HOMELAND SECURITY
Responsibility And Accountability For Achieving National Goals

Statement of David M. Walker,
Comptroller General of the United States
Mr. Chairman and Members of the Committee:

Seven months ago today, terrorist-related events in New York, Washington, D.C. and Pennsylvania profoundly changed the United States and much of the world. As the country has begun to come to terms with the pain and consequences of this tragedy, so, too, has it started to develop a effective response to homeland security challenges.

I appreciate the opportunity to appear before this Committee again to discuss homeland security, one of the most vital issues confronting the nation. I appeared before the Committee on September 21st of last year, just days after the terrorist attacks. I outlined the nature of some of the threats faced by the United States and the need to create a leadership structure and framework for focusing on homeland security. In my testimony today I will discuss: (1) the need for a statutory-based structure for leading, coordinating and evaluating the nation's homeland security to help ensure an effective approach and appropriate accountability to Congress and the American people; (2) the Executive Branch's initial efforts to develop a national strategy for homeland security; (3) the impact of an invigorated homeland security program on budgets and resources; and (4) our efforts to obtain information from the Office of Homeland Security (OHS).

Introduction

Since the attacks of September 11th, we have seen the nation unite and work to better coordinate preparedness efforts among federal, state, and local agencies, as well as among private businesses, community groups, and individual citizens. Our challenge now is to build upon this commitment and to further improve our preparedness in a manner that can be sustained over time.

It is critical that we have strong and sustained leadership to provide effective security to our nation. President Bush took a number of important steps in the aftermath of the terrorist attacks to strengthen the country’s homeland security efforts, including the creation of an Office of Homeland Security (OHS). The creation of such a focal point is consistent with a previous GAO recommendation. At the same time, for reasons noted later

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in this testimony, GAO had recommended that Congress should establish this coordinating and planning entity by statute.

The success of a homeland security strategy relies on the ability of all levels of government and the private sector to communicate and cooperate effectively with one another. Such a strategy requires that the federal government’s role be considered in relation to other levels of government. The appropriate goals and objectives for homeland security must be set, and the tools and resources must be used to enable government and the private sector to achieve these goals and desired outcomes. Indeed, our ongoing work for Congress indicates that federal agencies, state and local governments, and the private sector are looking for guidance on how to better coordinate their missions and more effectively contribute to a comprehensive homeland security effort. Direction, coordination, and collaboration are critical to effectively implement the homeland security strategy.

Among other things, it is incumbent on the federal government to formulate realistic budget and resource plans to support the implementation of an efficient and effective homeland security program. In this regard, extensive resources that have recently been designated for homeland security, along with those resources proposed for the upcoming fiscal year, clearly reflect a large and rapidly growing federal role involving direct spending and assistance to others. While we believe that a robust homeland security program is critical to the nation’s protection and prosperity, it must be developed in a manner that is targeted to areas of greatest need and avoids wasteful, unfocused or “hitchhiker” spending. Moreover, the new commitments will compete with and increase the pressure on other important priorities within the budget. As GAO’s long term budget simulation notes, known demographic trends and rising health care costs will place unprecedented pressures on our longer range fiscal position. A fundamental review of existing programs and operations can create much-needed fiscal flexibility to address emerging needs by weeding out programs that are out-dated, poorly targeted, or inefficiently designed and managed.

Another important aspect of enhancing state and local preparedness is risk management. Risk management is an important tool for prioritizing limited resources in the face of uncertain threats. For more information on risk management, see U.S. General Accounting Office, Homeland Security: Risk Management Can Help Us Defend Against Terrorism, GAO-02-208T (Washington, D.C.: October 31, 2001).
The obvious and continuing importance of homeland security to all Americans, in conjunction with the expected rapid growth in related program expenditures, creates a vital need to involve both the Executive and Legislative branches of government in ensuring optimum performance and appropriate accountability of our homeland security activities. In fulfilling its Constitutional responsibilities, Congress retains its prerogative to engage in oversight on how the federal government as a whole, and a range of federal entities are preparing to prevent and respond to future terrorist attacks. In its efforts to review the effectiveness of homeland security management and operations, Congress, as with other government programs, has frequently called upon the GAO to conduct professional, objective, fact-based non-partisan, and non-ideological audits, investigations and evaluations. We currently have over 60 congressional requests to conduct reviews in the important area of homeland security. At this point in time, however, I must say that we have experienced some access problems in connection with our OHS related efforts. We are, however, hopeful that we will soon be able to agree on a course of action that will enable us to meet the needs of the Congress while not placing any unnecessary or unrealistic burdens on OHS.

My comments today are based on a body of GAO’s existing work on terrorism and emergency preparedness, as well as on our review of many other studies.

Statutory Basis for Homeland Security

In October 2001, the president established OHS as the federal focal point to develop and coordinate the implementation of a comprehensive national strategy to secure the United States from terrorist attacks. While this action represents a significant step, the role and effectiveness of OHS in setting priorities, interacting with agencies on program development and implementation, and developing and enforcing overall federal policy in homeland security related activities is in the formative stages.

To this end, it is important to re-emphasize that the leadership in the homeland security area should be national and institutional in nature.

1 See attached listing of related GAO products.

Homeland security is a long-term commitment and should be grounded in the institutional framework of the nation’s governmental structure. It must span the terms of various administrations and individuals.

GAO has in the past and continues now to recommend that an Office of Homeland Security be institutionalized in statute to ensure the efficiency and effectiveness of this effort and ensure its accountability to the Congress and the American people. In our September 20, 2001 report on combating terrorism, as mentioned, we recommended the establishment of a single focal point with responsibility and authority for all critical leadership and coordination functions to combat terrorism. We recommended that the focal point be established within the Executive Office of the President. The executive order establishing the OHS follows our recommendation in that regard and also reflects many of our other suggestions. We also recommended that Congress establish the office through legislation to ensure its legitimacy, authority, and sustainability. Equally as important, we recommended that the head of the office be appointed by the President with the advice and consent of the Senate in order to provide appropriate access and accountability to Congress and the American people.

In testimony to Congress in November of last year, I applauded the appointment of Governor Ridge as a positive first step in marshalling the resources necessary to address homeland security requirements. I also noted that statutory underpinnings and effective oversight would be critical to sustaining any related broad-scale initiatives over the long term.

We recognize that OHS has achieved some early results in suggesting a budgetary framework and emphasizing homeland security priorities in the President’s proposed budget. Despite OHS’ efforts to date, however, the informal structure and relationship of that office to the White House and other parts of the Executive Branch may not represent the most effective approach for instituting a permanent entity with sufficient authority to achieve all of the important objectives for securing our borders. Without a statutory framework that clarifies OHS’ roles and responsibilities, its budget and resources, and its authority to leverage other federal departments and agencies, the office will likely face persistent obstacles in obtaining fast, effective, and sustainable results across the government and throughout the nation. Moreover, such efforts need to transcend administrations, individuals and personal relationships, in order to ensure their effectiveness and sustainability in protecting our nation.
Past GAO reports have noted increased effectiveness and accountability in connection with various agencies and activities when the entity involved had a legislative foundation based in congressional consensus and subject to appropriate accountability. Providing a statutory basis for an important function, such as the functions provided by OHS, can help to assure there is reasonable agreement between the executive and legislative branches regarding the purpose and mission of the entity. It serves to provide a basis for a specific allocation of human and financial resources to the entity in support of its mission. It also provides an institutional basis for the entity and its leadership that can span changes in administrations and key personnel. Importantly, it also helps to enhance accountability to the Congress and the American people.

History has shown that areas of major importance have been addressed by statute. This is especially true when the activities involved will be long-term in nature and are likely to require continuing appropriations for an indefinite period of time. In this regard, according to President Bush, our homeland security effort will be long term in nature, and will require the expenditure of significant sums of appropriated funds. Congress’ allocation of approximately $60 billion in fiscal 2002, including a $40 billion supplemental request, and the President’s request of approximately $38 billion for fiscal 2003, serve to underscore the importance of this effort and the magnitude of the amounts involved.

However, there has been one significant recent effort at the federal level that did not involve a statutory basis or a Presidential appointee subject to Senate confirmation, but which was still successful. That case involved the federal government’s Y2K effort that was headed by John Koskinen, a former Deputy Director of OMB. There are, however, some important differences between the homeland security and Y2K efforts. The Y2K effort involved the entire federal government but over a limited and defined period of time. Further, it had a very specific and defined objective. It involved the creation of a special focus by both the Senate and House of Representatives to focus on this issue and significant and ongoing efforts by the GAO to assess related efforts and report to the Congress on an ongoing basis. In addition, John Koskinen testified on numerous occasions as to the status of these efforts. Many of these factors do not exist in connection with OHS, and reinforce the need for a statutory basis.

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We have tracked and analyzed various federal programs to combat terrorism for many years and have repeatedly called for the development of a national strategy for preparedness. We have not been alone in this message: the Gilmore Commission, and several national associations, such as the National Emergency Management Association and the National Governors Association, have advocated the establishment of a homeland security strategy. The attorney general's Five-Year Interagency Counterterrorism Crime and Technology Plan, issued in December 1998, represents one attempt to develop a national strategy on combating terrorism. This plan entailed a substantial interagency effort and could potentially serve as a basis for a national preparedness strategy. However, we found it lacking in two critical elements necessary for an effective strategy: (1) identification of measurable outcomes and (2) identification of the appropriate state and local government roles in responding to a terrorist attack. 6

To more effectively integrate and coordinate the varying roles and responsibilities of all levels of government, GAO has recommended the development of a central management focus and a national strategy to improve homeland security and enhance partnerships between federal, state and local governments, and the private sector, to guard against and respond to terrorist attacks. The establishment of the Office of National Preparedness (ONP) within the Federal Emergency Management Agency (FEMA) and the establishment of OHS under the leadership of Governor Ridge are important and potentially significant initial steps. We recognize that the President, in his proposed 2003 budget, announced that OHS will propose a national strategy later this year. As that strategy is finalized, we believe that OHS should include three key aspects:

- **A definition of “homeland security” and clarification of the appropriate roles and responsibilities of federal, state, and local entities.** A clear definition of homeland security is critical to establishing parameters for structuring homeland security efforts and providing a basis for defining and establishing appropriate roles and missions. Our previous work has found fragmentation and overlap among federal programs. Over 40 federal entities have roles in combating terrorism and, taken as a whole, past federal efforts often

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have resulted in a lack of accountability, as well as gaps and duplication among programs. In addition to limitations on effectiveness that this problem could create, state and local officials have noted that it can be difficult to identify and leverage homeland security resources and effectively partner with the federal government. Partnerships not only with state and local governments, but the private sector, will be critical to successful achievement of our national goals. Critical to this process will be a re-examination of organizations and operations to identify the most efficient, economic means to achieve our goals. As a result, organizational re-alignments and consolidations may be warranted.

- **The establishment of goals and performance indicators to guide the nation's homeland security efforts.** The Congress has long recognized the need to objectively assess the results of federal programs. For the nation's homeland security programs, however, we have not yet seen the development of appropriate performance measures or results-oriented outcomes. The Government Performance and Results Act of 1993 (commonly referred to as GPRA or the Results Act) requires that government departments and agencies focus on the performance and results of their programs rather than on program resources and activities, as they had done in the past. To establish and report on such measures, agencies are required to set strategic and annual goals, measure performance, and report on the degree to which goals are met.

- **A careful choice of the most appropriate tools of government to best implement the national strategy and achieve national goals.** The choice and design of policy tools, such as grants, regulations, tax preferences, and partnerships, can enhance government’s capacity to (1) target areas of highest risk to better ensure that scarce federal resources address the most pressing needs, (2) promote shared responsibilities by all parties, and (3) track and assess progress toward achieving national goals.

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**Homeland Security Budget**

There has been a growing emphasis over the past decade on improving preparedness for terrorist events through increased funding and resource planning. After the nerve gas attack in the Tokyo subway system on March 20, 1995, and the Oklahoma City bombing on April 19, 1995, the United States initiated a new effort to combat terrorism. In June 1995, Presidential Decision Directive 39 was issued, enumerating responsibilities for federal agencies in combating terrorism, including domestic terrorism.
Recognizing the vulnerability of the United States to various forms of terrorism, the Congress passed the Defense Against Weapons of Mass Destruction Act of 1996 (also known as the Nunn-Lugar-Domenici program) to train and equip state and local emergency services personnel who would likely be the first responders to a domestic terrorist event. Other federal agencies, including those in the Department of Justice, Department of Energy, FEMA and Environmental Protection Agency, have also developed programs to assist state and local governments in preparing for terrorist events.

The attacks of September 11, 2001, as well as the subsequent anthrax episodes, dramatically exposed the nation’s vulnerabilities to domestic terrorism and prompted numerous legislative proposals to further strengthen our preparedness and response. During the first session of the 107th Congress, several bills were introduced with provisions relating to state and local preparedness. For instance, H.R. 525, the Preparedness Against Domestic Terrorism Act of 2001 proposed the establishment of a Council on Domestic Terrorism Preparedness to enhance the capabilities of state and local emergency preparedness and response.

Funding for homeland security increased substantially after the September 11th attacks. According to documents supporting the president’s fiscal year 2003 budget request, about $19.5 billion in federal funding for homeland security was enacted in fiscal year 2002. The Congress added to this amount by passing an emergency supplemental appropriation of $40 billion dollars. According to the budget request documents, about one-quarter of that amount, nearly $9.8 billion, was dedicated to strengthening our defenses at home, resulting in an increase in total federal funding to homeland security of about 50 percent, to $29.3 billion. The President’s FY2003 Budget, if fully funded, would increase funds for homeland security by over 70 percent from FY 2002 enacted levels. Table 1 compares fiscal year 2002 funding for homeland security by major categories with the president’s proposal for fiscal year 2003. Not included in the table is a $3.3 billion emergency supplemental request sent to Congress on March 21st.

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1 “Securing the Homeland, Strengthening the Nation.” For the complete document, see the Web site: http://www.whitehouse.gov/homeland/homeland_security_book.html

The events of last fall provide an impetus for agencies to rethink approaches and priorities to enable them to better target resources to address the urgent national preparedness needs. In some cases the crisis might prompt attention to long standing problems that have become more pressing. For instance, we have long pointed to overlapping and duplicative food safety programs in the federal government. While such overlap has been responsible for poor coordination and inefficient allocation of resources, they take on new meaning given the potential threat from bioterrorism.

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<table>
<thead>
<tr>
<th>Major funding category</th>
<th>FY2002 enacted</th>
<th>Emergency supplemental</th>
<th>FY2002 total</th>
<th>The President’s FY2003 budget request</th>
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<tbody>
<tr>
<td>Supporting first responders</td>
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<td>$651</td>
<td>$942</td>
<td>$3,500</td>
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<tr>
<td>Defending against biological terrorism</td>
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<td>3,730</td>
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<td>2,384</td>
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<td><strong>$9,758</strong></td>
<td><strong>$29,294</strong></td>
<td><strong>$37,702</strong></td>
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Numerous discussions have been held about the need to enhance the nation’s preparedness but, to date, we have not yet seen evidence of this administration’s national preparedness goals and measurable performance indicators. These are critical components for assessing program results refining strategies and objectives. In addition, our work has shown that the capability of state and local governments to effectively respond to catastrophic terrorist attacks is uncertain.

All of these factors make it increasingly clear that the United States still has a long way to go in meeting homeland security objectives. It is equally clear that both branches of the federal government must perform their respective roles to ensure that the nation’s approach to homeland security is effective and its results are accountable to the American people. In the
past, Congress, in exercising its legitimate oversight role, has called upon GAO to evaluate the policies, programs, performance and expenditures of a variety of government agencies and authorities. Congress has continued to utilize GAO for this purpose with respect to homeland security. As I mentioned previously, GAO is currently responding to over 60 requests in various homeland security areas like critical infrastructure, border security, public health, non-proliferation, and related overall strategic planning. More than two-thirds of these requests are from either the chairs or ranking members of congressional committees and subcommittees. GAO’s reputation and dedication to providing professional, objective, fact-based, non-partisan and non-ideological audits, investigations and evaluations is an integral part of Congress’ efforts to exercise its legitimate role in the American governmental framework and to achieve national policy objectives on behalf of the American people.

Indeed, the importance and cost, as well as the long-term success, of homeland security programs require a coordinated effort of the executive and legislative branches of government. The Congress’ role in appropriation of funds and oversight of programs is well established. While the Congress has appropriated substantial sums for homeland security, its efforts to engage in effective oversight have been hampered as a result of the homeland security structure established under the executive order. Effective accountability cannot be achieved without adequate Congressional oversight, and effective oversight cannot be achieved without appropriate access to records and other information.

In this regard, our efforts to assist the Congress in obtaining information from the OHS have to date not borne fruit. We have tried to engage the Office both formally and informally. We have provided assurances that we recognize the magnitude of the effort OHS is undertaking and that we have taken steps to consolidate the many information requests we have received from the Congress. We are committed to minimizing the burden on OHS by requesting relevant information from departments and agencies whenever possible. Nevertheless, there remains a certain core of information that only OHS can provide. Despite a written request, meeting and telephone conversations, to date we have not received this information. Importantly, OHS has recently informed us that they are willing to “engage” with GAO. It is important that we begin to receive information we need. As of now, a meeting is scheduled for next week. We are hopeful that as long as both parties are reasoned and reasonable about our respective needs and obligations that we will be able to obtain access to the information that we
need from OHS. However, actions speak louder than words and only time will tell.

Mr. Chairman, in conclusion, it is clear that a long-term effort will be required for the nation to become more secure from, and able to respond to, attacks on our homeland. America’s national strategy must be both affordable and sustainable over the years ahead. It is also important to note that the risk for protecting the nation can never be reduced to zero – and our strategies and activities should reflect this important principle as we work to improve the nation’s security. In my testimony today, I have emphasized the importance of establishing a statutory framework for homeland security, and discussed recommendations for a national homeland security strategy and its impact on the budget. I also raised important issues regarding accountability and access to records. As increasing demands are placed on budgets at all levels of government, it will be necessary to put our longer term fiscal house in order. In particular, agencies will need to revise, reassess and reprioritize their strategic goals and initiatives to better target available resources to address urgent homeland security needs.

This completes my prepared statement. I would be pleased to respond to any questions you or other members of the Committee may have.
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