Congressman David Price (D-NC) today delivered a major, comprehensive address on the homeland security challenges facing our country. From his vantage point as chairman of the Homeland Security Appropriations Subcommittee, he discussed the shortcomings of the current administration's approach to homeland security and national defense, described efforts underway in Congress to address some of those shortcomings, and made specific recommendations for the next administration.

He delivered the speech at the Center for American Progress Action Fund in Washington, DC.

"Thank you for inviting me to be with you this morning. I am always happy to participate in forums hosted by the Center for American Progress because I, and many others in Congress, have come to know the Center as a beacon of enlightened thought and analysis on the major policy issues – both domestic and foreign – that we face as a nation. No one should underestimate the importance of what John Podesta and Scott Lilly and many others are doing here, and the way it generates good ideas and positive debate, focused on the challenges our country faces.

Homeland Security in Perspective

"I have been asked today to focus specifically on the homeland security policy priorities I would put at the top of the list for the next administration. I will also indicate how our Committee, under Democratic leadership, has addressed these priorities, although my ability to be specific about our fiscal year 2009 bill is hampered by the fact that we are still a day away from full Committee markup.

"I want to begin, however, by reflecting for a moment on a question I am often asked as Chairman of the House Appropriations Subcommittee on Homeland Security: are we safer and more secure than we were before 9/11, or before the Department of Homeland Security was formed in the wake of 9/11? If we look at efforts to detect, deter, and respond to specific threats, the answer is a qualified yes, as I will elaborate in a moment. But if we look at the broader context of security, both internationally and domestically, the answer is almost certainly no.

"The security of our country fundamentally depends on the degree of friendship and respect we enjoy around the world. We have implacable adversaries with whom we must deal firmly, sometimes harshly. But we also have a long history of moral leadership in the world and a bipartisan foreign policy tradition predicated on mutually supportive alliances and cooperation through international organizations. The Bush Administration has abandoned much of that legacy and has squandered the tremendous outpouring of worldwide public support for the United States that followed 9/11.

"The President never devoted sufficient troops and resources to the war in Afghanistan, which had almost universal support; he instead initiated a war of choice in Iraq that has made the threat of terrorism worse, not better. He disengaged, and announced he was disengaging, from Middle East peacemaking, with disastrous results for Israelis, Palestinians, Lebanese and others across the region. He labeled North Korea, Iraq, Iran and, in effect, Syria as an "axis of evil," and pursued policies that helped make that label a self-fulfilling prophecy.

"America's moral leadership has also been gravely damaged by the way we have pursued what the Administration conceived as a "Global War on Terrorism." Stopping active terrorists is a critical challenge, but preventing the development of new generations of terrorists is, in the long run, equally important. Winning "hearts and minds" is no exercise in sentimentality; it is absolutely central to protecting our nation from another 9/11. But when we fight terrorism with arbitrary detention without recourse, the torture of detainees, and the failure to restrain or bring to justice hired guns under our employ, the effect is the opposite of what we intend. Such policies and practices make our nation less secure.

"Homeland security also has a domestic context, one that goes beyond the conventional understanding of that label. Let me express the point in budgetary terms. The Congress has rightly provided greatly increased resources – now approaching $40 billion annually – for Homeland Security programs and agencies. I argue strongly for our Subcommittee's share of the federal budget – but only up to a point.

"We could spend ever-increasing portions of the budget on countering one threat or another, real or imagined. But an outsized Department of Homeland Security budget, if it came at the expense of crumbling infrastructure, diminished public health, reduced economic competitiveness, and depleted human capital, would hardly add up to a more secure or confident nation. The Bush years have seen a dangerous erosion of security in this broader sense. The same is true of our fiscal security and soundness, as the hard-won budget surpluses of the 1990s have given way to mountains of debt and an unprecedented dependence on foreign creditors.

"So our investments in the Department of Homeland Security are not made in a vacuum. Thinking about security requires us to think about America's role in the world and about the full range of domestic needs we face after years of neglect. The agenda for repair, renewal, and reform is vast and urgent, and it is within that broader agenda that the program of the still-new, still-consolidating Department of Homeland Security should take a proportionate place.

Immigration Reform

"Today I will suggest five principal homeland security priorities on which I would advise the next administration to focus. The first is comprehensive immigration reform. This might, at first glance, seem an odd choice as a top priority for the Department of Homeland Security, which – after all – was formed in response to the terrorist threat. But the historic missions of the departmental components did not go away when the Department was formed, and subsuming them under the rubric of combating terrorism is apt to confuse as much as it clarifies. Homeland Security encompasses critical areas of national policy that would demand attention even if 9/11 had not occurred. Immigration, I believe, leads that list.

"That is not to say that immigration policy is unrelated to terrorism; control of our borders and knowing who has entered our country – legally or illegally – are directly related to our defense against terrorist threats. Moreover, the intense focus on the broader illegal immigration problem – consisting primarily of an effort to intercept, detain, and deport individuals who illegally cross our borders in search of work and a better life – is distracting the Department's attention and diverting the Department's resources away from the truly dangerous threats and challenges we face.

"I want to be clear on that point. The illegal presence of foreign nationals in the United States is a problem, and calls into question our commitment to the integrity of our immigration laws. But we need to put that problem into perspective on two counts: First, the integrity of our immigration laws is compromised primarily by the fact that those laws are grossly unrealistic in relation to our labor market demands. And second, there can be no credible argument that deporting illegal workers should take precedence over efforts to combat smuggling, prevent terrorism, and deport criminal aliens.

"As comprehensive reform has floundered, our Subcommittee has used the power of the purse

to take on the Administration's skewed priorities in immigration enforcement. In 2007, the number of individuals ICE deported because they crossed the border illegally or overstayed their visas was 91 percent higher than in 2003, while the number of criminal aliens identified for deportation by the agency rose by only 16 percent. In other words, while we have been using scarce resources to detain and deport laborers at meatpacking plants, we have allowed tens of thousands of dangerous criminal aliens to be released back into our communities after serving their sentences, with no awareness on our part of their immigration status.

"At our Committee's direction, ICE has now developed a plan for identifying all those criminal aliens now serving time in our Federal, state, and local prisons and jails, and for deporting them upon the completion of their sentences. This plan will require dogged dedication and significant additional resources to fully implement. We have provided such resources in the FY 2009 bill. No matter what one's opinion about the broader illegal immigration problem and how to address it, we should all be able to agree that ICE's highest priority should be to identify and deport unlawfully present aliens who have already shown themselves to be a danger to our communities and have been convicted of serious crimes.

"Our Subcommittee has also taken on the challenge of border security – through what will be a one third increase in the number of Border Patrol officers from the beginning of FY 2008 to the end of FY 2009; by compelling attention to the vast Northern border (which is more significant as a potential entry point for terrorists than the Southern border); and by requiring some accountability as DHS spends hundreds of millions of dollars to build fencing along the Southwest border. We are insisting that cost-benefit estimates be provided and that alternative means of border protection be seriously compared before funds are spent on expensive fence construction.

"The illegal immigration problem cannot be solved by border security and law enforcement actions alone – I have yet to meet an experienced Border Patrol agent who believes that it can. We are fooling ourselves if we believe that fences and worksite raids will do the trick. Our illegal immigration is more about demand than about supply, so as long as our immigration policies are not responsive to the realities of our labor market, illegal immigration will drain our resources and distract attention from the apprehension of criminal and terrorist aliens crossing our borders and living among us.

"The current Administration made some effort last year to promote comprehensive immigration reform, but it now seems to have turned 180 degrees toward an enforcement-only approach. This might be interpreted as an attempt to appeal to the most hard-line anti-immigrant segment of the population, but some have painted it as an effort to drive home the need for immigration

reform by inflicting pain on businesses and communities who depend on these workers. If it really is some sort of perverse "tough medicine" policy, I find it doubly hard to understand, given the negative impacts on hardworking immigrants and their children, and because it has tradeoffs with other activities that could be helping to make our country safer.

"Whatever the rationale, the next Administration must make immigration reform a higher priority and pursue it more effectively. Such reform will strengthen our economy, reaffirm the rule of law, and enhance homeland security, allowing DHS to focus more effectively on that small percentage of illegal immigrants that has the capacity and the intent to commit crimes and do us harm.

Disaster and Emergency Response

"The second priority for the new administration should be to make disaster and emergency response effective and reliable – to get the Federal Emergency Management agency (FEMA) in good working order; to strengthen the DHS partnership with state and local emergency responders, to make of DHS a department that does not merely pay lip service to an all-hazards approach, but actually executes it in protecting our communities. Here too, as in the case of immigration, we are talking about not just the new, post-9/11 capacities the Department must develop, but about the historic missions of the Department's constituent agencies. In fact, FEMA and its partnerships with state emergency management agencies were much stronger before 9/11 and the Bush Administration than they are now.

"One of the significant downsides of subsuming FEMA under the Department was that it contributed to the deterioration of the agency's capacity to focus on the kinds of large scale natural disasters – such as hurricanes and earthquakes – that we are certain to face on a regular basis. While Hurricane Katrina might have threatened the response capacity of FEMA at even the peak of its prowess in the 1990s, the breakdown was significantly exacerbated by a failure of leadership at FEMA's top layers – and of the Administration more broadly – that was directly related to the downgrading of its status when it became a component of DHS. There is simply no substitute for having the FEMA director at the table with the President's cabinet when a disaster strikes, and the next President should ensure that he or she is there.

"Unfortunately, major obstacles to recovery in the Gulf Coast continue, particularly with regard to replenishing the stock of affordable rental housing. FEMA should not be in the business of long-term housing, and three years after the fact is simply too long. We have tried to help

transition the responsibility for long-term housing from FEMA to HUD, where it belongs, but little progress has been made. The next President needs to tell somebody in his Administration that they will be held responsible for this – right now, nobody appears to be in charge.

"The FY 2009 bill requires the Office of the Federal Coordinator for Gulf Coast Rebuilding to quickly convene a panel of experts to develop solutions for restoring affordable rental housing stock to communities in the Gulf Coast. The next President should implement those solutions, if they are workable, or come up with alternatives that will work, now and in future disasters.

"FEMA has made some strides under Administrator Paulison and his team, but there is much more to do. I fear that we would again have people stranded at the New Orleans convention center if Katrina recurred tomorrow. The National Response Framework was a first step in delineating roles and responsibilities across levels of government, but the agency still needs to put flesh on those bones. The gaps in the framework were made clear by the most recent TOP OFFICIALS exercise, which revealed many of the same coordination problems that plagued the response to Katrina.

"And there is still ground to be settled relative to FEMA's place in the broader Department. I believe the next Secretary will need to look to FEMA more comprehensively as the front line of response to disasters of every kind.

"We also need to give more emphasis than we do now to the all-hazards preparedness and response capabilities for first responders. Although there are a few first responder grant programs, such as Emergency Management Performance Grants and Fire Grants, that are focused on all hazards, most of FEMA's first responder funds are allocated based on terrorism risk. The 9/11 Act authorization enacted last year will continue to make terrorism risk the focus of most grant allocations for the next several years, but I will continue to argue for a balanced allocation method based on broader, all-hazards determinations of risk, particularly in distributing multipurpose State Grants. After all, there is a possibility of a terrorist attack somewhere in the United States in the next five or ten years, but I guarantee that first responders in states like mine will continue to face threats from hurricanes or other natural disasters on a regular basis.

Better Management

"The third priority on my list is to accelerate the work of making the Department a more cohesive and well functioning institution. Earlier this year, we reached the five year anniversary of the formation of the Department of Homeland Security – a very short time as the lives of departments go. It has been said many times that the formation of the Department of Homeland Security represents the most ambitious reorganization in the Federal government in our lifetimes.

"The only comparable reorganization was the formation of the Department of Defense in 1947, but in that case, it was a matter of integrating a small number of relatively similar entities with the related mission of defending the country during armed conflict. The Department of Homeland Security, on the other hand, involved the combination of some 22 different entities, many with distinct organizational structures and cultures, and with historic missions that ranged beyond the domain of homeland security per se. Integrating these various entities into a unified department has been a challenge, and it will continue to be a challenge for the next President and the next Secretary. There have been several reorganizations within the Department, some imposed by Congress and some by the Department itself, with mixed results in terms of improving the functioning of the Department and its components.

"The next Secretary must find a better balance between providing overall policy guidance and leaving departmental components free to do the fine tuning, between nurturing the new homeland security missions of component agencies and maintaining their historic mission capabilities.

"The next Secretary will need to significantly improve the management of the Department and its components, including financial system management and procurement management and oversight. Many of the agencies that were inserted into the Department brought with them financial, procurement, and other management challenges. Agencies newly created after 9/11 had difficulty staffing up, and often relied on contractors for critical management functions. Some 72 percent of the career executives at DHS left the Department between 2003 and 2007, compared to an average of 46 percent among all other Federal Departments. Related to that is a problem with morale at a Department that, according to a survey last year, ranks the lowest in the Federal government.

"Overall, the departmental components are continuing to struggle with management challenges. The DHS Inspector General questioned a total of $112,700,000 in DHS expenses in the first six months of fiscal year 2008 alone, more than double the amount questioned for the first six months of 2007 and approximately six times the amount questioned for the first six months of 2006. This is a trend in the wrong direction. Perhaps the most serious example is Coast Guard,

which determined last year that it could not certify its own financial statements, and therefore had no confidence that what it reported to the Congress was accurate.

"For large programs and procurements, our Committee has on numerous occasions found that Department plans lack specificity, both in terms of defining the expected outcomes to be measured and in estimating costs and timelines. The Department's procurement review mechanism – the Investment Review Board – is simply not succeeding. This process was set up to oversee and review the need for large, critical procurements, but it is unclear which investments the IRB will review, how decisions will be overseen and monitored, and how follow-up action will be tracked.

"A crucial test of the Department's progress in overall management will come during the transition from the current administration to the next one, early next year. The Department has been beefing up its senior career staffing levels, including the placement of career deputies at all of the departmental components. Nowhere will a smooth transition be more critical than at the Department of Homeland Security. We cannot afford to let our security posture slip, and we cannot allow the transition to be a vulnerability that terrorists might exploit. The next President will need to have identified his nominee for Secretary and most of the top component heads well before inauguration day.

Technology and Privacy

"A fourth priority area is to be smarter about the way we invest in new technologies. The Science and Technology Directorate has made some progress in aligning its activities more closely with the needs of the departmental components, and in opening up better channels to the private sector to ensure that we are taking advantage of the technological solutions that are out there. But there is still more the Department must do to ensure that we consider a wider array of technologies to solve homeland security challenges.

"The other side of the coin is that we must not blindly rush into investing in new technologies. New technologies may be the key to our homeland security future, but they can also be a threat. This is true not just because our enemies have increasingly gained access to technologies that threaten us, but also because our own security solutions have a real and significant impact on how we live our daily lives, both in terms of privacy and relative to the way they can interrupt the flow of commerce. In its zeal to develop and implement technologies that will make us safer, the Department has too often considered privacy concerns to be an afterthought. The Secure Flight

initiative and its precursors are a good example of how this can result in significant delays and wasted dollars. A privacy analysis must be an integral component of any technology or database development program from the beginning, and privacy protections must be fully integrated into their implementation.

"New technologies are not something we should naively bank on. Too often they just don't work as advertised, as we have seen at our Southern border, or they may be premature or have costs that exceed their benefits. Biowatch is a good example of a program where we need to proceed carefully; our Committee has commissioned a study to make certain we do just that. If the Department can develop cost effective air sampling systems that can quickly and accurately detect and give warning of biological attacks, it would go a long way toward foiling the threat of anthrax and other biological threats, but we are not there yet.

"SBINet is another example. If the Department can cost-effectively integrate off-the-shelf sensors, cameras, radar and other technologies through a common operating picture for the Border Patrol as part of SBINet, we can make significant advances toward operational control of the border without simply relying on fencing that can be breached or crossed over. But the results of the last year have shown that the deployment of an effective solution in this area is still months or years away. We must resist the impulse to invest huge sums based on a contractor's promise of a solution. Technologies must be fully developed in the lab with input from end users, and arduously field tested and piloted in real world environments to determine effectiveness and uncover unanticipated costs and operational challenges.

"The new President must ensure that leaders at DHS are sufficiently skeptical of new technology solutions being sold to them and sufficiently savvy to understand where technology solutions can play an integral role in operations while minimizing impacts on privacy and the flow of commerce.

Grants and Risk Analysis

"The final priority area I want to talk about is the way we invest in preparedness at the state and local level. Most, although not all, of the Department's grants are allocated using risk formulas, but the Department has struggled both to develop credible formulas with measurable components and to apply the formulas objectively and consistently. As a result, we are unable to measure how or whether many of our grant investments are actually buying down risk.

"The consequences of that inability are twofold: at times, the justification for targeting resources in a particular area is that we cannot afford not to spend more money because the consequences of inaction, in the event of a terrorist attack, would be too great; at other times, there is a hesitation to invest more funds in things like first responder grants because, while the needs of first responders remain vast, we cannot be certain that the funding is having the desired affect. I am convinced that we must continue robust investments in first responder equipment and training, port security upgrades, and transit security precautions, but I am not necessarily satisfied that we are targeting those investments in the right way.

"If there were a terrorist attack tomorrow somewhere in the United States, there would be recriminations for the failure to invest more in the technology or policy solution that might have prevented it. There would also likely be calls for significant new investments in those things in the future, with little regard for the likelihood of a repeat of that particular method of attack. In fact, I think we could expect to see calls for significant new investments in homeland security across the board, just to cover our bases. That would be an understandable reaction, but it is not an adequate basis for a homeland security investment policy.

"Do we have the right level and mix of homeland security investments at present? I am not as confident of the answer to that question as I would like to be, and it must be confronted by the new administration. In the FY 2008 appropriations bill, we tasked the National Academies of Science with assessing the Department's risk analysis methodology and applications, including crucial questions regarding the congruence and complementarity of assessments focused on terrorism and on natural disasters. We have also invested more funding in the Department's own efforts to refine its risk analysis methods. The next Secretary must use these analyses to guide the Department's investment decisions.

"I raised the question earlier as to the extent multipurpose State Grants should have a singular focus on terrorism. Here I want simply to note that the Bush Administration's efforts to eliminate or radically cut the Justice Department's state and local grant programs have greatly complicated the job of targeted grant-making at Homeland Security. With money drying up at Justice, it is hardly surprising that pressures increase to use Homeland Security grant funds to help fill the gap. Therefore, in addressing the appropriate level of funding and targeting for DHS grants, the new administration will need not only to revitalize the Justice programs, but also to ensure that Justice and DHS grant programs are harmonized and complementary.

The FY 2009 Bill and the Future

"The fiscal year 2009 bill will be the first appropriation for the next Secretary of the Department, and we hope to use that legislation to continue moving the Department in the right direction under its new leadership. The bill approved by the Subcommittee a few weeks ago provides $39.9 billion for the Department, which is $2.2 billion, or almost 6 percent, above the comparable fiscal year 2008 amount (including border funding with an emergency designation) and $2.3 billion above the Bush Administration's requested funding level.

"The bill imposes requirements on DHS to manage its programs efficiently and to ensure that programs comply with all laws before they begin operations. The bill makes a total of $1.4 billion from several accounts conditioned on the submission of expenditure plans or the completion of tests, to ensure that taxpayer dollars are spent in the intended way. Programs for which funding is conditioned include the Secure Border Initiative, the Coast Guard's Deepwater program, the Cyber Security Initiative, and the air exit component of US-VISIT. The bill seeks to push the Department toward better financial and program management; clarified priorities and goals in immigration enforcement, border protection, transportation security, and other areas; and strengthened partnerships with states, localities, and the private sector.

"The selection of the next Secretary of the Department of Homeland Security will be among the most important nominations the next President will make. That Secretary will be an essential player in formulating and implementing comprehensive immigration reform and in bringing our disaster and emergency response capability to full strength. He or she must continue the work of forming the Department into a cohesive and efficient whole, must develop core internal competencies in financial management and gather better in-house procurement and contract management expertise, must focus on technology solutions that reduce vulnerabilities to terrorist attacks and natural disasters while minimizing the negative impacts on our economy and on the civil liberties of Americans, and must accelerate progress on quantifying risk across geographical areas and economic sectors and tying risk assessments to investments. This is by no means an exhaustive list of priorities, but it represents many of the fundamentals the Department will need to master over the next four years.

"I will conclude where I began, with reference to the broader security context. Risks to the homeland are a function of three factors: threat, vulnerability, and consequences. The Department can work on addressing the last two variables through better preparedness, the hardening of infrastructure and nurturing of resilience, and improved detection and response capabilities. But the threats we face are another matter.

"The next President must fundamentally reorient our foreign and domestic policies, and a touchstone of that effort must be the question: what makes a nation truly secure? He must develop and artfully employ a comprehensive strategy for U.S. action in the world that makes more effective use of our national power, capitalizes on the moral authority of our free and open society, and draws friends and allies to our cause.

"Against those who would do us harm, we must be vigilant and ready to mount an effective defense. But the number of such adversaries, the support they gain, and the threat they pose will depend not only on the defense we mount, at home or abroad, but on the values we project and the role our nation plays in the world.

"Thank you, and I would be happy to respond to your questions and comments."