



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

July 16, 2002

M-02-11

MEMORANDUM FOR SELECTED HEADS OF EXECUTIVE DEPARTMENTS AND
AGENCIES

FROM: Mitchell E. Daniels, Jr.
Thomas J. Ridge

SUBJECT: Department of Homeland Security Transition Issues

As you know, on June 20, 2002 the President signed an executive order establishing within OMB a Transition Planning Office for the Department of Homeland Security. Simply put, the objective of the Transition Planning Office is to plan and facilitate an accelerated transition to an integrated and effective Department of Homeland Security. At the same time, we must maintain and enhance homeland security vigilance and effectiveness during the transition period.

Central to this goal, we wish to stress that in all instances operations and program execution of the entities to be included in the new department will continue to be directed under existing departmental chains of command until the affected components transfer into the new department. In addition, during the transition period we must continue to discharge effectively any non-homeland security activities which are the responsibility of the entities that will comprise the new department.

In the coming days, we will create a series of planning teams within the Transition Planning Office to identify "day one" issues which require resolution at the moment the department is created (chain of command, incident management, communications, etc.) as well as to develop transition plans for moving entities into the new department. The transition teams will also produce longer term plans for further integration of the department's activities to be executed as the department becomes fully operational. There will be two types of teams: those organized for each of the department's major operating organizations (Border & Transportation Security; Emergency Preparedness and Response; etc.) and cross-cutting teams for department-wide functions (systems, human capital, budget, legal, communications, and headquarters/logistics).

Without in any way jeopardizing ongoing homeland security activities or presuming a particular outcome of the President's legislative proposal, it is important that we identify any pending actions or policy decisions within existing agencies that might be decided differently in the context of the expected new department. For example, we know that there are significant IT investments that are duplicative, both in the infrastructure area and for financial management

systems. Accordingly, we have already started a review of pending IT investments. There are, no doubt, other types of investments which should be carefully suspended pending reevaluation. In addition to investments, there are other categories, such as changes in personnel systems for individual components expected to join the new department, which should also be examined with care before proceeding.

Through our ongoing relations with you and our normal review of information technology investment business cases, proposed regulations, and legislative initiatives, OMB is already aware of many of the major items that should be highlighted for discussion in this context. However, to make sure we capture **all** the issues that need to be considered, we request that you identify the major subject areas / pending actions that qualify for review. Pending the formal creation of transition planning teams, we request that you report any items you identify to the OMB program associate director with responsibility for your department/agency. We request that this exercise be completed by Friday, July 27, 2002.

Our guiding principle is that we avoid taking actions and spending monies that will be seen as wasteful or unnecessary only a few months from now once the new department becomes operational. If you have any questions concerning the scope or meaning of this request, please bring them to the attention of Mark Everson (202-395-5963) or to either of us directly. Thank you for your assistance and attention to this important effort.