

# Solution or Sideshow?

## The New Department of Homeland Security

**James M. Lindsay**

*Tonight, I propose a permanent Cabinet-level Department of Homeland Security to unite essential agencies that must work more closely together. . . . The reason to create this department is not to increase the size of government, but to increase its focus and effectiveness. . . . This reorganization will give the good people of our government their best opportunity to succeed by organizing our resources in a way that is thorough and unified.*

—President George W. Bush,  
Address to the Nation, June 6, 2002

For nearly 200 years, the United States was blessed with a level of security that was the envy of the world. This is not to say that it never became embroiled in wars. It did. But unlike most countries, which have repeatedly experienced devastating wars on their home soil, the United States fought most of its wars on foreign soil. To borrow the locker room metaphor that military officers often use, the United States historically played “away games.” One consequence of this history was that when it came to protecting America, the U.S. government created a bureaucratic structure that was primarily designed to defeat threats before they reached our shores. Considerably less attention was paid to creating agen-

cies whose primary mission was preventing and responding to attacks on American soil.

September 11 shattered that mindset. America now faces the prospect of playing “home games.” With this realization, Washington shifted to the question of how best to organize the U.S. government to provide for homeland security—the task of preparing for, preventing, protecting against, and responding to attacks on American soil. No one argued that government reorganization would provide a silver bullet against terrorism. But most recognized that failing to get the organizational structure right would make the war on Al Qaeda harder to win. As President Dwight D. Eisenhower once noted, “although organization cannot make a genius out of an incompetent . . . disorganization can scarcely fail to result in inefficiency and can easily lead to disaster.”

Washington’s eventual answer to the question of how best to organize itself for homeland security was to create a new cabinet agency, the Department of Homeland Security (DHS). The department’s creation reflected a mix of politics and policy. The idea for DHS was initially championed by Senate Democrats



looking to do good and score political points at the White House’s expense. President Bush eventually stole the idea and used it against Democrats in the 2002 midterm elections. Now that DHS has become the nation’s fourteenth cabinet agency, it is up to the Bush administration to make it work. That is a difficult task.

### 14-1 The Office of Homeland Security

President Bush’s initial response to September 11 was to create a new Office of Homeland Security (OHS) in the White House. His pick to run OHS was his close friend, Tom Ridge, the governor of Pennsylvania. Ridge had impressive credentials. He was a decorated Vietnam War vet and a former member of Congress, in addition to being a popular two-term governor of Pennsylvania. Bush had seriously considered him as a potential running mate in 2000.

The executive order spelling out Ridge’s duties also created a Homeland Security Council (HSC). The HSC is composed of the president, vice president, secretary of treasury, secretary of defense, attorney general, secretary of health and human services, secretary of transportation, director

of the Federal Emergency Management Agency (FEMA), director of the Federal Bureau of Investigation (FBI), director of the Central Intelligence Agency (CIA), and director of the homeland security office.

The HSC is consciously modeled after the National Security Council (NSC), which was created at the end of World War II to advise the president on foreign and defense policy. As spelled out in the founding executive order, the HSC is “responsible for advising and assisting the President with respect to all aspects of homeland security. The Council shall serve as the mechanism for ensuring coordination of homeland security–related activities of executive departments and agencies and effective development and implementation of homeland security policies.” OHS, in turn, staffs the HSC, much as the NSC staff support the work of the NSC. Although the homeland security adviser is tasked with coordinating the federal government’s homeland security activities, he does not have authority to tell federal agencies what to do or how much to spend. Instead, much like the NSC adviser, his primary power for getting things done is the power of persuasion.

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## 14-2 The Critics Weigh In

Not everyone applauded the Bush administration’s approach to organizing for homeland security. Critics complained that a White House coordinator could not begin to meet the challenge facing the country. Senator Joseph Lieberman (D-Conn.), who was Al Gore’s running mate in 2000, summarized the doubts about what Ridge could realistically do: “I fear that as an advisor who

lacks a statutory mandate, Senate confirmation, and budget authority, he will not be as effective as we need him to be. Governor Ridge deserves to have at least the power he enjoyed as Governor of Pennsylvania. Clearly, appointing a homeland coordinator with only advisory authority is not enough.”

Lieberman and many others in Congress wanted to give the homeland security adviser more legal authority. More important, they argued that a new Cabinet-level department of homeland security should be created. This new agency would combine the Federal Emergency Management Agency (FEMA), several large agencies such as the Customs Service that had responsibility for border security, and several small programs designed to protect the country’s critical infrastructure. The assumption underlying the proposal to create a new department was straightforward: Putting the major agencies responsible for homeland security under one roof would make it easier to coordinate their activities and thereby improve the country’s security.

President Bush resisted Lieberman’s effort to create a new homeland security agency, arguing that such a large-scale reorganization was both unnecessary and dangerous. In March 2002, Ari Fleisher, the White House spokesman, said that “creating a cabinet department doesn’t solve anything.” He went on to insist that “the White House needs a coordinator to work with the agencies, wherever they are.”

Bush administration officials, and outside experts who shared their skepticism of the benefits of creating a new cabinet department, argued that the proposal rested on the appealing but mis-

taken assumption that greater centralization would make the American people safer. In their view, making the homeland safe from attack rested instead on doing exactly the opposite—decentralizing authority. Customs agents need to know what to look for at the border, Coast Guard cutters need to know which ships to interdict, and Immigration and Naturalization Service (INS) officers need to know whom to bar from entering the country. Hospital emergency room doctors need to know what symptoms indicate possible exposure to a biological attack. Trying to cram these diverse agencies, and their diverse missions, into a single organization could actually make the government less effective in battling terrorism, not more.

A second criticism of proposals to create a new department was that so many government agencies had a role in homeland security that it was impossible to put them all under one roof. Intelligence agencies such as the CIA and National Security Agency try to track terrorists before they reach our shores; border control agencies such as the Border Patrol, Coast Guard, Customs Service, and INS try to keep out unwanted visitors and cargo; law enforcement agencies such as the FBI, Secret Service, and Drug Enforcement Agency try to catch terrorists who might be operating in the United States; and emergency response agencies such as FEMA, the Centers for Disease Control and Prevention, and the Pentagon’s Joint Task Force for Homeland Defense respond to attacks. Some agencies with critical homeland security responsibilities would by necessity remain outside any homeland security department, meaning that the problem of coordinating the ef-

forts of different cabinet agencies would remain.

A third criticism was that formally consolidating agencies does not guarantee effective integration. Congress created the Department of Defense (DoD) in 1947, but in the view of many defense experts, it took nearly forty years and several reform efforts before the Pentagon began working as intended. Likewise, the Department of Energy was created in 1977 to bring a variety of nominally related government programs into a single organization. A quarter of a century later, however, its integration remains far from complete and its effectiveness is often questioned.

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### 14-3 A Course Correction

President Bush's announcement on June 6, 2002, that he would ask Congress to create a homeland security department came as a surprise. Doubly surprising was the fact that the president's reorganization plan dwarfed anything being considered on Capitol Hill. His plan proposed merging 22 agencies, employing nearly 170,000 workers, and spending more than \$35 billion annually. To top it all off, the president wanted Congress to pass the legislation authorizing the reorganization—which would be the most ambitious and complex government reshuffling since the creation of DoD—by the end of the year.

Why the about-face? President Bush said in his nationwide address that he was endorsing reorganization because “as many as a hundred different government agencies have some responsibilities for homeland security, and no one has final accountability.” His advisers added that he had seen the limitations of the

traditional way of doing business and had decided that change was necessary.

The president's critics dismissed the claim that he had been persuaded of the merits of reorganization. They contended that he had embraced the idea for purely political reasons. In May 2002, the Senate Governmental Affairs Committee, which Senator Lieberman chaired, had approved a reorganization bill of its own. The idea was picking up some Republican support, and it looked as though the White House would suffer a major political defeat. At the same time, the administration was being buffeted by a string of news stories that questioned its competence in the weeks leading up to September 11. Reporters had uncovered evidence about how miscommunication and squabbling between and within the CIA and FBI had contributed to the government's failure to uncover the terrorist plot. Indeed, President Bush announced his reorganization proposal the night before the much-awaited congressional testimony by an FBI agent on how FBI headquarters had failed to pursue possible leads that might have uncovered the September 11 plot.

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### 14-4 The Politics of Reorganization

President Bush's proposal caught Washington off guard and created political dilemmas for both Republicans and Democrats. Many congressional Republicans privately disliked the idea of creating a new cabinet department. For months, they had defended the administration's refusal to undertake a major reorganization. Making matters worse, many Republicans believed the plan

would lead to a bigger, more costly, more intrusive federal government—an outcome they had long fought to avoid. Anticipating these objections, Bush said in his announcement that the plan was not intended to increase the size of government and that “by ending duplication and overlap, we will spend less on overhead, and more on protecting America.” Even though experts dismissed the president's claim as unrealistic, most Republicans quickly recognized that political necessity dictated that they support their party's leader.

Democrats faced a different problem. By embracing the idea of a new Cabinet department, Bush had stolen an issue that they had planned to use against the White House in the fall elections. Worse yet, most Democrats knew that after demanding the creation of a homeland security department for months, they could not suddenly denounce it as a bad idea. So Democrats could only applaud the president's change of heart and hope that voters remembered it had been a Democratic idea first. Richard Gephardt, the leader of the House Democrats, went even further. He tried to top Bush's announcement by committing Democrats to passing a reorganization bill by September 11, 2002, the first anniversary of the terrorist attacks.

Congress ultimately failed to meet Gephardt's deadline. The stumbling block was not the substance of President Bush's proposal. Many legislators on both sides of the aisle certainly had reservations about the specific organizational changes in the Bush plan. Under different circumstances, lawmakers might have substantially revised the proposed merger. But with House and Senate leaders determined to act

quickly, these reservations were quashed. By early August, each chamber had prepared legislation that largely reflected the basic outlines of the organization the White House wanted to create.

The stumbling block instead was over process. President Bush wanted the freedom to strip workers in the new department of the civil service protections they had previously enjoyed. He and his advisers argued that leaving the traditional civil service regulations in effect would stifle the reorganization and reduce the department's overall effectiveness. The president's request was popular with Republicans for an additional reason. They saw it as a way to reduce the power of the heavily unionized federal workforce.

It was just this possibility that made the president's request unacceptable to Democrats. They insisted that the president was asking for far more discretion than he needed and that his claim that civil service protections would undermine the department's effectiveness impugned the patriotism of federal workers. Many Democrats found the president's demand for discretion especially galling coming as it did only months after unionized police officers and firefighters gave their lives at the World Trade Center. With unions forming a core constituency of the Democratic Party, most Democrats believed they had to fight the president's proposal.

The dispute over civil service protections set the lines for a stark political clash. Republican strategists welcomed Democratic opposition. They calculated that many voters would see the Democrats as putting union interests before the national interest and, as a result, vote Republican in the congressional midterm races. By contrast, Democratic

strategists calculated that the issue would energize union supporters and help generate a strong Democratic turnout in November.

Election Day results bore out the arguments of Republican strategists. In most congressional races, the dispute over civil service protections barely figured. But it was a prominent issue in several close Senate races, perhaps none more so than Democrat Max Cleland's efforts to win reelection to Georgia's Senate seat. His Republican challenger, Saxby Chambliss, relentlessly used Cleland's defense of civil service protections to question his patriotism. Although Cleland had lost three limbs fighting in Vietnam and his opponent never served in the military despite being of draft age during that war, the charges stuck, and Chambliss won.

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## 14-5 The Organization

The 2002 elections decided the question of civil service protections. Congress reconvened shortly after Election Day in a lame duck session. Democrats conceded defeat and agreed to legislation establishing a new department largely along the lines that President Bush had requested.

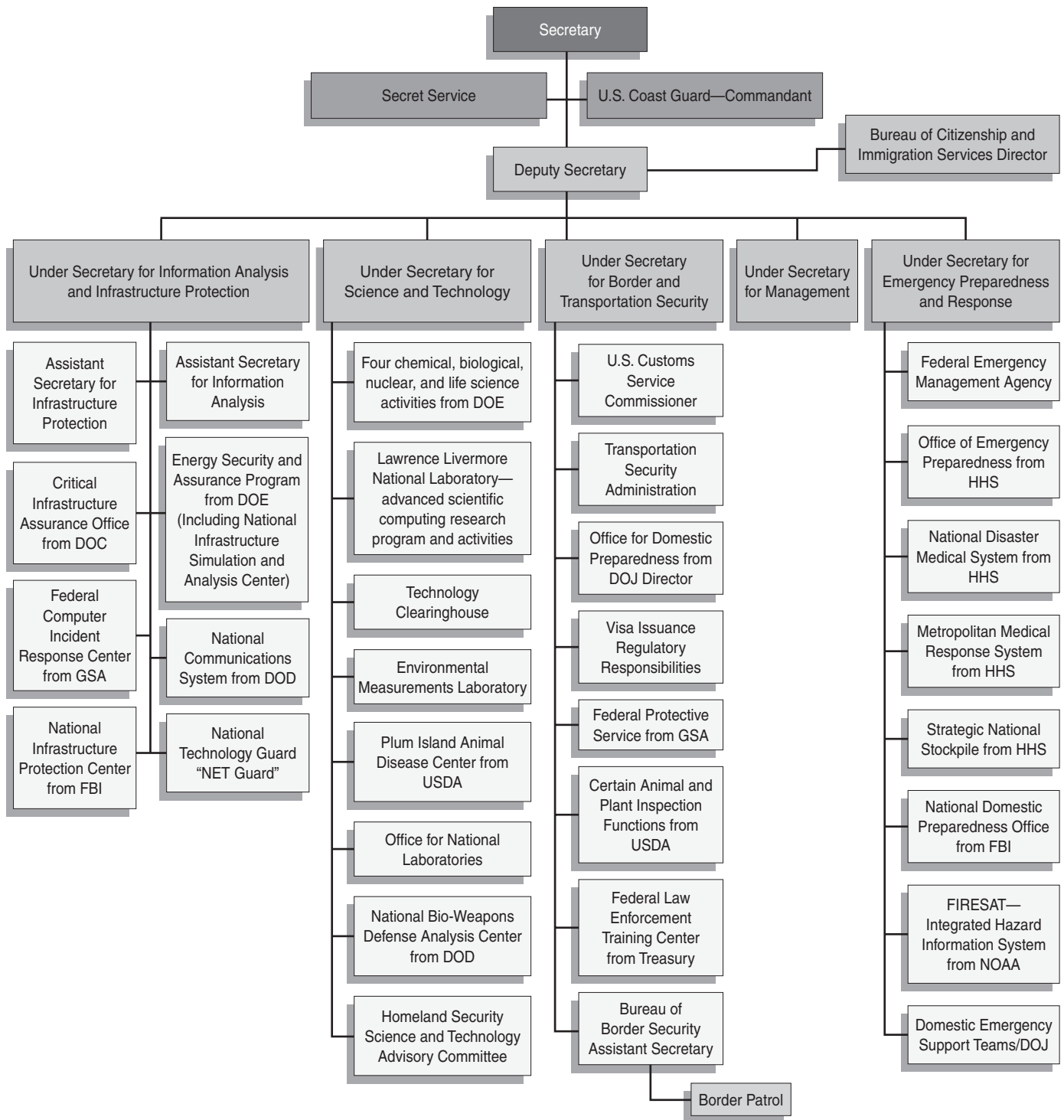
DHS opened for business on January 24, 2003. Tom Ridge was sworn in that day as its first secretary. On March 1, 2003, DHS assumed formal control of the bulk of the agencies it was scheduled to absorb. It absorbed all its planned units on September 30, 2003. With the merger process completed, DHS now has more than 180,000 employees—making it the third largest Cabinet department after DoD and the Veterans Administration—and an annual budget of more than \$35 billion.

Figure 14-1 presents the basic organization of DHS. The heart of

the department is the four policy directorates, each headed by an under secretary. The largest directorate is Border and Transportation Security. It has more than 100,000 employees and a budget exceeding \$18 billion. It includes people and missions from the Customs Bureau (formerly in the Department of the Treasury), the Transportation Security Administration (which was created immediately after September 11 and was initially lodged in the Transportation Department), and the law enforcement parts of the Immigration and Naturalization Service (Justice Department). The Border and Transportation Security directorate's main task is to allow legitimate people and goods into the country and keep terrorists and terrorist weapons out.

A second directorate is Information Analysis and Infrastructure Protection (IAIP). This directorate began with only about 1,000 employees. Unlike Border Security and Transportation, it is less about merging existing agencies than about building new government capabilities. Before September 11, the federal government had taken only rudimentary steps to protect the nation's critical infrastructure—the food, water, energy, financial, and information networks on which the U.S. economy depends. The new unit is responsible for identifying vulnerabilities in America's critical infrastructure and determining the best ways to protect these networks. A key to accomplishing this task is the unit's ability to integrate and assess information about potential terrorist threats from intelligence and law enforcement sources.

A third directorate is Science and Technology. It began its organizational life with only a few hundred employees who had worked in small offices transferred



**Figure 14-1**

**Basic organization of the Department of Homeland Security.**

Source: O'Hanlon, Michael E., Peter R. Orszag, Ivo H. Daalder, I. M. Destler, David L. Gunter, James M. Lindsay, Robert E. Litan, and James B. Steinberg. 2003. *Protecting the American Homeland: One Year On*. Washington, D. C.: Brookings Institution Press.

from DoD and the Department of Energy. Like the Information Analysis directorate, most of its capabilities have yet to be built. The Science and Technology directorate's primary responsibility is to help develop new technologies that can detect, defeat, and mitigate chemical, biological, radiological, and nuclear attacks. When the directorate is fully operational, much of its work will be devoted to mobilizing other parts of the federal government to do the actual scientific investigations.

The fourth directorate is Emergency Preparedness and Response. It has about 6,000 employees and a budget of \$6 billion. The core of this directorate is FEMA, which as its name suggests, is the federal government's lead agency in responding to disasters. It continues to devote much of its work to responding to natural disasters, such as those caused by hurricanes, tornadoes, and floods. There were two main arguments for folding FEMA into DHS. One was to make responding to terrorist attacks a higher priority within FEMA. The other was to take advantage of the expertise and networks that FEMA has developed over the years in working with state and local governments, which will play important roles in responding to any terrorist attack. Several other, much smaller programs and offices (most of which are in the Department of Health and Human Services) were merged into the Emergency Preparedness and Response directorate along with FEMA.

In addition to these four directorates, DHS absorbed several other agencies. One is the Coast Guard, which previously had been part of the Department of Transportation. The Coast Guard, which has lead authority for

monitoring exit from and entry into U.S. ports, coordinates its work with the Border Security and Transportation Directorate but reports directly to the secretary of homeland security. The Secret Service, which comes over from the Department of the Treasury, also reports to the secretary. The Bureau of Citizenship and Immigration Services, which is essentially those parts of INS that weren't folded into the Border Security and Transportation directorate, reports directly to the deputy secretary for homeland security.

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## 14-6 Be Careful What You Wish For

President Bush got the large homeland security department he wanted. He also got the mammoth task of putting it into operation. As it turned out, it was a lot easier to propose integrating twenty-two agencies than to actually do it.

The reviews that DHS received on its first birthday were at best mixed. On the positive side of the ledger, the department cited several major successes. It had created US-VISIT, a program that registers all foreigners as they enter the United States. It had also begun educating the American public about how to prepare for an emergency and had posted sensors in major American cities in an effort to get early warning of any terrorist attack that used biological weapons.

Critics, by contrast, pointed to a long list of DHS missteps. DHS's management team experienced substantial turnover. Senior officials who resigned during the first year included the deputy secretary (the number two post at DHS), the department's chief financial officer, and Ridge's own chief of staff. The first director of

IAIP resigned shortly after he angered members of Congress by testifying that his directorate had hired only a quarter of its proposed staff "because we do not have the [office] space for them."

DHS also failed to make much progress on several high-profile initiatives. One of the main reasons for creating the IAIP directorate was that it would match intelligence about potential threats with information about vulnerabilities in the United States. But IAIP's director confessed in September 2003 that it might take five years to complete a threat-and-vulnerability assessment. DHS likewise had the task of merging the terrorist "watch lists" compiled by different government agencies into a master list. Despite DHS's public promises during 2003 that the master watch list would "soon" be ready, no such list existed at the start of 2004, and the task of compiling it had been quietly given to the FBI.

The creation of DHS also did not end turf battles among federal agencies, and in fact, it may have added to the problem. A major division emerged between DHS, which claimed it was responsible for making the country secure, and the Justice Department, which insisted that it was responsible for stopping terror attacks. The rivalry between the two departments sometimes led the federal government to speak with two, contradictory voices. In May 2004, for instance, Ridge told a morning news show that he had seen no information that justified raising the color-coded national alert system from yellow to orange. Later that day, Attorney General John Ashcroft held a press conference to warn that seven suspected Al Qaeda operatives had possibly entered the country intent on launching a major attack. Homeland Security officials later told journal-

ists that the intelligence that prompted the attorney general to issue his warning was neither new nor specific. Representative Christopher Cox (R-Calif.) expressed the frustration of many members of Congress when he said diplomatically that Ashcroft's "news conference and Secretary Ridge's earlier public statements conveyed the perception that the broad and close consultation we expect may not have taken place."

None of these growing pains came as a surprise to anyone who had followed previous governmental reorganizations. Creating new agencies and reorganizing old ones can be a challenging task. Take the case of the Transportation Security Administration (TSA). In its first year of existence, TSA went through two directors and missed many of the performance deadlines that Congress set for it.

Ridge faced a particularly challenging task at DHS. According to a study done by the Brookings Institution, a nonpartisan think tank in Washington, D.C., the twenty-two agencies being merged came with a vast array of largely incompatible management systems, including at least 80 different personnel systems mixed in and among agencies. There were, for example, special pay rates for the Transportation Security Administration, the Secret Service, and the Biomedical Research Service; higher overtime rates for air marshals, Secret Service agents, and immigration inspectors; Sunday, night, and premium pay for the Secret Service, Customs Service, and immigration inspectors; and foreign language awards and death benefits for Customs officers. Ridge and his advisers also had to settle numerous issues that might seem trivial to people outside DHS but that were critical to people inside it. One such case in-

involved whether the officers in Immigration and Customs Enforcement, the investigative arm of the Border and Transportation Security directorate, should carry the 9-mm pistol that Customs officers used or the 40-caliber pistol that INS officers used. Not surprisingly, each group fought to make its preferred gun the department's standard.

At the same time, even as Ridge and his subordinates sought to create new capabilities within DHS, they also had to overhaul many of the department's existing capabilities. Some of the agencies being merged—the Coast Guard comes immediately to mind—had reputations for being well run. Others were broken organizations that were notorious for performing their missions poorly. The INS topped most experts' lists of agencies in trouble. Among other things, it sent visa renewal notices to two of the September 11 hijackers—six months after they flew planes into the World Trade Center. No one thought that separating INS's law enforcement and service functions, as DHS did, would by itself fix the problems that plagued that organization.

But the problems at DHS may reflect more than the inevitable mistakes that accompany any reorganization. Critics argued that they also reflected the fact that President Bush focused his attention in the war on terrorism primarily on offensive efforts to kill terrorists overseas, and thereby regarded efforts to secure the American homeland as decidedly less important. Rand Beers, who served as the Bush administration's top counterterrorism official, resigned his post in 2003 because of what he alleged was the White House's refusal to make homeland security a top

priority. (Beers, a career civil servant, later became a top foreign-policy adviser to Senator John Kerry.) Senator Lieberman, in looking at what had happened to his original idea, complained, "The fact is, we have not yet seen the kind of focused leadership, nor the resources, needed to fulfill the promise of the Homeland Security Act as we envisioned it two years ago."

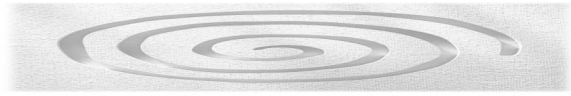
Whatever priority Bush put on homeland security, several of his decisions undercut the effectiveness of DHS. The most prominent decision of this sort came even before DHS became operational. In his 2003 State of the Union Address, Bush surprised Congress by announcing the creation of the Terrorist Threat Integration Center (TTIC). Staffed by officials from the FBI and a range of intelligence agencies and based at the CIA's headquarters in Langley, Virginia, TTIC was tasked with developing a comprehensive picture of the terrorist threat to the United States by consolidating and analyzing information gathered at home and abroad about terrorism—precisely the mission that the IAIP directorate was created to handle. TTIC's deputy director later said with some understatement, "There is a degree of ambiguity between our mission and some other analytic organizations within the government."

The confusion over the respective roles of TTIC and IAIP, like the turf battles between DHS and Justice and dispute over what kind of gun Immigration and Customs Enforcement officers should carry, highlights the fact that DHS is better thought of as a work in progress than a finished product. So don't be surprised if in a few years Congress revisits the issue and decides to reorganize the reorganization.

## Readings for Further Study

Crowley, Michael. 2004. "Bush's Disastrous Homeland Security Department." *New Republic*. March 15: 17–21.  
Department of Homeland Security. 2004. "Fact Sheet: A Better Prepared America: A Year in Review." Undated. Available at <http://www.dhs.gov/dhspublic/display?theme=52&content=3610>

Gorman, Siobhan. 2004. "On Guard, but How Well?" *National Journal*. March 6: 472–76.



## Websites to Check Out

**Note:** As we went to press, these sites were functional using the URLs provided. Check out the online text for the most up-to-date URLs.

**Site name:** The Department of Homeland Security

**URL:** <http://www.dhs.gov>

The homepage of the Department of Homeland Security contains a wide variety of information about the homeland security mission, as well as a biography of Governor Ridge and a review of the department's responsibilities.

**Site name:** FirstGov

**URL:** <http://www.firstgov.gov/Topics/Usresponse.shtml>

Designed to be "your first click to the U.S. government," FirstGov provides links to the entire array of federal agencies involved in homeland security, as well as links to state agencies.

**Site name:** Homeland Security Institute

**URL:** <http://www.homelandsecurity.org/>

A comprehensive resource on homeland security with links to current news, upcoming events, state resources, suggested readings, federal agencies, a virtual library, and notable quotes, among other offerings.