

**Nomination of Paul Schneider for
Department of Homeland Security Under Secretary for Management**

Senator Joe Lieberman

December 6, 2006

Thank you, Madam Chairman and welcome to you Mr. Schneider. The position for which you have been nominated – Department of Homeland Security Under Secretary for Management – is unusual, if not unique, in the federal government. If confirmed, you will be responsible for core, cross-Department functions such as budget and financial management, procurement, IT systems, and human resources, and the Management Directorate that you will lead will be central to addressing some of the key challenges facing DHS.

When we created DHS four years ago, it was with the intent to bring together the federal government's previously balkanized antiterrorism resources in one Department and to take advantage of the synergies that resulted. By doing so, I am confident that we have made the country safer. As the Department matures, however, there continue to be growing pains, and the Under Secretary for Management plays a central role in ensuring that a coherent Department emerges out of DHS's many component entities.

Moreover, if the Department is to succeed in its ultimate mission of protecting the nation from man-made and natural disasters, it must be run well, with its resources managed wisely and an ability to attract a sufficient and talented workforce. It will fall in large measure to you – if you are confirmed - to ensure that that is so.

I am interested in hearing from you today how you will address some of the most pressing management challenges faced by the Department.

For example, how are you going to help the Department build the stable and experienced workforce it needs to carry out vital homeland security missions. The Department continues to face major challenges in recruiting, training, and retaining personnel to ensure that the workforce contains the skills needed by the diverse components of the Department. Much work remains in establishing the human resources management system that Congress authorized in the Homeland Security Act, especially now that a federal court has blocked portions of the Department's regulations establishing that system. I am also interested in hearing your ideas about how to establish a performance management system that inspires the best effort and performance from our workforce, that is objective, reliable, and transparent, and that contains other safeguards to ensure that the system is fair and effective.

I am also interested in your ideas for ensuring effective implementation of the FEMA restructuring legislation that Senator Collins and I introduced and that was signed into law as part of the Homeland Security appropriations bill this fall. As I'm sure you know, the organizational changes mandated by that legislation are required to be in place by March 31, 2007, and other provisions of the law take effect earlier. I would like to hear from you what steps you will take and what your role will be in ensuring that the changes mandated by the law are implemented effectively and on time.

Another critical area for which you will be responsible is procurement. *The Washington Post* recently publicized an outside study of the Department's procurement operations that found glaring and systematic deficiencies in many of the contract files it reviewed. The Department since its inception also has been embarrassed by a series of cost overruns on large contracts totaling hundreds of millions of dollars. Furthermore, the Department's increasing reliance on less-than-fully-competitive contracting procedures is depriving the Department – and the U.S. taxpayers – of the best value for its dollars. I am interested in hearing from you what actions you intend to take to improve the Department's acquisition management system and ensure that the Department is spending its contracting funds wisely and engaging in effective oversight of its contracts.

Improving and integrating the Department's information technology systems is another significant challenge. In FY07, the budget for DHS's IT investments will reach \$4.16 billion. Yet, according to a report released by the President's Management Council in October, DHS could defend less than half of its IT investments. I would like to hear how you would work with the Chief Information Officer to improve IT management at the Department.

Mr. Schneider, you have a formidable record of 40 years of experience, largely in the federal government, including as Principal Deputy Assistant Secretary of the Navy for Research, Development and Acquisition and Senior Acquisition Executive for the National Security Agency, and I am hopeful this considerable experience will serve you well if you are confirmed in this post. Certainly, the myriad management challenges of the still-new Department can be daunting. But it is also essential that these challenges be met and conquered if the Department is to live up to its potential and effectively protect the nation's citizens.