

# DEPARTMENT OF HOMELAND SECURITY

## The President's Proposal:

- Establishes a single department whose primary mission is to protect the American people and their homeland;
- Unifies principal border and transportation security agencies;
- Further coordinates a cohesive network of disaster response capabilities;
- Creates a central point for analysis and dissemination of intelligence and other information pertaining to terrorist threats to protect America's critical infrastructure; and
- Joins research and development efforts to detect and counter potential terrorist attacks.

## The Department's Major Challenges:

- Merging 22 disparate agencies and programs into a cohesive department that has centralized leadership and decentralized operations;
- Unifying multiple field structures into one regional reporting structure;
- Successfully integrating the existing border security and interior enforcement functions; and
- Improving information sharing and counterterrorism cooperation within the Department and with other responsible federal agencies.

### Department of Homeland Security

Tom Ridge, Secretary

[www.dhs.gov](http://www.dhs.gov)

**Number of Employees:** 179,241

**2003 Spending:** \$28.2 billion

Our nation suffered terribly on September 11, 2001. Since then, the President and all levels of government have worked tirelessly to defend America against another such attack. The creation of the new Department of Homeland Security (DHS) is one of the boldest and most important steps taken to date.

The new department will unite much of the federal government's effort to secure the homeland, with the primary goal being an America that is stronger, safer, and more secure. This goal will be a formidable challenge. Securing the American homeland presents hurdles of monumental scale and complexity, but the federal government has no more important mission.

The *National Strategy for Homeland Security*, released by the President on July 16, 2002, is a comprehensive plan for using America's talents and resources to enhance our protection and reduce our vulnerability to terrorist attacks. This plan remains the foundation of the President's mission to

protect the American people and their way of life. Accordingly, the 2004 Budget supports initiatives in the *National Strategy*.

DHS will be responsible for pursuing many of the goals outlined in the *National Strategy* but the challenge of homeland security extends beyond the new department. Other departments and agencies of the federal government—including the Federal Bureau of Investigation (FBI) and other elements of the Departments of Justice, Defense, Health and Human Services (HHS), and the intelligence community—have vitally important roles to play in homeland security in addition to their other important missions. Moreover, homeland security is a national mission, not just a federal mission, so the *National Strategy* calls for close collaboration—and shared responsibilities—with state and local agencies, the private sector, and American citizens.

**The Primary Mission of the Department is to:**

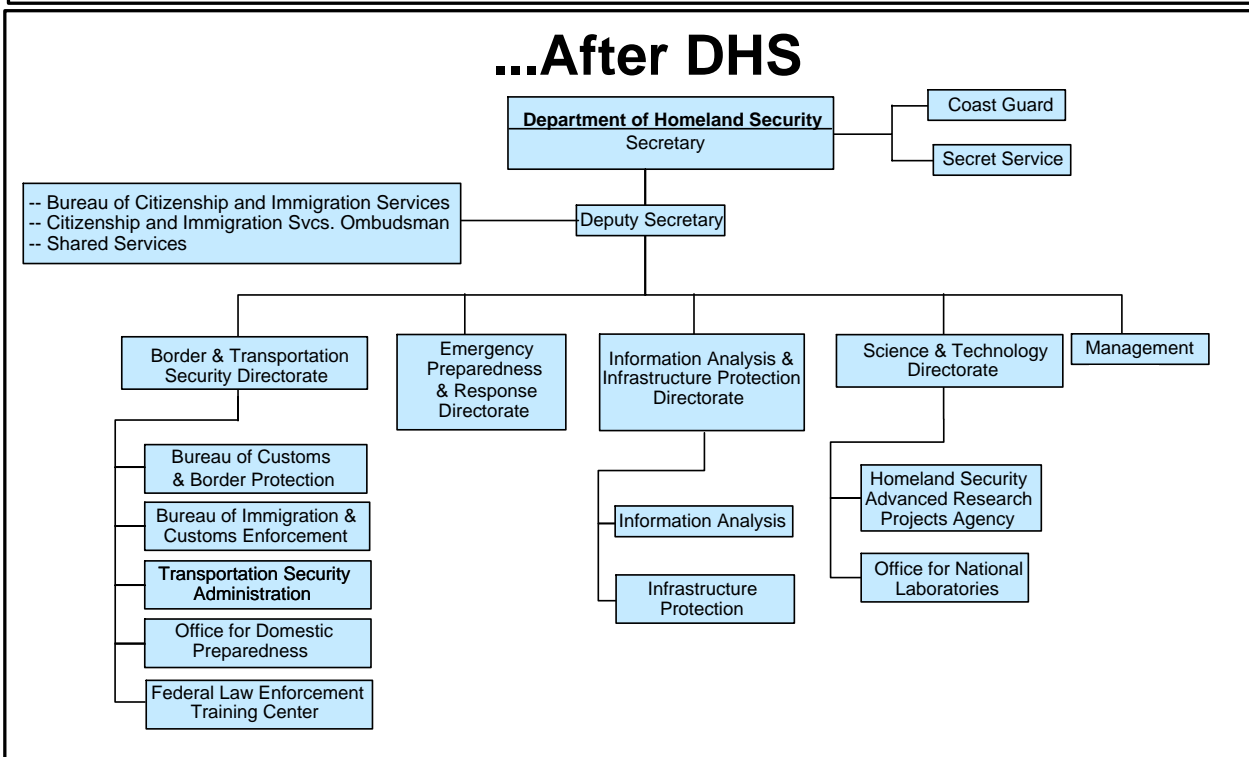
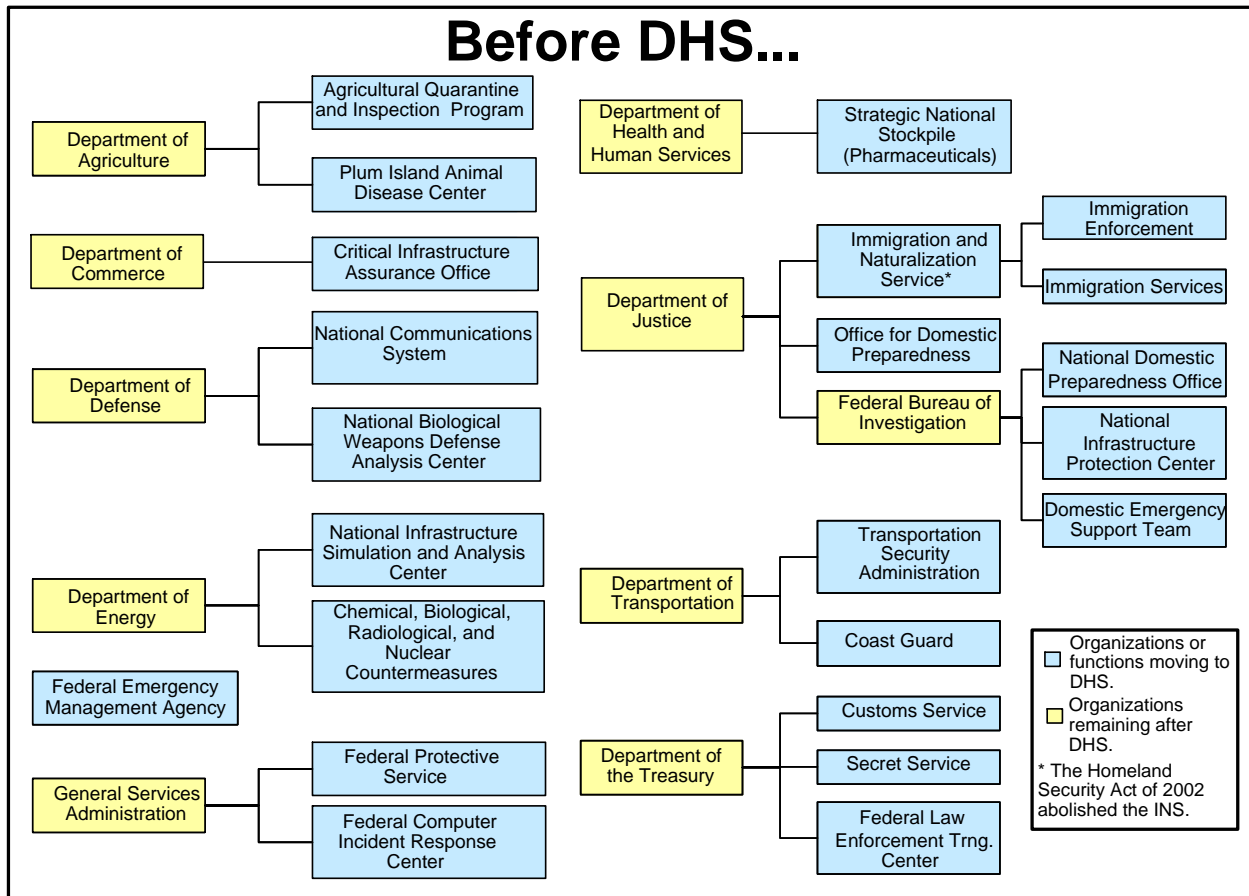
- prevent terrorist attacks within the United States;
- reduce the vulnerability of the United States to terrorism;
- minimize the damage, and assist in the recovery, from terrorist attacks that do occur within the United States;
- carry out all functions of entities transferred to the Department, including by acting as a focal point regarding natural and manmade crises and emergency planning;
- ensure that the function of the agencies and subdivisions within the Department that are not related directly to securing the homeland are not diminished or neglected except by a specific explicit Act of Congress; and
- monitor connection between illegal drug trafficking and terrorism, coordinate efforts to sever such connections, and otherwise contribute to efforts to interdict illegal drug trafficking.

Section 101(b) of the Homeland Security Act of 2002

## Overview

The September 11<sup>th</sup> attacks highlighted much more than America's vulnerability; they highlighted the federal government's limitations in protecting the homeland from unconventional attacks. At the time of the attacks, no single federal agency was responsible for protecting the homeland. Instead, homeland security was a secondary mission to over 100 agencies and programs that operated in a confusing, bureaucratic matrix. These agencies and programs often did not share information or work with each other readily.

The accompanying chart illustrates the confusion that existed prior to the creation of the new department. The homeland security bureaucracy was like a jigsaw puzzle that was missing connecting pieces. Few of the pieces fit together. To make matters worse, many of the individual agencies were not working well and even efforts to improve management were not being undertaken in a coordinated way. For example, the Immigration and Naturalization Service (INS), an agency that had been plagued by years of mismanagement, was just beginning to reorganize in order to create a clear division between its two missions of ensuring the integrity of our borders and providing service to legal immigrants. But this reorganization was only focused on INS operations, not overall homeland security.



After September 11<sup>th</sup>, the President acted quickly and decisively to protect the nation. He immediately secured \$40 billion in emergency funding and created the Office of Homeland Security, led by former Pennsylvania Governor Tom Ridge, to coordinate the implementation of a comprehensive national strategy to secure the United States from terrorist threats or attacks. As the President's national strategy developed, it became clear that a more profound change was needed to meet the challenge of protecting against the possible terrorist threats of tomorrow. Maintaining the status quo structure, even with enhanced inter-agency cooperation, was an unacceptable risk that the nation could ill afford. Consequently, on June 6, 2002, the President proposed creating a new cabinet-level department with the primary mission of protecting the American people and our homeland. The Congress responded, and on November 25, 2002, the President signed into law the Homeland Security Act of 2002 creating the new department.

### **Addressing Past Problems**

DHS will address the communication and accountability vacuum that existed among federal agencies and programs by consolidating border and transportation security functions, merging response activities, creating a central point to map terrorist threats against vulnerabilities in our critical infrastructure, and coordinating homeland security research and development efforts. The department is structured around four major organizations:

- Border and Transportation Security;
- Emergency Preparedness and Response;
- Information Analysis and Infrastructure Protection; and
- Science and Technology.

To be sure, as the new department organizes itself, problems will be inevitable. Different cultures inside the 22 agencies must be reconciled. Diverse activities from conducting cutting-edge scientific research to inspecting cargo must be unified to secure the nation. Information technology must be integrated, staff must be realigned, new processes must be developed, and stifling bureaucracy must be overcome.

The President and the Administration are acting swiftly, aggressively, and sensibly to address the problems of the past and focus on the future protection of the American people. For instance, during its first year, DHS will unify four different border inspection functions into one. It will link existing information systems into a cohesive network—reengineering the \$3 billion spent annually by these agencies on information technology. It will merge 15 different compensation systems into a unified compensation system that rewards employee performance. And it will consolidate at least 19 different financial management systems into an integrated system.

In addition to these changes, DHS will create a powerful and logical regional structure. Currently, some of the major agencies being merged into DHS—the INS, the Federal Emergency Management Agency, the Customs Service, and the Coast Guard—maintain a unique regional structure and lines of authority which lead separately back to Washington. This current field structure of existing agencies spans 42 districts, 21 sectors, and 20 management centers domestically, as well as over 100 international offices in 43 countries. The redundant structure has eroded accountability, blurred lines of responsibility, and led to duplicative efforts.

DHS will have one regional structure with directors within each geographic area in charge of all operations. The regional directors will report directly to the Secretary. The Coast Guard will be an exception given its distinct military mission, and will continue to report to the Commandant of the Coast Guard who will report to the Secretary. This reform will not only clarify responsibility but also provide a platform to clearly develop and broadcast the Department's vision and corporate culture.

In short, the Department will put into place an organizational structure that meets the dual needs of centralized planning and decentralized execution. Headquarters will focus on national policy while the regions focus on state and local security needs. Headquarters will be responsible for functions such as planning, policy, budgeting, strategy, interagency coordination, integrated intelligence and analysis, integrated research and development, public affairs, legislative affairs, information technology, and legal affairs. Regional directors will be responsible for all aspects of homeland and non-homeland security missions within their assigned regions and will integrate all elements of DHS into a unified effort to provide maximum security.

Additionally, in order to build on the partnership with state and local governments and the private sector started by the Office of Homeland Security, the Department will establish a liaison function, within the Office of the Secretary, with state and local governments and the private sector. It will link state and local governments, companies, and individuals with the right person within DHS, to eliminate the frustration too often experienced when trying to get an answer from a large federal agency.

### **Funding Highlights for 2004**

From 2002 to 2004, resources for the agencies and programs moving into DHS grew by more than 60 percent to \$36.2 billion. During the same period, nearly 61,000 staff were added to protect the homeland. Highlights for 2004 include:

- About \$500 million to assess the nation's critical infrastructure (e.g., nuclear power plants, water facilities, telecommunications networks, and transportation systems) and to work to ensure that vulnerabilities are addressed;
- \$350 million in new funding for vigorous research, development, test, and evaluation capabilities that have not existed for homeland security specific projects, such as nuclear and bioterrorism detection technologies;
- \$373 million for border security and trade initiatives including technology investments along the border such as radiation detection and x-ray machines for inspecting cargo containers; and
- \$3.5 billion for the Office of Domestic Preparedness to ensure that first responders are properly trained and equipped, of which \$500 million is for assistance to firefighters, particularly for terrorist preparedness, and \$500 million is for state and local law enforcement anti-terrorism activities.

### **Securing the Nation's Borders and Transportation Systems**

America historically has relied heavily on two oceans and friendly neighbors for border security. The increasing mobility and destructive potential of modern terrorism has required rethinking border and transportation security.

Securing our border and transportation systems presents an enormous task. Ports-of-entry into the United States stretch across 7,500 miles of land border between the United States and Mexico and Canada and 95,000 miles of shoreline and navigable rivers. Each year more than 500 million persons, 130 million motor vehicles, 2.5 million railcars, and 5.7 million cargo containers must be inspected at the border. The conditions and venues where the tasks are performed vary considerably, from air and sea ports-of-entry in metropolitan New York City with dozens of employees to a two-person land entry point in Montana.

### Border and Transportation Initiatives

- Ensure accountability in border and transportation security.
- Create “smart borders” that are more secure.
- Increase the security of international shipping containers.
- Continue implementation of the Aviation and Transportation Security Act of 2001.
- Continue implementation of the First Responder initiative.

National Strategy for Homeland Security

In carrying out these tasks, the government must be sensitive to a variety of priorities such as commercial activity, travel and tourism, in addition to security. An enormous volume of trade crosses the borders every day. Some \$1.35 trillion in imports were processed in 2001. DHS must work smarter to find the right balance between the appropriate level of screening and security, and the free flow of commerce.

The task of securing our nation does not end at the borders. More than 400 commercial airports are dispersed throughout the country. More than 600 million commercial airline passengers must be screened annually. Of this, 61 million passengers arrive on some 500,000 international flights each year. The rail and commercial motor transport systems pose attractive targets to terrorists and must also be secured. The sheer magnitude and variety of the targets in our transportation systems makes this a daunting task.

DHS brings together a wide range of assets to secure our borders and transportation system including almost 113,000 employees, nearly 250 airplanes and helicopters, and more than 280 boats of various sizes all under the control of the Secretary. These assets will be combined in the Border and Transportation Security (BTS) directorate.

Since the September 11<sup>th</sup> terrorist attacks, funding for border and transportation agencies has increased by \$7.5 billion (over 100 percent). About 61,000 personnel have been hired to provide enhanced border and transportation security to our nation. Significant investments (approximately \$4.3 billion) have also been made in equipment and capital. More important than these investments, however, will be the enhanced coordination and collaboration that a consolidated border and transportation security effort will be able to achieve. The Administration is not only building a stronger system, but also one that is far more nimble and efficient.



Technology helps reduce delays at border crossings.

## Creating “Smart Borders”

Until now, the focus of homeland security initiatives has been on securing our physical boundaries. Tomorrow’s focus must be on creating “smart borders” to provide protection by identifying threats before they get near our borders while continuing to facilitate trade.

The Department inherits over 4,600 new border enforcement personnel hired since 2002, for a total of more than 41,000 employees. In addition, about \$500 million is available for additional inspection technology to increase border and port security. Many of the projects in the border area are significant undertakings, and will be expanded and fine-tuned over the next few years. Recent funding increases for border-related security efforts will ensure that these activities have the support and funding needed to succeed.

For example, the budget continues support for the Advance Passenger Information System (APIS) that is used by border agencies to transmit identifying data on passengers bound for and departing from the United States. This information is checked against multiple criminal databases, including the National Crime Information Center database maintained by the FBI. In order to overcome the limits of the existing system and to provide more effective and efficient support for aviation security, over \$60 million has been devoted to APIS since the attacks of September 11, 2001.

The Department is also continuing to develop and implement the Entry-Exit System. This project entails significant investment in infrastructure and technology to build a comprehensive and integrated system that will enable it to track both the entry and exit of visitors to the United States. From 2002 through 2004, \$860 million will be used to support this initiative. A precursor for the Entry-Exit System has already been implemented. It requires visitors who may present an elevated national security concern to provide important information about their visit upon arrival and to confirm their departure from the United States. In addition, expanded electronic information is now required for airline passengers, which enables more accurate entry and exit data to be analyzed on visitors to our country.

The Department will continue the Container Security Initiative, which began in January 2002, to address the vulnerability of cargo containers being used to smuggle terrorists and their weapons and supplies. Under this initiative, personnel will be posted overseas to work with foreign customs authorities in identifying and screening high-risk containers before they are placed on ships destined for the United States. The primary goal is to enlist the cooperation of the 20 world ports that account for 50 percent of the containers shipped to the United States. Participants include England, Belgium, Germany, the Netherlands, Singapore, Hong Kong, and Italy.

### Using Risk Management Effectively



Here, a cargo container is inspected with a portable x-ray machine. Based on risk management assessments that are part of the “smart borders” efforts, the border of the future will be increasingly transparent to the continuous stream of goods and people engaged in legitimate activities. DHS will allocate resources in a balanced way to manage risk in our border and transportation security systems while ensuring the efficient flow of goods, services, and people.



Also essential to cargo security are partnerships with some of the biggest American importers as part of the Customs Trade Partnership Against Terrorism (C-TPAT), which began in November 2001. These partnerships improve security along the entire supply chain, from the factory floor, to foreign vendors, to land borders and seaports. To date, over 500 companies are participating in C-TPAT. The Department's goal is to have the top 1,000 importers sign up, accounting for 61 percent of all cargo entering the country.

## **Integrating Border Protection and Immigration and Customs Enforcement**

Security operations along the borders are presently fragmented with four different organizations patrolling and enforcing laws at the borders: the United States Customs Service, the Agricultural Quarantine and Inspection (AQI) program, and INS' Inspection program and Border Patrol.

DHS will create two operating agencies by merging the four existing organizations. One agency will be focused on border security; the other focused on enforcement of immigration and customs laws inside the United States. Both agencies will be organized under the Under Secretary for BTS. All field personnel will report to a regional director. DHS will consult with the appropriate employee representatives on this reorganization.



A dog makes its rounds at a U.S. border.

The Bureau of Customs and Border Protection will consist primarily of Border Patrol officers and inspectors from INS, Customs and AQI. This roughly 42,200-person bureau will focus exclusively on security at and in-between ports-of-entry. They will provide "one-stop shopping" for people entering the United States by unifying inspection functions and the chain of command. In the past, a person entering the United States would have been inspected by people from multiple agencies. Under this new agency, a person entering the United States will experience a seamless inspection process.

The Bureau of Immigration and Customs Enforcement will be made up of investigative and other enforcement personnel from the Customs Service, INS, and the Federal Protective Service. This roughly 14,400-person bureau will focus on enforcement of the immigration and customs laws as they relate to foreign nationals and goods within the United States. They will locate, detain and deport illegal immigrants, review foreign students, and investigate smuggling and other immigration and customs-related criminal offenses.

## **Securing the Nation's Airports**

Following the terrorist attacks, security was strengthened at all airports. Restrictions on parking and carry-on items, while onerous, were put in place to secure the airports quickly. Passengers were asked to arrive earlier, and often faced longer screening lines. Much has changed since those early days. The federal government has taken many positive steps, like hiring and training new federal screeners, to improve security for the long term.



### Improving Airport Screening



Through the work of TSA, airport screeners are better trained, have the latest screening technology, and are making better use of intelligence information than the screening workforce prior to September 11<sup>th</sup>. Professionalizing this workforce has been one element of a multi-tiered aviation security strategy on the ground and in the air.

In November 2001, Congress established the Transportation Security Administration (TSA) and set a deadline of November 19, 2002, for TSA to take full control of all passenger screening operations at airports and a deadline of December 31, 2002, to screen all airline baggage. This has been a tremendous undertaking. Over the course of the past year, TSA has successfully hired, trained and deployed a screener workforce to each of the 429 airports with scheduled commercial flights. More than 6,800 screening devices have been deployed to detect weapons and explosives, putting into use the latest technology to protect passengers. All passenger baggage is now screened through such devices or by alternative screening methods. TSA is also using intelligence information and technology more effectively to identify higher-risk passengers. As a result, overlapping layers of screening have been reduced,

such as screening at terminal gates. In 2004, the budget includes over \$4.8 billion to continue these efforts in the nation's airports.

In addition to improved passenger and baggage screening, TSA has deployed thousands of federal air marshals on domestic and international flights. Security located on the airplane itself represents one of the last possible defenses against on-board threats by persons intending to do the aircraft or the nation's aviation system harm. Airlines are also actively working to install more secure doors to bar unauthorized entry into cockpits. All 6,000 cockpit doors on large commercial aircraft will be replaced this year.

### Supporting First Responders

Nearly three million state and local first responders regularly put their lives on the line to protect the lives of others and make our country safer. The Administration's "First Responder" initiative will provide firefighters, emergency medical services, emergency management agencies, and law enforcement personnel with coordinated training, grants for preparedness equipment, technical assistance, and federal, state, and local joint exercises.

In 2004, DHS proposes \$3.5 billion for this effort—an increase of \$3 billion over 2002. This request includes \$500 million for grants that provide firefighters with health and safety equipment and vehicles as they prepare to respond to possible future terrorist incidents. The request includes \$500 million for state and local law enforcement terrorism prevention initiatives. The funding also supports up to \$181 million for the Citizen Corps initiative launched in January 2002. Citizen Corps supports local efforts to engage individuals in helping communities prevent, prepare for, and respond to disasters of all kinds, including terrorist attacks.



### **Responding to Tragedy Effectively**

Consolidating and moving the Office of Domestic Preparedness (ODP) and related functions to DHS will improve overall response coordination by providing states and localities with a "one-stop shop" for funding and training needs. ODP's network of training centers provides state and local first responders with specialized courses on responding to a range of terrorist threats. Since September 11<sup>th</sup>, enrollment has increased 136 percent—supporting training of over 80,000 first responders in 2002. The Administration's First Responder initiative supports continued growth in training that must meet rigorous quality standards set by DHS.

In 2002, \$750 million was awarded in equipment, training, and exercises grants to all of the states and U.S. territories. This funding supported training over 80,000 first responders. State and local agencies are using these funds to purchase equipment critical to improving their readiness for potential terrorist incidents, including protective gear for working in hazardous environments, devices for detecting and disarming explosives and other dangerous materials, interoperable communications equipment, and medical supplies. These purchases are based on state response plans.

### **Securing the Nation's Ports and Ensuring Safety in Our Waters**

Overall, the 2004 Budget provides the Coast Guard with a 36-percent increase (\$1.5 billion) over its 2002 Budget. To increase safety in our seaports, the budget includes \$65 million to deploy six new Coast Guard Maritime Safety and Security Teams to respond to terrorist threats or incidents in domestic ports and waterways. It also provides an additional \$53 million to buy nine Coast Guard coastal patrol boats to serve as vessel escorts into U.S. ports.



### **The Palermo Senator Incident**

On the eve of September 11, 2002, an inspection team in Port Elizabeth, New Jersey, detected trace amounts of radiation in the cargo hold of a ship, the Palermo Senator, bound for New York City. The Coast Guard ordered the vessel back to sea and guarded it in a special security zone while it was inspected more closely. Although the ship was found not to be a threat, the incident highlighted the need to prevent weapons of mass destruction from being smuggled into U.S. ports. Under DHS, identification and boarding of high-interest vessels will be heightened as multiple agencies with key roles in cargo security coordinate their intelligence, communications, and operations.

Through its continuing support of the Deepwater program, which is upgrading the Coast Guard's aging fleet of cutters, aircraft, and related systems, the Administration is working to increase the Coast Guard's capacity to fulfill its security responsibilities. The 2004 Budget requests \$500 million for this initiative. These new vessels and aircraft will help improve performance across DHS as the Coast Guard's activities and assets become more closely integrated with other DHS components.

The Coast Guard's non-homeland security activities, such as search and rescue, aids to navigation, and environmental protection, will remain major priorities. Over 50 percent of the Coast Guard's budget is devoted to such functions. The top priority among these other missions is maritime search and rescue. For 2004, the budget requests an additional \$20 million for hiring additional search and rescue staff. The budget also requests \$134 million to continue development of a "maritime 911" system needed to speed response to calls for help. This system will be fully deployed in 2006.



Coast Guard diver practices rescue techniques at sea.



## Responding to National Emergencies

### Emergency Preparedness and Response Initiative.

- Create a national incident management system.
- Augment America's pharmaceutical and vaccine stockpiles.

National Strategy for Homeland Security

An effective response to a major terrorist incident –as well as a natural disaster—rests on being well prepared. DHS will consolidate and coordinate all necessary response efforts quickly and effectively.

### Creating a National Incident Management System

A single, flexible incident management plan is necessary as part of an effective response to an emergency. Federal response resources are currently organized around teams that can be called on during an emergency to provide specialized expertise and support to state and local responders. These programs operate under multiple plans including the Federal Response Plan, National Contingency Plan, and the Federal Radiological Emergency Response Plan.

DHS is integrating these plans into a single all-incident management plan. Following a catastrophic event, DHS, through the regional directors, will activate an Emergency Response Team (ERT), several of which will be located at pre-positioned sites around the country. Depending on the nature of the emergency, an ERT would be able to call on support from a variety of standing federal teams supported by other federal agencies and state and local personnel.

### Augmenting America's Medical Stockpile

According to the Homeland Security Act of 2002, DHS is responsible for “providing the Federal Government’s response to terrorist attacks and major disasters.” In preparing for a possible bioterrorist attack against the United States, DHS will work closely with HHS to assure optimal medical preparedness and response capacity to meet threats to our nation. The Strategic National Stockpile, which the Congress transferred from HHS to DHS, contains drugs, vaccines, other medical supplies and equipment that can be delivered to any place in the country within 12 hours of a request for assistance. In the last year, the stockpile has been augmented in several ways. It now holds enough smallpox vaccine for every American, sufficient treatments for 20 million persons exposed to anthrax, and treatments for injuries following a chemical attack or explosion. The federal government has worked with every state to ensure rapid distribution of the stockpile to their citizens if needed. This budget contains \$400 million to maintain the stockpile and to strengthen its future capacity.



The Strategic National Stockpile contains medical supplies, drugs, and equipment that can be delivered anywhere in the country within 12 hours.

The Administration discovered many challenges in its recent efforts to ensure an adequate supply and delivery of vaccines, drugs, and other stockpile resources needed to respond to a bioterrorism attack. The current timeline for developing, procuring, and licensing vaccines and medicines to counter bioterrorism can be years. In some cases this may discourage companies from entering the market and making the necessary investments to produce adequate supplies of needed medical countermeasures.

The Administration proposes a new authority to overcome hurdles that impede our ability to stockpile adequate amounts of needed drugs and vaccines to protect Americans from bioterrorism. This authority will allow the government to pre-purchase critically needed vaccines or medication for biodefense as soon as experts agree it is safe and effective enough to place in the Department's Strategic National Stockpile for use in a homeland security incident. It will also serve to assure potential manufacturers that if they can create a safe and effective product needed to counter bioterrorism threats, the government can purchase it. The 2004 Budget for DHS includes about \$900 million to make these purchases.

In addition, the Administration proposes two new authorities for HHS to speed the process of turning scientific discovery into products that can be used to protect the American people in a crisis. More information on these new authorities is discussed in the Department of Health and Human Services chapter.

## **Recovering from Disasters**

When a major disaster strikes, assistance is necessary to meet emergency needs of families and individuals, and to help pay for the rebuilding and repair of critical community infrastructure. In 2002, there were 42 major disasters (e.g., floods, tornadoes), as well as continued response to previous disasters, including the attacks of September 11, 2001. In 2002 alone, over \$7 billion in additional funding was provided for September 11<sup>th</sup> recovery efforts, principally in New York City. Also, in December 2002, the *DisasterHelp.gov* website was launched to assist users in finding information and services relating to the disaster management: preparedness, response, recovery, and mitigation. The 2004 Budget provides \$3.2 billion for disaster relief—a level consistent with the average non-terrorist event costs over the past five years. This includes \$2 billion in new money as well as money left over from prior years.

The 2004 Budget proposes a new \$300 million pre-disaster hazard mitigation program. Experience has shown that the devastation caused by disasters can be minimized through well-designed mitigation programs. This new program replaces the existing formula-based program previously funded through the Disaster Relief Fund with competitive awards to ensure that the most worthwhile and cost effective projects are funded.

DHS will also continue its commitment to protect the public against flood damage by supporting the National Flood Insurance Program. The budget includes \$200 million to continue replacing the nation's Flood Insurance Rate Maps, many of which are out of date and inaccurate.

## Improving Information Analysis and Infrastructure Protection

The attacks of September 11<sup>th</sup> highlighted the fact that terrorists are capable of causing significant damage to our country by attacking our critical infrastructure—those assets, systems, and functions vital to our national security, public health and safety, and economy. Working in close collaboration with the FBI and the intelligence community, the Department will play a key role in developing and disseminating assessments and advisories of terrorist threats to

### Information Analysis and Infrastructure Protection Initiative.

- Harness the best analytic and modeling tools to develop effective protective solutions.
- Build new intelligence capabilities.
- Develop a national infrastructure protection plan.
- Build and maintain a complete and accurate assessment of America's critical infrastructure and key assets.

National Strategy for Homeland Security

state and local law enforcement and our citizens, as appropriate. The Department's primary responsibility, however, will be to translate these assessments into improved security for the United States by taking action that reduces America's vulnerability to terrorist attack.

### Assessing and Protecting the Nation's Critical Infrastructure

A key effort in protecting critical infrastructure is finding where the vulnerabilities lie. While different federal agencies are responsible for specific infrastructure sectors, no one agency currently looks across all sectors to determine national priorities and divisions of responsibility.

The Department is responsible for identifying America's critical infrastructures and key assets of national-level importance: food, water, agriculture, public health, emergency services, information and telecommunications, banking and finance, energy, transportation, chemical, defense industry, postal and shipping, and national monuments and icons. It will maintain up-to-date assessments of the nature and extent of their vulnerability to terrorist attack. By understanding the consequences that would result if these targets were attacked by terrorists, the Department will be able to determine which infrastructures and assets present the greatest potential danger to America—and, in so doing, to prioritize national protective efforts. The 2004 Budget includes about \$500 million to identify key critical infrastructure vulnerabilities and support the necessary steps to ensure security is improved at these sites.

### Sharing Information Effectively

The Department is also in charge of issuing warnings, threat advisories, and recommended response measures to America's public safety agencies, elected officials, industry, and the public. In close coordination with the FBI, DHS will disseminate timely, actionable information to the public, private sector, and state and local officials related to specific threats and vulnerabilities, as well as information on what steps to take in response to a threat. In support of the Department's protective action responsibilities, the budget requests almost \$300 million for warning advisories, threat assessments, a communications system, and outreach efforts to state and local governments and the private sector.

Of course, the information exchange goes both ways. As part of the outreach effort, state and local officials will also provide DHS with information for analysis and dissemination. This means that governors will be made aware of appropriate information that affects them. State law enforcement





### **Coordinating Information**

Since the beginning of the war on terrorism, intelligence and federal law enforcement agencies have gathered a wealth of information on terrorist organizations. In a major collaborative effort that broke traditional agencies' practices, the Central Intelligence Agency, Defense Intelligence Agency, National Security Agency, and FBI established a coordinated effort to exploit the massive numbers of captured documents for analysis. In addition to finding specific terrorist data, discovering links between people and organizations that help in understanding the global terrorist network is crucial to maintaining homeland security. DHS will continue and expand this effort.

personnel can also inform the nation at large of suspicious activity. Everyone from the local law enforcement to the President must be as well informed as possible in an effort to stop terrorist attacks before they happen.

## **Advancing and Harnessing Science and Technology**

Just as science has helped us defeat past enemies overseas, so too will it help us defeat the efforts of terrorists to attack our homeland and disrupt our way of life. New technologies to detect and counter potential attacks by chemical, biological, radiological, and nuclear weapons, as well as analyze threats and share information, will help prevent and minimize the damage from future terrorist attacks. At \$803 million, the 2004 Budget for the Department's science and technology activities represents almost an eight-fold increase in funding over the 2002 Budget.

### **Science and Technology Initiatives.**

- Establish a system for high-risk, high-payoff homeland security research.
- Coordinate research and development of the homeland security components.
- Develop chemical, biological, radiological, and nuclear countermeasures.
- Apply new technologies for identification or verification (e.g., biometrics).

National Strategy for Homeland Security

### **Promoting High-Risk, High Payoff Research**

DHS will develop and implement a long-term research and development program that includes investment in revolutionary capabilities with high payoff potential. The Department will house a Science and Technology Directorate that will assess the Department's near and long-term needs; develop

a national policy and strategic plan for identifying research and development priorities and goals; and support the conduct of research and development for developing countermeasures to chemical, biological, radiological, and nuclear weapons and other terrorist threats. For example, DHS will develop new tools to correlate reports from law enforcement and intelligence agencies to improve warnings of potential terrorist attacks. Additional examples of specific technology advancements include developing and deploying systems to provide on-the-spot readings of potential abnormal biological or chemical levels and hand-held portable radiation detection equipment to increase the accuracy and speed of inspections at U.S. borders.

DHS will harness the expertise, energy and ingenuity of the private sector, academia and government labs to develop and produce advanced technologies, systems, and procedures needed for homeland security. Many businesses that could play a role in homeland security research and development are unaccustomed to working with the federal government and some avoid it entirely due to onerous contracting and oversight requirements. Thus the Administration sought and received authority, as part of the Act, for DHS to use flexible contracting mechanisms that can streamline reporting requirements and increase flexibility in contract provisions. The use of these provisions will make doing business with the Department more straightforward and productive than was the case previously, and allow for the creation of technology to improve homeland security.

### **Coordinating Homeland Security Research and Development**

The Department will coordinate federally-funded homeland security research and development projects to avoid duplication of effort. To date, each department with homeland security research and development projects has carried them out in its own assigned area, under its own procedures. However, lacking an awareness of the needs and activities of other departments, these efforts did not support a coherent, effective national response to security threats. Many of the agencies involved have little frontline knowledge of homeland security research and little or no experience in supporting research and in the acquisition of technologies and systems.

One of the Department's tasks will be to overcome these shortfalls by ensuring the effectiveness of existing activities or by promoting new capabilities where none existed previously. In 2004, \$350 million in new funding is requested for vigorous research, development, test, and evaluation capabilities. These funds will be used to promote innovative, high payoff capabilities through the Homeland Security Advanced Research Projects Agency, as well as focused efforts to rapidly evaluate and prototype near-term technologies available from the private sector.

#### **Detecting Biological Agents**

Following September 11<sup>th</sup>, the National Nuclear Security Administration accelerated its program to develop a sensor system to detect biological agents. This system protects large-scale special events by employing the latest state-of-the-art DNA sequencing techniques to identify a host of biological threat agents. The system was demonstrated at the 2002 Winter Olympics and was deployed to New York in September 2002 to provide protection during the September 11<sup>th</sup> memorial ceremonies and the United Nations General Assembly meeting. DHS will continue to work on this system and work to develop others that will detect nuclear or biological agents.

In addition, funds will support the development of standards for homeland security equipment that will be used by the state and local first responder community for dealing with current and emerging threats. Finally, research and development activities will be funded to enhance the broad spectrum of missions within the Department, such as improving capabilities for inspecting cargo and processing people at our borders, and dealing with natural or man-made disasters.

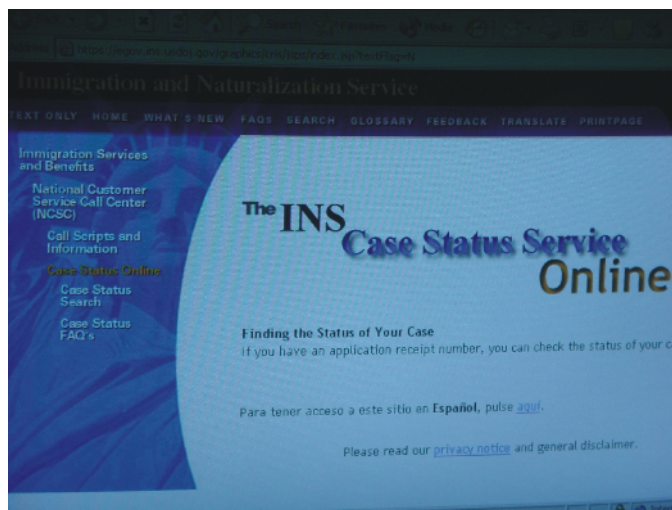
## Providing Improved Service to the Nation's Immigrants

Americans have long cherished our identity as a nation of immigrants. Under DHS, the Bureau of Citizenship and Immigration Services aims to greatly improve the administration of immigration benefits to the more than seven million annual applicants. The Department is committed to building and maintaining an immigration services system that provides immigration information and benefits in a timely, accurate, consistent, courteous, and professional manner.

The 2004 Budget continues funding for the President's \$500 million initiative to reduce the backlog of applications and ensure a six-month processing standard for all applications. To support this commitment, the Bureau will focus on three critical elements:

- achieving a high-level of performance by establishing clear, concrete performance milestones and actively monitoring progress towards these milestones;
- transforming business practices by implementing significant information technology improvements and identifying improvements to change the current way of doing business; and
- ensuring integrity by establishing comprehensive quality assurance measures.

### Applying Online



One way customer service has improved while guaranteeing process integrity was the successful implementation of Case Status Online. Customers who have a receipt number for an application or petition filed at a Service Center can check the status of their pending case online and avoid prolonged waits on the phone or at a local office.

The plan to reduce the application backlog represents a balance of processing more applications while improving quality through error reductions. Over the last year, the focus has been on key quality improvements and expanded national security checks, such as performing background name checks on all applications before approval. Although the checks have initially meant somewhat longer processing times, enhanced security will help ensure that only eligible applicants are given the right to enter the country.

Another goal of the Department is ensuring that our nation's policies for issuing visas to visitors are consistent with security and foreign policy interests. The Secretary of Homeland Security will have legal authority over the issuance and denial of visas, although the Secretary of State will manage the activities of consular officers and will retain the power to deny visas based upon foreign policy interests.

## Supporting Additional Responsibilities



The Secret Service's primary job is to protect the President, Vice President, and other public officials.

The United States Secret Service plays a unique and critical role in DHS by protecting the President, the Vice President, and other public officials. In addition, the Secret Service protects our nation's currency and financial integrity. Funding proposed in 2004 allows the Secret Service to accomplish these core missions. In addition, \$40 million is provided to support the Secret Service's protective effort surrounding the 2004 presidential campaign. The 2004 Budget proposes \$1.1 billion for the Secret Service – 23 percent more than 2002.

Ensuring that our nation's law enforcement personnel have the necessary tools to prevent terrorism will continue to be the focus of the Federal Law Enforcement Training Center (FLETC). FLETC delivers basic and advanced training to more than 74 federal agencies and also conducts numerous training programs for state, local and international officials.

## Improving Counterterrorism Cooperation with FBI and the Intelligence Community

The FBI leads the nation's counterterrorism law enforcement efforts. The FBI, through the Joint Terrorism Task Forces, works side-by-side with members of our entire law enforcement community, including state and local officials, to identify, halt, and, where appropriate, prosecute, suspected terrorists. DHS inherits many law enforcement agencies and therefore is an active participant on each of the sixty-six task forces located throughout the country, and on the national task force located at FBI headquarters. The Department will also closely coordinate its homeland security efforts with the FBI.

## Linking Systems Effectively

Achieving true homeland security requires technology that guarantees real-time information sharing, improves response time to detect and respond to potential threats, and improves decision-making. These criteria are essential in ensuring wise investments in information technology (IT) that advance homeland security. For example, a border agent in Tijuana must be able to provide enforcement information to inspections agents in other areas of the country on a real-time basis. DHS will have an IT infrastructure that supports collaboration among the workers in the federal, state, and local homeland security related agencies.



To accomplish the nation's homeland security goals, DHS must operate from a world-class, unified IT infrastructure that links the resources of the component agencies. Merging the existing IT resources of 22 different component agencies into one Department presents a number of challenges. First, IT spending is traditionally agency-specific with little leveraging prior to procurement across agencies. As a result, the federal government has many duplicative systems, particularly in the areas of IT infrastructure such as telecommunications and networks as well as with business management systems such as financial management systems. Secondly, there are many legal and cultural barriers that prevent agencies from exchanging and integrating information. To overcome these barriers, the Administration initiated a process last year to centrally review new IT

investments of DHS component agencies in order to prevent redundant investments and misspent taxpayer dollars. As a result, new IT investments were and will continue to be modified to address the government's overall homeland security needs and not the needs of only one agency.

Consolidation and integration of IT also presents an opportunity to improve homeland security through better use of DHS component agencies' IT resources. DHS requires a modern IT environment that efficiently and effectively supports homeland security missions, enhances productivity, facilitates information sharing while ensuring security and privacy, and generates savings.

## Instilling the President's Management Agenda

DHS encounters an enormous challenge to reorganize and integrate roughly 22 disparate agencies with nearly 180,000 employees into four mission organizations. This challenge presents an opportunity for the Department to become the model of management excellence to manage resources effectively to deliver measurable results.

Key to success are new management flexibilities that were requested by the President in the areas of human resources, procurement, and budget and performance integration. DHS will empower

### Connecting Information



Databases used for law enforcement, immigration, intelligence, and public health surveillance have not been connected in ways that allow us to recognize information gaps or redundancies. As a result, government agencies storing terrorism information, such as terrorist "watch lists," have not been able to share that information systematically with other agencies. These differences can result in errors—for example when a visa application or border crossing is not consistently checked against the watch lists. DHS will work to link systems, as appropriate, to enable effective communication.

*To succeed in their mission, leaders of the new department must change the culture of many diverse agencies, directing all of them toward the principal objective of protecting the American people.*

President George W. Bush  
November 25, 2002

the new workforce by creating “ownership” and accountability. In the past, federal organizations have been susceptible to criticism that they were not using the flexibilities given them to maximize performance. In DHS, the use of these new management flexibilities will be tracked as measurable goals within the President’s five management initiatives.

Because DHS is new, status starts at red reflecting the known condition of several of the large components being transferred to the department. Progress ratings will be determined in the next year.

	Human Capital	Competitive Sourcing/ Procurement	Financial Performance	E-Government	Budget and Performance Integration
Status	●	●	●	●	●

During the next two years, the Department will focus on near-term challenges. For example, in the area of human capital, most of the 22 combining agencies have at present unique personnel systems. DHS will blend the personnel systems of the incoming 22 agencies into a unified system that is consistent, coherent, and rewards good performance. Strategic use of managerial flexibilities is essential in order to put the right person, in the right place, at the right time.

DHS also faces the challenge of targeting its \$36.2 billion budget to efforts that meet its central mission. Budgetary flexibility is essential to enabling the Department to redirect funds from obsolete or low priority programs to homeland priorities. DHS inherits agencies in various financial conditions with numerous financial systems. DHS must work to unify the 19 existing systems and ensure that the chosen system directly links performance with spending. In addition, the Department is committed to developing concrete performance milestones upon which to hold its managers and employees accountable.

In the area of information technology, the Department is faced with the challenge of integrating hundreds of “stovepipe” systems into a coherent operating network. Communication and information sharing is essential to preventing another terrorist attack. The goal is to have modern information technology systems that efficiently and effectively support homeland security missions, enhance productivity, facilitate information sharing, and generate budgetary savings. DHS will focus on developing a solid, coherent infrastructure; developing business management cases for all of its inherited systems to determine whether they should continue operation; and evaluating mission-related systems to identify overlap and opportunities for improvement.

## **Performance Evaluation of Select Programs**

The Program Assessment Rating Tool (PART) evaluations reflect a collaborative effort between the Office of Management and Budget and the various policy officials within the respective departments. Nine PART analyses were conducted for programs moved to DHS. Because DHS is a new department, it will undertake performance evaluations of its programs over the next two years.

For further information on the programs moving to DHS, please see the DHS chapter in the *Performance and Management Assessments* volume.



**Department of Homeland Security**  
(in millions of dollars)

	2002		Estimate	
	Actual	Supplemental	2003	2004
<b>Spending:</b>				
Discretionary Budget Authority:				
Border and Transportation Security				
Customs and Border Protection .....	4,063	870	5,466	5,649
Immigration and Customs Enforcement .....	2,127	179	2,375	2,488
Transportation Security Administration <sup>1</sup> .....	1,242	2,435	5,338	4,812
Federal Law Enforcement Training Center .....	137	31	143	146
Office for Domestic Preparedness .....	260	635	3,564	3,558
Total, Border and Transportation Security .....	7,829	4,150	16,886	16,653
U.S. Coast Guard .....	4,129	464	5,149	5,634
Emergency Preparedness and Response .....	3,098	9,403	3,425	3,287
Science and Technology .....	90	77	561	803
Information Analysis and Infrastructure Protection .....	117	36	177	829
Other Department of Homeland Security (DHS) .....	1,516	142	1,686	1,979
Total, Discretionary budget authority .....	16,779	14,272	27,884	29,185
Mandatory Spending:				
Border and Transportation Security				
Budget authority .....	1,267	—	1,449	1,398
Outlays .....	1,094	—	1,181	1,176
U.S. Coast Guard				
Budget authority .....	1,050	—	1,025	1,155
Outlays .....	970	—	1,016	1,136
Emergency Preparedness and Response				
Budget authority .....	1,458	—	1,700	2,676
Outlays .....	872	—	1,462	2,046
Other DHS				
Budget authority .....	1,567	—	1,627	1,764
Outlays .....	1,386	—	1,492	1,492
Total, Mandatory budget authority .....	5,342	—	5,801	6,993
Total, Mandatory outlays .....	4,322	—	5,151	5,850
<b>Credit activity:</b>				
Direct Loan Disbursements:				
Disaster Assistance .....	11	—	19	25

<sup>1</sup> Includes discretionary fee-funded airport security activities.