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THE STATE OF HOMELAND SECURITY
ADDRESS WITH SECRETARY JANET NAPOLITANO

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Keynote Address:

JANET NAPOLITANO
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P R O C E E D I N G S

MS. KAMARCK: Good morning, everyone. Good morning. My name is Elaine Kamarck. I'm a new senior fellow in Governance Studies here at Brookings and the new director of our Center for Management and Leadership. I came here a month ago from Cambridge, Massachusetts, another prestigious institution up there. And it's a delight to be here.

I want to welcome everyone to Brookings for this very special event in honor of the 10-year anniversary of the Department of Homeland Security.

Before I introduce Secretary Napolitano, I would like to let everyone know that this event is being webcast, and that the Twitter hashtag is #BIDHS; in other words, Brookings Institution, Department of Homeland Security. And everyone is welcome to contribute and follow along on the Twitter conversation.

You will also notice during the talk, Brookings staff circulating throughout the audience with pens and notecards in order to collect your questions during the Secretary's remarks. When she concludes, we'll take a few questions from the audience.

This project is part of the latest initiative of the Governance Studies here at Brookings, the Management and Leadership Initiative, which has featured regular public event forums on leadership and government performance. Given that mission, we are especially pleased to be able to mark the upcoming 10th anniversary of the creation of the Department that has been heralded as the most significant transformation of the U.S. government since 1947 when President Harry Truman merged the various branches of the U.S. armed forces into the Department of Defense.

Ten years ago, 22 agencies and about 170,000 employees were combined in response to our need to secure a homeland that had been remarkably-- through the centuries-- untouched by attack. The intervening years have not been

without problems. No reorganization of this size ever goes smoothly. Between color coding and duct tape, the Department has endured its share of jokes on late night television. But today we come together to look at what has been accomplished and what remains to be done.

I would also like to, before I introduce the Secretary, introduce a couple of notables in the audience, although it is a very notable audience in its entirety: Director John Morton of ICE right there, former Ambassador Jim Jones. Oh, I thought Jim was going to be here. Well, he'll be here. And John Currier, Vice Admiral of the Coast Guard. Thank you very much.

Anyway, today we're honored to have with us only the third secretary of the Department of Homeland Security, Janet Napolitano. As I'm sure many of you in this room know, before becoming Secretary, she was serving in her second term as governor of Arizona, where she established a reputation as a national leader on homeland security, border security, and immigration. Before becoming governor, she served as attorney general and as a U.S. attorney.

She was born and raised here on the East Coast in New York and Pittsburgh, and attended law school at the University of Virginia. And then she headed west to clerk for the 9th Circuit and to practice law.

She has been one of the most dynamic secretaries of this new Department. Her management challenges are enormous, and she handles them with great good humor and grace.

It is my pleasure to introduce the Secretary of Homeland Security, Janet Napolitano.

(Applause)

SECRETARY NAPOLITANO: Well, good morning, everybody. Thank

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you, Elaine, for that introduction. I would just make one editorial note. I was actually raised in New Mexico, and that is only important because as we discuss immigration and the border, I think it's an important fact that I have spent most of my life in one border state or the other.

But I'm so grateful for Brookings for hosting this event. I'm grateful to you all for the warm welcome.

As most of you know, in a few days we will mark the 10th anniversary of the Department of Homeland Security. And while 10 years may not sound like a long time in the life span of a federal department, it is a significant milestone, as well as an opportunity to consider just how much has changed in that time.

The attacks of 9/11 served as the impetus for the creation of DHS, and also brought to light the changes to our world that had been building for many years, changes that required immediate action and a fundamental shift in how to keep the nation safe.

Our security posture in these difficult times was, in many ways, a necessary function of protecting our nation from threats that we were just beginning to understand. In that way, the immediate post-9/11 period and the early years of the Department were kind of a DHS version 1.0, the foundation for much of what has occurred since.

Over the past four years we've seen a second phase of the Department's development and advancement, DHS 2.0, with stronger partnerships with all involved with homeland security, including government, law enforcement, first responders, the private sector, and the public at every level.

We now reach our next era -- DHS 3.0, if you will. And as you'll see, the software metaphor isn't really accidental at all. So for this, my third annual State of

Homeland Security address, I want to talk a bit about the significant change we've seen over the past 10 years, and some of the considerable progress that we've made in that time.

Now to be clear, this is not the traditional report about the state of the Department. It's about the state of our nation's homeland security. It's the state of a concept that before 9/11 only existed on paper within a few think tanks, like Brookings. Today, a decade after the creation of a Cabinet-level agency bearing that name, homeland security has come to mean much more. It means the coordinated work of hundreds of thousands of dedicated and skilled professionals, and more than ever of the American public, of our businesses and families, communities, and faith-based groups. It is the collective effort of all of these on which I report today.

Our nation emerged from the tragedy of 9/11, and with the benefit of hindsight we now know how much multiple failures contributed to those attacks. Intelligence failures prevented us from uncovering the details of Al-Qaeda's plot ahead of time, and institutional barriers prevented what limited information we did have about the hijackers from being shared among authorities and, therefore, to be able to connect the dots.

Weaknesses in our visa and border entry procedures enabled some of the terrorists to lawfully enter and stay in the United States using fraudulent documents or by providing false information. Gaps in our aviation security system allowed them to board aircraft and carry out their plot. And once we learned of the hijackings, a lack of coordination slowed our response. And despite the heroism of first responders on the ground, larger systemic problems, like a lack of emergency communications, hindered rescue operations.

In other words, pre-9/11, our state of security was reactive and

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disjointed, with ad hoc intelligence sharing, overwhelmed and ineffective border and immigration processes, lack of partnerships among law enforcement, and too much focus on investigation after the fact instead of prevention and protection.

I saw this first hand. On 9/11 I was the attorney general of Arizona, and I can attest to the many questions we had in those first hours and the gaps that existed between federal government and the states. Addressing these fundamental gaps was the driving force behind the creation of the Department of Homeland Security 10 years ago.

So we move to DHS 1.0, and I think any discussion of the history of DHS must first begin with an acknowledgment of the critical work of my predecessors, governor Tom Ridge and secretary Michael Chertoff. They and their leadership teams had a monumental undertaking on their hands, bringing together the original 22 agencies that formed the Department and integrating their functions against a backdrop of continuous terrorist threats from abroad and at home.

The early years of the Department led to many important innovations and enhancements, from major improvements to our aviation security system, including federalizing our screener workforce, to the creation and use of a single U.S. government known or suspected terrorist watch list to screen travelers, establishing a biometric entry system at ports of entry, and other major advancements in port, cargo, and border security. This was tough work, and a lot of credit should go to the men and women who build DHS over its first several years.

We move to DHS 2.0. When I became Secretary in 2009, we looked hard at how we could build on this progress and accelerate it further, in essence, create DHS 2.0. Fundamental to this was the recognition that even though we had made significant progress since 9/11, the threat landscape was constantly shifting, and we

needed to stay ahead of it. We still faced threats from Al-Qaeda and other foreign-based terrorist groups inspired by their ideology. Indeed we better understood how terrorist threats on the other side of the world could affect our homeland with far-reaching consequences to our global systems of trade and travel, communications, and finance.

We were also confronting the reality of home-grown threats, including from individuals who may have had no particular connection to terrorism, but nonetheless can threaten our cities and communities, our schools, and our places of worship.

And so what we've spent the past four years doing is putting in place something completely different, an approach that's more efficient, risk-based, and designed to detect, prevent, and respond to a range of threats from terrorist attacks to natural disasters. This approach was built upon the notion that in a world of evolving threats, we can no longer be simply reactive or isolated. We have to leverage information to identify threats sooner, target our security measures to areas where they will have the greatest impact in decreasing risk, allocate our resources according to risk-based priorities, and engage a full range of partners in our work.

A good example is how we have brought this thinking to our founding mission: protecting against a terrorist attack. We know it's essential not only that information is shared among relevant agencies, but also that law enforcement and frontline personnel at all levels -- internationally, in our states, cities, and communities, as well as those who screen passengers and cargo and protect our borders -- that all of these partners have a comprehensive understanding of threats, and that we get them that information in real time.

This is the driving force behind the integration of our intelligence sharing and analysis capabilities: to fix gaps, such as those exploited by Umar Farouk and Abdu Maktoob in trying to down a U.S.-bound airliner on Christmas Day in 2009. This is also

the driving force behind our support for national network fusion centers that serve as centers of information, sharing, and analysis among state and local governments.

And we see the results of this collaboration every day. For example, after the attempted terrorist bombing in Times Square in 2010, information from state and local databases was shared between fusion centers, which aided the investigation and helped law enforcement identify possible associates.

We've applied this data-driven risk-based model to how we secure our borders -- land, air, and sea -- and how we enforce our immigration laws as well. Today a single unified agency secures our ports of entry and ensures the flow of travel and trade. Our officers are better trained, and we have invested in technology and infrastructure improvements to help expedite lawful travelers and cargo. We've also deployed historic levels of staffing and technology along our land borders, and as a result, we have a far better ability to detect, deter, and apprehend those trying to illegally enter our country, including through aerial surveillance of the entire southwest border. As a result, illegal immigration attempts are now at 40-year lows.

Likewise, we now enforce our immigration laws according to common sense priorities focused on the greatest threats to our communities. Previously this was not the case, meaning that a college student who came here with her parents when she was a child was considered the same priority as a drug smuggler. This has changed. Last year alone, we removed more than 250,000 criminals from the United States, a record.

At the same time, we've ensured that our immigration officers can use discretion when deciding what cases we prioritize for removal. For example, we established a process to allow young people brought to the United States illegally as children to request consideration of deferred action for a period of two years subject to

renewal, and, as a result, apply for work authorization. And we've engaged in historic efforts against human traffickers, counterfeiters, and those that violate and steal our intellectual property.

Now there's perhaps no better example of how DHS has evolved to address new and evolving threats than the issue of cyber security. The cyber realm wasn't even a major priority of the early Department, and now it is one of our five core mission areas. Cyber security has come to affect almost every aspect of modern life. All of us depend on cyber controlled systems for energy, communications, transportation, and defense.

Over the past four years, we have built and deployed systems to detect intrusions and defend federal cyber networks. We've expanded our 24/7 watch center, the NCIC. We have a comprehensive plan in place to manage cyber incidents. And to stay head of rapidly-evolving threats in technology, we are moving aggressively to recruit, educate, and train our cyber workforce for the future with the skills and talents we need to tackle this problem in the years ahead.

Now just as we've adapted to meet evolving threats to aviation, and border security, and cyber networks, we have also transformed our disaster response system to better meet the needs of disaster survivors. Over the past four years, we have led the federal government's response and recovery efforts to support state, local, and tribal communities in 285 major disasters.

In addition to devastating floods, wildfires, and tornadoes, we've seen other major natural disasters, like Hurricane Sandy, and we've dealt with unprecedented complex events, like the BP Deep Water Horizon oil spill. We have helped to rebuild FEMA into a strong, agile, and capable agency, and likewise, we've helped build our communities -- built into our communities a culture of preparedness, a culture that

recognizes that the American people are not a liability to be protected, but a tremendous asset to be leveraged.

I am proud of how today's FEMA and all of DHS have dealt with these disasters, like Sandy, and I believe the reforms we've made over the past four years have made DHS and FEMA the best disaster response agency in the world.

So the obvious question is: where do we go from here? How do we move from our DHS 2.0 accomplishments of countering terrorism and improving border security, from smart immigration enforcement to stronger cyber security and capability disaster response and recovery? How do we move from that to homeland security 3.0? What does that look like?

The work we've done I think, provides a stronger foundation than ever to address the inevitable challenges we will face in an ever-changing threat landscape. And we know that these challenges will evolve, requiring a nimble and flexible response by the federal government and by the many partners we engage across the country and increasingly around the world.

They will require that we continue strengthening our nation's capabilities to prepare for, respond to, and recover from threats and events of all sizes, whether from Mother Nature or those seeking to do us harm. And I think we must do even more to inform and engage the public in this shared responsibility for our safety and our security.

Agility and resilience, engagement and integration: these are some of the key principles that will define homeland security 3.0. We must continue to embed our risk-based approach within everything we do. One key way is by smartly using information and intelligence analysis to allow us to focus our time and energy on people and cargo that pose the greatest risk, and in a manner where we can have the greatest ability to protect these systems.

Our goal in supporting a risk-based approach to security is not only to keep our country more secure, but also to facilitate the lawful travel and trade that drives our economic growth. In other words, if we're looking for a needle in a haystack, an approach that is risk-based allows us to start looking through a much smaller haystack, while doing away with a cumbersome one-size-fits-all method. The continued development of cutting edge technology will enhance our abilities in this regard.

And we must be able to remain flexible and agile, with the ability to deal with multiple, simultaneous events and threats by leveraging the national capability we have built at all levels -- federal, state, local, tribal, and territorial -- and with our many international partners, as well as those in the private sector.

So let me walk you through a few examples of how we are doing this today and where our priorities will be.

One area in particular must continue to receive our sustained attention, and that is aviation where we have seen a range of attempted attacks since 9/11. Following the 2009 Christmas Day plot, DHS launched a global initiative to address existing vulnerabilities in international aviation, because as that attack demonstrated, a vulnerability in any part of the international system can put the entire global network at risk.

With international organizations, like the International Civil Aviation Organization, ICAO, we worked to improve information sharing, encourage deployment of advanced screening technology, and the development of international security standards. These kinds of steps will not only help us close gaps in aviation, they will allow us to find new ways to build on the foundation we have laid.

For example, expanding the screening travelers, using advanced passenger information, passenger name records known as APIPNR, and doing that with

more countries, and sharing the results, will allow us to identify potential threats earlier and increase our ability to take action before they board an aircraft to come to the United States.

And by greatly expanding trusted traveler initiatives, like global entry and TSA pre-check with an eye toward expediting screening for even more passengers as we've done for children under 12 and those seniors 75 and older, we can focus our efforts on those we don't know as much about and those who pose the greatest risk. In the coming months, TSA will work to develop additional programs that expand risk-based security initiatives to additional populations. In fact, by the end of 2013, TSA expects that 1 in 4 passengers will qualify for expedited screening, up from 1 in 12 this past year.

Another area of great importance for us, and of course for the future of our nation, is achieving common sense immigration reform. Our immigration system has been broken for far too long, and the time to fix it is now. As the Chair of our Senate authorizing Commission, Senator Carper, just told me on our recent trip to the Arizona border, it is time for Congress to stop giving us more buckets and instead fix the ship.

Our communities, workers, and employers are all frustrated by a system that treats a drug smuggler the same as a high-achieving student, undercuts honest employers, and leaves millions in fear of deportation and vulnerable to fraud and other crimes. This system makes it harder for law enforcement to focus on the greatest threats in their communities, instead spending time and resources on low priority cases.

Last month, President Obama put forward a set of proposals that he believes will address the longstanding problems with our immigration system. The President's proposals support stronger, sustained border security and immigration enforcement. In fact, the most effective way to achieve border security is through common sense immigration reform that strengthens employer accountability and that

updates our legal immigration system. The President's proposal also gives us better tools to focus on employers who hire illegal labor, and by doing so, create the market demand for illegal immigration. Under the President's proposal, we will provide a rigorous pathway to earn citizenship for those already here, and we would significantly improve the legal immigration system.

Common sense reform will help eliminate the main driver of illegal immigration, the desire to find work. As we make it easier for businesses to get the workers they need legally and more difficult for undocumented workers to find jobs, this will relieve pressure on the border and reduce illegal flows. And this will enable law enforcement to keep their focus on those who pose national security or public safety threats, including narco traffickers, human smugglers, and transnational criminal organizations.

The time to modernize our immigration laws is long overdue, and we stand ready to work with Congress to achieve this important goal for our country, for the American people, and for all those seeking to contribute their talents and energies to our great nation.

In DHS 3.0, one of the most important areas we are investing greatly in is the future of cyber security. We've made it a top priority to help build a 21st century workforce, the next generation of skilled individuals who want to come to DHS, make an impact, and serve their country in this important field. Beyond that, however, we also need the public/private sector to work more effectively to tackle two key challenges: improving real time information sharing while protecting individual privacy and civil liberties, and promoting the adoption of cyber security best practices for our nation's core critical infrastructure.

We need greater information sharing so that the government can learn

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from the private sector, where people fight this threat every day. And we need to ensure that the government can use information at various levels of classification to help the private sector protect itself. The Executive Order President Obama issued earlier this month takes some important steps toward greater cyber security.

For decades, industry and government have worked together to protect the physical security of critical assets that reside in private hands, from airports and seaports, to national broadcast systems, to nuclear power plants. There is no reason we cannot work together in the same way to protect the cyber systems of our critical infrastructure upon which so much of our economic well-being, national security, and daily lives depend.

In all areas, whether protecting the aviation sector, cyber space, or our communities, we recognize that the public has an important role to play in their shared security. It's why we created a national If You See Something, Say Something campaign, to encourage citizens to report suspicious activity to local law enforcement. And it's why we launched the Stop, Think, Connect campaign, to raise awareness of cyber security so that good cyber practices become as routine as putting on a seatbelt.

And it's why we need to keep updating old systems with modern means of communication. For example, FEMA's smart phone apps and social media tools make it easier than ever to access critical information about what to do before, during, and after a disaster. DHS 3.0 requires us to do more than ever to reach the public we serve by the multiple means of communication the public uses.

I'll close by saying that this is a story I think of evolution and progress and of lessons learned. The state of our homeland security is stronger because of these efforts. In 10 years' time, our operations have become more cohesive, and our workforce better trained. And today we benefit from the experience of the more than 50,000

veterans who work for the Department.

Crises and disasters have tested our capabilities. They've also provided valuable experience and, in many ways, prove the mettle of this young Department. At the same time, we're inserting the administrative nuts and bolts of a large new agency. And here, too, I believe we've achieved some notable milestones from creating an Acquisition Review Board and conducting technology portfolio reviews, to a new honors program, to internal leadership development and scholarship programs that span our many missions and components.

In 2009, I launched an efficiency review to look across the Department's agencies and functions to identify ways that we could reduce expenditures while maximizing effectiveness. Driven by employee ideas and executed by cross-component employee teams, ER has led to more than \$4 billion in savings and cost avoidances that have been reinvested into our critical missions.

All large organizations must continually strive to improve. We are no exception. And we are constantly looking for ways to become more efficient and effective at the same time. But nonetheless, we continue to strive to succeed. Our nation deserves no less.

So I conclude by saying that on behalf of the hundreds of thousands of men and women, the Coast Guardsman who rescues a sailor, the TSO who keeps a loaded gun off a plane, the cyber expert who prevents harm to our banking system, the FEMA worker who comforts a destitute family, the border patrol agent who spends days and weeks in 100-degree plus temperatures patrolling our border, the scientist who figures out a better way to protect a plane, and on behalf of other examples upon example, we commemorate our beginnings, our maturation, and our future.

So this is not a day just to look back and pat ourselves on the back. It is

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a day to recommit and to move forward. It is the time. It is the time for Homeland Security 3.0.

Thank you very much.

(Applause)

MS. KAMARCK: Thank you, Secretary Napolitano. That was a great review of where we've been and where we're going.

I've got some great questions here. The question that I wanted to ask most, which I think is on everyone's mind today, came in last, so thank you, Richard, whoever you are. What impact would sequestration-- were it to happen-- have on the Department?

(Laughter)

SECRETARY NAPOLITANO: You know, I've been in government and public service a long time, 20 years almost. I have never seen anything like this. It will have to affect our core critical mission areas. Why? Because of the way it's done, account by account by account, and also because you have to go where the money is. And we are a department dependent on personnel.

So when we add it up, it's the equivalent of, in hours, of 5,000 border patrol agents. It means less overtime and ability to hire port officers, so longer lines there. It means really the same at the TSA, longer lines there. It means that we can't continue to invest and build.

And let me just mention, sequestration is just one kind of road block we've had as we've tried to bring the Department together and manage. I think in the last four years we've had, what, three shutdowns almost. We have one coming up. The fourth one is coming March. We still don't have an FY '13 budget to work from.

So unless and until Congress can get budget and appropriations back

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into regular order, I fear that we're going to just lurch from crisis to crisis, which helps no one, but really affects a young, growing department like ours.

MS. KAMARCK: The other day you were quoted in the press as having had an out of body experience. Do you want to comment on that?

(Laughter)

SECRETARY NAPOLITANO: Yeah. It was out of body because you get some of those in this kind of job, but this was particularly acute because I testified Wednesday before the Senate Judiciary Committee on the need for comprehensive immigration reform, and it was being hit really hard, on resources at the border and border security. And the next day I was before the Senate Appropriations Committee talking about the face that we were going to lose -- the equivalent of 5,000 border patrol agents-- and that we were going to have to furlough port officers at our ports of entry. So, you know, trying to do both at the same time is really an impossible task.

MS. KAMARCK: Well, you referenced this in your speech, but certainly 10 years ago when the Department was formed, cyber security was kind of one of the least talked about parts of the Department. It was really, and it was really kind of placed put together by small entities that had been sitting around in the rest of the federal government.

Obviously it's becoming now one of the most important missions of the Department. And how important is it to pass minimum standards for security equipment in critical infrastructure, especially in light of the recent news about the Chinese. Do you think that the bill you sent to Congress is going to have a second chance?

SECRETARY NAPOLITANO: I hope so because the executive order can only go so far. We are going to -- it's not only standards, it's information sharing, and it's sharing information early enough so that we can all get in there, find out what the

intrusion is, and work to mitigate or minimize the harm, right, and to share knowledge about it so others can protect themselves, and it's protection of core critical infrastructure. We're not talking about the small business. We're talking, you know, utilities, the banking system, the telecommunication system, and the systems we all rely on.

We can't mandate that. That would have to be done legislatively. We're going to try to do it with voluntary adoption and sharing of standards. We will see how that goes. But there are other areas in the cyber realm, Elaine, where only legislation will help. So I am always cautiously optimistic that perhaps this will come back up again.

MS. KAMARCK: Okay. The other thing that gets discussed a lot in the area of cyber security is sort of the relative place of DHS versus DoD. DoD has a cyber-command. DoD has lots of money. And some people think that you guys are sort of the poor relative in that relationship. Can you talk about that a little bit and how you're negotiating that relationship?

SECRETARY NAPOLITANO: Yeah. We have a very good -- what we've developed is really what we call amongst ourselves, Director Mueller, and General Alexander, and myself, we call it the troika. We really looked at roles, responsibilities, and lanes in the road for the federal government in the cyber realm, because DoD is really for the international aspect of things, but a lot of cyber security what we're talking about is domestic. So we have to figure out how to manage that.

Plus a lot of the work is in the civilian capacity, not necessarily the military capacity. But we want to use the technology resources of the NSA. So how do you do that? Well, we have figured, I think, out a way to do it informally. One of the MOUs I signed earlier in my term was one with Bob Gates over at DoD, Secretary Gates, and it was about how we would embed people in each other's places, but also how we would share with appropriate restrictions the technological resources of the NSA into the

domestic homeland security realm.

With the FBI, we've been working on what is the split between prevention and protecting of core critical infrastructure and managing systems in the event and as attacks occur. I don't want to say in the event because they're occurring even now, and they occur all the time, but also the investigation and attribution and, if possible, prosecution.

So I think that working together, we have lighted upon a realistic and workable solution to how we organize within the federal government the best way to deal with cyber.

MS. KAMARCK: Changing venues for a minute, I want to go FEMA and emergency response. After Katrina, a lot of people said FEMA had been substantially weakened by being placed in DHS, and, in fact, there was some -- for those of us who have paid attention to this over the decade, there was a lot of chatter for a while about taking FEMA out of DHS.

SECRETARY NAPOLITANO: Right.

MS. KAMARCK: That seems to have gone away, and so I wanted to ask you, what do you think has happened to blunt that initiative?

SECRETARY NAPOLITANO: Performance. I think it has been recruiting some really great leadership at FEMA who are experienced professionals in the field. I think it's been giving them greater discretion to move quickly. It's been the President's willingness to execute things like pre-landfall disaster declarations so that we can begin preparation even before a storm hits.

It's been accelerating the federal government's response, the disaster declaration process and the like, so states know what kind of finances they have available to draw upon. It's been greater use of assets like the National Guard in

appropriate circumstances.

But we've also seen within the DHS family that when you have a major disaster -- I'll use Sandy as an example. It was FEMA. It was the Coast Guard who led the search and rescue mission. It was TSA and CBP that all had roles to play. And we had actually created within the entire DHS a surge force of people who are not FEMA employees, but had gone through some rudimentary training, and they deployed up to the New York/New Jersey area. We housed them on ships, merchant marine ships in New York Harbor, not elegant housing I might add. And they worked literally going home by home, apartment by apartment. They helped staff the Disaster Recovery Centers and the like. They were a big force multiplier for us.

So we saw how within DHS, using all its components and the outreach we have, it just allows you to better manage a big disaster.

MS. KAMARCK: Great. And that was actually -- took care of one of the other questions I was going to ask, which was about Sandy and what you thought worked particularly well there.

SECRETARY NAPOLITANO: I thought we were able to really mass massive resources quickly, I mean, within a few days. We had 18,000 people working Sandy, and they were working day and night, and they worked for weeks, and they worked through Thanksgiving because the survivors, you know, they were really -- and it still is very destructive and real impacts being felt. I think that went well, and I think the governors and the mayors who were involved really worked closely with us and we with them, and it was a good partnership.

Now we're working through some issues about flood insurance and those kinds of things, and we're looking at ways we can accelerate that process because, you know, in the end people and businesses need to know what their losses are, what they're

going to recoup by insurance, so they can make decisions about rebuilding.

MS. KAMARCK: Okay. Last time the immigration reform was on the national agenda, there was a great deal of skepticism about the government's ability to do anything at the border, and that was a common thread in the debate.

Under the Obama Administration, the situation at the border seems to have improved dramatically. Some people will argue that this has nothing to do with you at all and has to do with demographic changes that are going on in Mexico and improvement in the economy in Mexico.

Can you talk about the relative importance of these two factors, what you're actually doing at the border, and then what's happening in Mexico to perhaps change the situation?

SECRETARY NAPOLITANO: I think it's a little of both. There is no question that the border from a security standpoint is stronger than it's ever been, and Congress has helped. This is one area where they've actually been appropriating the money to do the job. So you have more boots on the ground, air cover as I mentioned -- we call it boots in the air -- technology, and the like.

You're never going to seal that border. I mean, it's a big, complicated border. And some areas are incredibly hard to cross even by foot or horseback. So it's -- you know, the notion that you're just going to wall off the border or something of that sort is a pipe dream.

Nonetheless, the security is there, and really the economic situation in Mexico is better. Our partnerships with Mexico are better, but we still have illegal immigration. We have the narco traffickers, the human smugglers, and the like. Those are who we really want to focus on.

The suggestion I am making and what I am suggesting to you and to the

Congress is, you can add some more border patrol agents, or another mile of fence, or what have you. But really you need to look at immigration as a system of which the border is a part. And if you really want to help border security at this point, you need to focus on what's going on -- what's creating the demand, right? And that's why you need a national system for dealing with employers.

You need to deal with, you know, some of these limitations on legal migration so that more people can come legally into our country, contribute their talents and energies, come to our ports. We have their biometrics. We know who they are. And then we need to bring those illegally in the country out of the shadows, again so we know who they are. We can run their background checks. And they can begin a process through fines and penalties, learning English, paying taxes, and all the rest, getting right with the law. And when you look at the system that way, that actually strengthens what we do at the border.

MS. KAMARCK: You know, growing up mostly in border states, as you corrected me, what insights -- I mean, long before you came to this job, right, what insights did you have from being on the border that maybe the rest of us who grew up in places that were far away from the border, what insights did you have that you brought to the job?

SECRETARY NAPOLITANO: Well, I think, you know, I think a greater recognition that some of the bumper sticker solutions were not really workable. I think a realization of, you know, the need for legal migration to keep contributing to our economic vitality and growth, to the labor that we need to support our businesses. I mean, it's really interesting to hear business after business come into Washington and say they can't find workers. And then you say, well, you know, how about helping on some immigration reform and whatever?

But now they're pretty much speaking with one voice, and the faith-based community is speaking with one voice, and the advocacy groups are speaking with an ever-stronger voice. And you see this all now coming together. And like I said, we're very supportive and hopeful that the Congress will be able to this up.

MS. KAMARCK: We had a very -- a little bit more specific question from the audience, from Jason, about the status of trying to get a solid exit system for visa holders and visitors. What's going on there?

SECRETARY NAPOLITANO: Yeah. One of the things we've been able to do over the past several years is really create what we call an enhanced biographic system, uniting many, many different data sets that we have in a way that allows us to run literally millions of names daily through it. And that enhanced biographic gives us a much greater sense of who's in the country, but more importantly, who's leaving the country.

Now the question always raised is, why don't you do a biometric exit? You know, where everybody goes through and you put your hands down, or you do an Irish check or something of that sort. And here's the deal with that. I think we would like to move toward that over time. Our airports in particular were not built with exit lanes in mind, I mean, just architecturally, so that's a big deal. And the technology at this point -- technology always becomes cheaper over time, but at this point it's extraordinarily expensive. And I haven't seen anybody in Washington throwing money at anything recently.

But I will tell you that our plan, and we've given it to Congress, is -- we've already been implementing this enhanced biographic exit. We've also gone back and cleaned up a lot of the so-called visa overstay population and been able to reprioritize that in terms of removal. And between those efforts and what we're actually doing at the

borders and the ports, I think we have a much better handle on who's actually in the country. Is it 100 percent? Is it perfect? No.

We have a huge country, large borders. We're the most open society in the world. But I think within the context of that, we have made significant progress, and we continue to work the problem.

MS. KAMARCK: And how about on the Canadian border? You know, we talk so much about the border with Mexico, but how about the Canadian border? I mean, I remember when the Department was stood up; there was a lot of Canada for their open immigration policies and coming across our border. What's your relationship like with the Canadian government now and the border there?

SECRETARY NAPOLITANO: Well, it was excellent until I beat my Canadian counterpart in a curling match.

(Laughter)

SECRETARY NAPOLITANO: But beyond that, the president and Prime Minister Harper signed something called The Beyond the Border Initiative. It includes really managing that border as a 21st century border, technology, aerial coverage -- it's a big, long border, very sparsely populated -- working to see if we can agree on issues that allow us to pre-inspect cargo and people before they get to the actual border. We're working on those agreements right now.

You know, ironically, sequester will be felt up there because there's only a few big crossing places portrayed on the Canadian/U.S. border, and they're really important crossing places. In fact, trade wise, they're probably the number one or two crossing places, not just for the U.S. and Canada, but in the world. And as sequester evolves and as we have to furlough people who are port officers, and not fill vacant positions, and not pay overtime, we're unfortunately going to see those lines really

stretch.

MS. KAMARCK: Okay. And finally, at a recent hearing on your Department, researchers at the Congressional Research Services pointed out that 30 other agencies in addition to DHS have homeland security in their missions. And they were critical that there was no consistent federal definition of homeland security. Does this matter?

SECRETARY NAPOLITANO: Well, it would probably be, you know, nice, but it doesn't really matter in practice. That's the first I've ever even heard that, and I've been Secretary four plus years. So it's certainly not affecting my day-to-day work.

(Laughter)

SECRETARY NAPOLITANO: But here's the thing. Under Homeland Security Presidential Directive 5, HSPD 5, I mean, there's really a clear outlining of when you have a big complicated event, what is the role of DHS. And BP is a good example of this, which is to coordinate and lead multiple agencies who are responding, and there it was the EPA, and Energy, and Interior just to name a few.

And we actually, for months after the spill at a Cabinet-level, secretaries and the administrators would get twice-daily or once daily on the phone, weekends, it didn't matter, going through what everyone was doing, what the response was, what some of the big issues were. And that really helped coordinate the response.

And I think, you know, in the aftermath looking back, again you always learn lessons. There are always things you would do better or differently. But in the context of the largest oil spill of its type, I think really worked well to help mitigate the damage. And we did that after Sandy as well.

So in practice, what we mean by homeland security is what I said. It's agility. It is the ability to prevent as well as protect. It's the ability to continue to innovate.

That's what we consider to be homeland security.

And lastly, it is a sense that it is not the responsibility of one government department. It's not the responsibility solely of the federal government. You have the states that have a critical responsibility. Governor O'Malley is here. Cities have a responsibility. And every single person has a responsibility in the security realm for the safety of themselves, but also of each other.

So trying to in DHS 3.0 inculcate that and just make it -- this is one of the things we do, like putting on a seat belt, will be important for us.

MS. KAMARCK: Anyway, finally, we have a student in the audience, Zach, who wants to know -- I'll read his question exactly. "What impact" -- oh, I'm sorry. "As a student, what advice do you have for those who are interested in public service?"

SECRETARY NAPOLITANO: Do it.

(Laughter)

SECRETARY NAPOLITANO: It is a wonderful, rewarding way to spend your work life. You can work with some of the most wonderful, talented people around. At a place like DHS, what I have found and one of the delightful things I've found, I didn't know what to expect when I came in, I got to tell you. It's a big transition going from the Governor of Arizona, where it was 75 degrees and giving my State of the State to the very next day being in Washington, D.C. and it was, like, 16, and going into this Department, which doesn't -- you know, we're kind of scattered around Washington, D.C. I just didn't know what to expect.

What I have found is that the men and women in the Department, and I give especial credit to those who came in the first wave, are very committed to the mission. And one of the things I would like to do is work with them to give them a sense of empowerment and encouragement to do the work they do.

And for students I would say if you want a place where you can build a terrific career, where we really want our employees to stay with us and to work in this field, it's just a great way to do it. So see me after class.

(Laughter)

MS. KAMARCK: On behalf of Brookings, Governance Studies, and the New Initiative on Leadership and Management, I want to thank the Secretary for her words today, for all the insight she's given, and for her terrific management of a very important piece of the U.S. government.

SECRETARY NAPOLITANO: Thanks a lot.

MS. KAMARCK: Thank you.

SECRETARY NAPOLITANO: You bet. Thank you.

(Applause)

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