, the CPO, CFO, and CIO – collectively known as the Line of Business (LOB) Chiefs – are located in the Management Directorate without clear authority over their counterparts in agencies in other directorates. For example, the Chief Procurement Officer, despite his title, lacks adequate authority over procurement officers in agencies such as TSA and CBP.[13]

In October 2004, the Secretary of Homeland Security signed "Management Directives," developed by the LOB Chiefs.[14] These Management Directives are intended to guide the Department's management of each respective business function and to optimize them across the entire Department. However, each of the Department's business systems is based on "dual accountability" where both the operational leadership and the LOB chiefs are responsible for the successful implementation of the directives. For example, the directive for financial management established that the Department's CFO is accountable for consolidating and integrating financial systems across the Department, but he must work with the multiple CFOs within each of the Department's agencies in order to accomplish this goal.

Kendrick Meek (D-FL), the Ranking Member of the Subcommittee on Management, Integration and Oversight, in an April 2005 hearing raised the issue of the Department's failure to implement government-wide information security policy. "At a time when Americans look to the Federal Government to help keep them secure, DHS must make information security a priority. This is an important issue because DHS has access to the most sensitive national security data. Any compromise of that data would be disastrous."

The Department's IG has criticized this decentralized operation of key management areas. In reports issued in July, 2004 and December, 2004, he concluded that the Department's CIO is not well positioned to meet the Department's information technology (IT) objectives under the current management structure.[15] The IG reported:

> "[d]espite federal laws and requirements, the CIO is not a member of the senior management team with authority to strategically manage department-wide technology assets and programs. No formal reporting relationship is in place between the DHS CIO and

[13] Department of Homeland Security Office of Inspector General, "Major Management Challenges Facing the Department of Homeland Security," OIG-05-06, December 2004.

[14] *Id*

[15] Department of Homeland Security Office of Inspector General, "Improvements Needed to DHS' Information Technology Management Structure," July 2004, OIG-04-29; Department of Homeland Security Office of Inspector General, "Major Management Challenges Facing the Department of Homeland Security," December 2004, OIG-05-06.

> the CIOs of major component organizations, which hinders department-wide support for his central IT direction. Further, the CIO has limited staff resources to assist in carrying out the planning, policy formation, and other IT management activities needed to support departmental units. These deficiencies in the IT organizational structure are exemplified by the CIO's lack of oversight and control of all DHS' IT investment decision-making and reliance instead on cooperation and coordination within DHS' CIO Council to accomplish department-wide IT integration and consolidation objectives. The department would benefit from following the successful examples of other federal agencies in positioning their CIOs with the authority and influence needed to guide executive decisions on department-wide IT investments and strategies."[16] (Emphasis added)

The Department has recognized the need to coordinate and improve centralization of key management areas, and sought to correct the problem in early 2005 by establishing a Business Transformation Office (BTO) within the Directorate for Management. However, the GAO reviewed the status of management issues facing the Department and determined that the role of the BTO could be strengthened so that it has the requisite authority to set priorities.

> "It is still too early to tell, however, whether these initiatives will provide the Under Secretary for Management with the elevated authority necessary to integrate functions across the department and institutionalize this new structure, as envisioned for a COO [Chief Operating Officer], CMO [Chief Management Officer], or similar position. For example, the indirect authority over component and agency chiefs who are critical to integration, and a BTO that primarily has a monitoring role, may not provide the authority the Under Secretary needs to set priorities for, and make trade-off decisions about resources and investments for integrating these functions."[17]

To better facilitate the transformation of 22 legacy agencies into one department, Democrats on the Homeland Security Committee believe the LOB chiefs must be elevated over their counterparts in the Department's agencies.

Quadrennial Review

Congress mandates that the Department of Defense (DOD) submit a Quadrennial Defense Review (QDR) every four years to focus on the strategic needs of the Pentagon

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[16] Department of Homeland Security Office of Inspector General, "Major Management Challenges Facing the Department of Homeland Security," OIG-05-06, December 2004.

[17] Government Accountability Office, "Department of Homeland Security: A Comprehensive and Sustained Approach Needed to Achieve Management Integration Office,"GAO-05-139, March 2005.

for the next 20 years.[18] DHS does not share a similar requirement, which leads it to focus on short-term needs.[19]

Unfortunately, Secretary Chertoff has not indicated he will put in place a long-term planning system like a QDR. The Heritage Foundation has advocated creating a QDR requirement for DHS.[20] We believe that a QDR is not only useful, but necessary for the Department. As Committee Member Sheila Jackson-Lee (D-TX) pointed out on October 2003, "the Department was create to solve our biggest problem or to be a part of the solution to the biggest problem that we are facing in the 21st Century—that is, the problem of terrorism and the threat of terrorist activities and horrific acts being committed against our nation." The Department needs to adopt a long-term strategic vision to keep America secure.

Conclusion

It is obvious that the Department of Homeland Security, as organized, is failing. The Administration has been operating in an ad-hoc manner to protect our borders and transportation systems, prevent biological, chemical and nuclear attacks, and provide our first responders with tools and resources. We agree with Mr. Chertoff that the Department of Homeland Security cannot not succeed if it continues to operate in its current form. It is clear that the Department and the Administration must take all necessary steps to correct the Department's ills. Unfortunately the steps taken by Mr. Chertoff today are small steps, when more is clearly needed to protect our nation. We encourage the Department of Homeland Security to re-evaluate its 2SR and make it more comprehensive so that Americans will know that their government is doing everything it can to win the war on terror at home.

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[18] "Quadrennial Defense Review: Background, Policy, Issues," Congressional Research Service, RS 20771, Updated June 21, 2001.

[19] "Seeing the Big Picture: Homeland Security Lacks Internal Control," James Carafano, Heritage Foundation, March 29, 2005, available at http://www.heritage.org/Press/Commentary/ed032905a.cfm.

[20] *Id*.