



United States Senate
Committee on Homeland Security and Governmental Affairs
Senator Susan M. Collins, Chairman

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Opening Statement
Senator Susan M. Collins
Chairman, Committee on Homeland Security and Governmental Affairs
“Transforming Government for the 21st Century”
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This Committee often holds hearings exposing wasteful or even fraudulent government spending as part of its oversight responsibility. Today we are taking a broader look at what our government should do and how government should deliver services in the 21st Century. As the title of this hearing – Transforming Government for the 21st Century – states, we are not here to look at where we are or where we’ve been. This is about where we need to go. It’s about questioning the very premises of programs that often have changed very little from when they were first launched decades ago. It’s about accountability and effectiveness.

All of us here can easily remember a time, not very long ago, when mention of the 21st Century evoked images of a future that was either dazzling or depressing. Now we are in the 21st Century and find, to what I hope is no one’s great surprise, that it is neither *The Jetsons* nor *The Matrix*. The great changes we must deal with – the new threats that emerged with the end of the Cold War, the globalized economy, demographic trends, and the advancement of technology – were under way long before Y2K.

The key to this hearing, then, is not the phrase “21st Century,” but the word “transforming,” one of the most dynamic words in our language. The great changes of recent decades, and the myriad other changes they draw in their wake, have been accumulating and accelerating over many years. In response, government all too often has moved at what can be charitably described as the speed of government. We are here not just to look at where government needs to go, but to help actually get it there.

The GAO report we will discuss today is an excellent place to begin this transformation, and I thank Comptroller General Walker for the testimony and insight he will provide. Like this Committee, GAO is going beyond its customary role by opening this very important discussion.

The title of the report being released today is “21st Century Questions: Reexamining the Base of Government.” This report is not an exercise in imagining the future. It is the direct result of GAO’s fiscal oversight duties, and the sobering realization that our government’s current fiscal policies – on both spending and revenue sides of the ledger – cannot be sustained in the future we have entered. Baby Boom retirement, health care, homeland security, national defense, environmental protection, and the increasing demands in such areas as energy, transportation, and education are but a sampling of the forces that are relentlessly leading our nation to mounting deficits. As this report observes, the concern is not with the deficits that result from extraordinary

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events, such as terrorist attacks or short-term economic downturns. The concern is with long-term, escalating, and persistent deficits that will diminish the standard of living and security of Americans for generations to come.

This report is presented in the form of questions. They cover virtually every function of the federal government. They range from broad policy objectives to specific inquiries. For example, how best to allocate resources across our increasingly integrated, yet still discrete, armed services? Can transportation grant programs be restructured and consolidated to encourage the creation of efficient intermodal systems? Given the great advances in communications, are regional offices still the best way for federal agencies to serve the public? Is having 44 job-training programs spread across nine agencies the best way to help our workers adapt to the changing economy?

This format is appropriate because it is the Congress and the Administration that must provide the answers. There are more than 200 questions that cover a lot of territory, but the overall issue can be summed up by these three. What kind of government would we create if we were starting from scratch today? Since we cannot ignore existing obligations, needs, programs and systems, how can we transform government without disrupting its ongoing functions? And, perhaps the most perplexing question of all: How can we change government in spite of the entrenched interests that are committed to resisting change?

All this sounds daunting. We should be encouraged, however, because we have done it before. The structure of our military today could not have been imagined during World War II, yet it has been transformed dramatically. Program reexamination and restructuring are nothing new: Social Security in 1983, tax reform in 1986, and welfare reform in 1996 are a few examples. In the aftermath of September 11th, we consolidated 22 federal agencies into the Department of Homeland Security and, more recently, enacted sweeping intelligence reform. It is time we applied our proven ability to innovate and our knowledge of transforming government to the entire spectrum of government itself.

Type the words “Challenges of the 21st Century” into an Internet search engine and you will get tens of thousands of results. From hospitals to the hospitality industry, from the news media to art museums, from the governments of great economic powers to rural school boards, it seems every organization is reexamining what it does and how it does in the light of this new millennium. Look a little closer, and it is clear that there is nothing intrinsic about the dawn of the 21st Century that makes reexamination necessary. The striking new look our calendars took on five years ago was merely a reminder to many that a reexamination was past due.

One of the great thinkers on the subject of organization and management is Peter Drucker, a Presidential Medal of Freedom recipient in 2002. His pre-millennium book, *Management Challenges of the 21st Century*, includes a chapter titled ‘Creating Change: The Leader’s Tasks.’ Here’s a quote: “Innovation is not ‘flash of genius.’ It is hard work.”

So today we are embarking on the hard work of innovation. This hearing and this report get us started, and I look forward to Mr. Walker’s testimony.

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