



**United States Coast Guard**  
U.S. Department of Homeland Security

*U.S. Coast Guard History Program*

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# **U.S. COAST GUARD**

**DHS FELLOWS, NEW YORK CITY**

**REMARKS BY  
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ADMIRAL THAD ALLEN: What I have done with past classes, and I think it will be useful here would be to – they're recording what I'm saying this morning.

(Off mike, laughter.)

I'd like to start with a little bit of retrospective, at least from my view, on how the department was established because I think it's important to understand the conditions under which the department was created that cause us challenges now. I think all of you probably know some of them and I'm maybe singing to the choir in some aspects, but I think it's good just to go back and recount that. But let me just check real quick: How many people were here that actually moved with an agency or came into the department when it was formed in 2003? Okay, most of you. Okay.

Let me just take you back if I could. Shortly after 9/11, there was an attempt by the administration to centralize all border inspection functions in response to the perceived lack of controls at the border. This is separate from the intelligence failures and everything else. And around December and January of 2001 into 2002, there were actually some white papers circulating to create a border security agency. At the time I was the Atlantic commander. My predecessor, Jim Loy, the commandant at the time, actually took those papers down and had me comment on them. So I know there was a significant attempt made at that point to do something like what the department was going to become.

But there was such opposition in what are now in the operating components and in the departments, there would have been impacted by that, that by late January, that whole initiative was kind of just withdrawn. And at that point, there was a lot of push on the Democratic side to do something with homeland security in the way of a better organizational structure. But because of the pushback from all of the agencies, the administration took what I call five men in the basement of the White House, and had them start working on legislation that would ultimately become the Homeland Security Act. And quite frankly, they did it pretty much by themselves because of the pushback they were getting from the various departments and agencies.

And as the Democrats in Congress were pressing for some kind of a more organized structure in regard to border security in June of 2002, the administration came forward and put legislation up on the Hill, the Homeland Security Act. The goal was to have that legislation passed by the first anniversary of 9/11 which, as you remember – and we're still living with this to some extent – the whole discussion, especially in the Senate, got bogged down over work rules, and what was ultimately going to become a lot of significant problems we're dealing with today in regards to trying to migrate the HR systems

of all the different entities into a single HR system. And it still is a challenge today as you know.

Because of that, they were unable to enact the bill by the anniversary. And in fact, when the bill was finally passed by both the House and the Senate, the president had no choice but to sign it immediately because he had been pressing for it. But one of the things that happened through the time the legislation came up to the Hill and it was passed – a good deal of time had passed. They did not go back and correct the legislation because some were the – what were going to be unrealistic timelines required to stand up the department.

For example, the bill said that the department had to come into existence within 60 days after signing of the bill. The president signed the bill on the 25<sup>th</sup> of November 2002, which meant officially that the department had to come into being on the 24<sup>th</sup> of January 2003. Now, you will see this year we are going to celebrate the fifth anniversary of the department; it will be on 1 March. And 1 March was the date that the agencies and the components had to migrate over. But the exact establishment of the department was the 24<sup>th</sup> of January 2003. The only reason I bring this up is in advance of assuming the legislation was going to pass, the administration set up something called a transition planning office. How many of you are involved in that? Let me see – anybody – or hear about it? Anybody heard about it? Okay.

This was brought out of OMB. A guy named Mark Ebersson (sp), under the direction of Clay Johnson, and they attempted to get the general structure of the department together in advance so it could be started immediately by the first anniversary of 9/11. Well, if you can imagine somebody designing an organizational structure that they weren't going to run or coming into an organization structure that you're going to run that you didn't design, there are automatically going to be some issues there. The TPO stood up around June of 2002 and lasted until the department was created and came into being on the 24<sup>th</sup> of January.

When Secretary Ridge walked into the offices then on 18<sup>th</sup> and G, a couple blocks from the White House, on the 24<sup>th</sup> of January, he was the department. Because in enacting a legislation on the 25<sup>th</sup> of November, they actually brought the bill into being between sessions of Congress, in the middle of a fiscal year. There was no way that Congress could return in panel and confirm anybody, at least on the Senate side in time to meet the requirement standard of the department. Starting to get a sense of how hard it is to be me? (Scattered laughter.)

And I remember Secretary Ridge came into 18<sup>th</sup> and G, I was part of the transition team that moved us out of DOT into DHS. And I actually had people working on the transition planning office for me as chief of staff of the Coast

Guard. The day that Secretary Ridge walked into his office, we sent a Coast Guard warrant officer over and issued him a Coast Guard travel card. The department did not exist as a financial entity. We were in the middle of a fiscal year. They were operating on unobligated balances that were reprogrammed – did not become a fiscal entity until fiscal year 2004, the following October, okay?

So to populate the department, they had to have leadership in the key positions. Well, by the law in the country, if you had been confirmed to a position already in government, you can be assigned acting to another position. So what you saw was the department was populated with people who had already been confirmed to another position in government. Asa Hutchinson came into BTS. Janet Hale became undersecretary for management. And in some cases where they had to bring somebody new in, they took inordinately long time to get them confirmed as an undersecretary of the query in science and technology, okay?

So what you got then is a department that is being stood up that basically has to create itself with no organic capability other than who is coming in the door incrementally one day at a time with no standards set of administrative procedures, financial accounting or anything like that, okay? And when I told everybody this is really not the creation of a department; this is really a combination of a acquisition merger, startup, and hostile takeover – (laughter) – going on consecutively with 22 entities. Other than that, it was not a problem or hard to do – (laughter) – okay? And one of the things that really, really was tough for this department was the ability to try and create a department and then still run a department with operating entities.

So what you had was – you had Steve Cooper, who was the first CIO of the department would come in and he'd be alternating calls about why the secretary's BlackBerry wasn't working and trying to fend off OMB, who thought we could get \$100 million in savings by combining all our IT budgets in the first year. So one of the things that really challenged the department was there was no separate housekeeping hygiene to take care of the department headquarters' function separate from what the department was trying to do at the department level to bring the entities together to create ICE, CDP, and so forth, and then execute the mission, okay?

And we have learned from that, by the way – I'll talk about it in a minute – the transition folks that planning right now already understand you need a separate team to just take of food, clothing, and shelter. And the way I described it to a lot of folks is – everybody familiar with Maslow's hierarchy of needs? The triangle at the bottom is food, clothing, and shelter; the top is self-actualization. Well, when the department came together, we had different entities that are in different lifecycles of their development. We had two very mature organizations in Secret Service and Coast Guard. But you had other elements that are being torn apart and put back together again: the inspection function, the investigation functions, and CVPIs.

And then you had totally new entities that didn't exist before: the undersecretary for science and technology. So what I tell everybody is you had some agencies that came in ready to self actualize, you have other agencies or entities that are starting out in the department that were saying, where is my BlackBerry? Where is my desk? Where do I park? What is my address? And as a result of that and the inability to separate those functions out at the start, I told everybody that we played an interesting game for the first few years and we still are in the department.

Anybody remember what Pong was? The very first video game? With just a bar and dot. And starting with the earliest days of the department clear till now, quite frankly, we're playing Pong in the triangle. On any particular day we'll do a little bit of food, clothing, and shelter. We'll kind of bounce around and look for some self-actualization. We are just all over the place. And that is why it has been so challenging in the first five years of the department to try and keep focused on the mission when we had to build and create a support structure that didn't exist, so we had to do it at the same time. And this is literally changing the car – changing the wheels on the car while it's driving, or more properly, building the car while it's driving, okay?

Now why do I say this? Well, I think we beat ourselves up a lot in the department about our reaction to perceptions on the Hill and everybody place else about whether or not the department is adequately carrying out its functions. If you take a look at the conditions under which the department was formed, we're doing remarkably well, and we should be very proud of ourselves because this is noble work. And we have made a lot of progress since the department came together. I just don't think the American public in general, even people on the Hill sometime, recognize the degree of difficulty that we had in bringing this department online, okay?

Now having said that, if you take a look at the Department of Defense and how it was formed back in the late '40s, and where they are now, we will ultimately catch up with them and pass them in terms of functionality and effectiveness in this department. One good example – who is involved in finance in the room here? Nobody? Oh, okay. (Inaudible) – next time. (Laughter). In the last 20 or 30 years, they have tried to go back and retrofit over Defense, financial accounting systems, defense contract audit agencies, acquisitions, structures, and all that kind of stuff in an attempt to follow up on Goldwater-Nichols and make them more joint and come up with common backroom shared services.

As painful as it is for us on the financial accounting, the consolidation of data centers, MAX HR and all of this stuff, I believe we will be there before Defense, which had a 50-year head-start obviously, okay – another reason not to sit there and beat ourselves up to bad about where this department is going. The

real problem and the challenge associated with standing at the department is the fact that we are doing this with all of these obstacles that I just talked about in a totally unflinching, completely-in-the-spotlight glare of transparency and zero tolerance for failure politically. And we just need to understand that. It's always going to be there; we can't do anything about it. And we are always going to react to the political initiatives on the Hill that are fighting a last war, if you will, or reacting to constituent pressure.

A good example is the Dubai force world (?) issue a year or so ago. Folks, that was nothing more than a political panic. There was absolutely no substance to that issue. I'm probably already – (off mike). But quite frankly, it is going to be the world that we live in for the foreseeable future. I know it's true in the Coast Guard. We set a 58,000 gallon oil spill, which is not a large oil spill, in San Francisco, but it happened right in front of Fisherman's Wharf. You do not do that in Nancy Pelosi's backyard. You just don't.

So one thing I think you have to remember moving forward is not to let this rent too much space in your head. Understand it for what it is; understand that the oversight is going to be there. Understand that the transparency is going to be required. Factor that into what you're doing and know that you're always going to have to manage the tyranny of the present because you can't do anything other than that in Washington. And that is the way we all work. And at least we have a few folks who are working inside the department, inside the Beltway, representing the opponents in the field.

But despite all of that, you can't lose sight of the fact that this department has to get pointed in the right strategic direction. And every time we do something during the day, even if we're acting to the tyranny of the present, unflinching oversight, transparency, zero-tolerance-for-failure environment, we need to think and act with strategic intent. Each time you put a budget forward, each time you make a decision, it should be trying to take one more step toward where we think this department needs to be positioned, okay?

And one of the real challenges we're dealing with is we did not create – we did not start with a blank sheet of paper and create this department. We went out and got existing entities with sets of authorities, jurisdiction capabilities, capacities, and competencies, and we put them together. We did not start with here is the problem we want to solve; what do you build to solve it? So quite frankly as we move forward, we are going to find out some things. We have overlaps. We have gaps because we are not functionally built to defend the homeland. We have aggregated everybody that had something to do it and called them a department because if you think about it, what we are really trying to do is stop threat vectors or kill change or mishap change that is trying to hurt us.

And usually when I talk about it – do you have a marker pen? Can I get a Sharpie or something like that? (Off mike) – requirement out here, but – (scattered laughter). Thanks. I'll only do one picture and I'll leave it at that. This is the world according to Allen here, all right? I will admit that up front. In my view, if you're looking at threats to the homeland or national security or anything, you're dealing with air, land, sea, and space as domains that all overlap in some regard. They are all surrounded by the big one and that is cyber. And what you got passing through this are people, cargo, conveyances, information, jurors. And what we're all about is trying to create non-events. You interrupt a chain of events that's going to make something happen in one these domains that will hurt us. I would submit to you – and I think you all would know this intuitively – that that is not the way we built the department. And that is not the way the Homeland Security Act is structured, okay?

So one of the first things we need to understand is what are we trying to do as a department? And I would submit to you it's a spaghetti drawing I just made. And the question is can we sort out as we move ahead where are the gaps, overlaps, where are we expose, what have we not done? And we have done some of that. The domestic nuclear detection office is a good example. That did not exist before the department. We knew it was a gap with everything else that was out there and we created it. The screening and credentialing function at the department level – those are the types of things where you look at crosscutting functions that interrupt kill-chains, threat vectors, and things that are trying to hurt us.

It's going to be a while before the department settles into this kind of doctrinal approach or thinking about the problem set and then taking the department and moving in that direction. And every time you do that it'll fly in the face of an organizational history, a culture, a mindset about change, and folks that are seeing the world from where they sit saying, not my agency, not with my career, not with my equities. But sooner or later, if we're going to be effective in this department, we have to start thinking this way.

And it was to that end that I had a series of conversations a little over a year ago with George Foresman, at the time the undersecretary for preparedness, and we tried to figure out a way to jumpstart the department and getting people learning how to think about this, talk about it, better understand their surroundings not only in their own agencies but the rest of the components and the other entities in the Department of Homeland Security.

But you know what? As much as George and I wanted to do that, we couldn't get on the secretary's calendar or the deputy secretary's calendar. We talked with Pat for three or four months, came up with a prototype. She looked at the Excellence of Governance Fellows program, made a conversion to make it DHS content-specific, if you will, and so at some risk, I guess, we went ahead and launched the first fellows' program. We gave the announcement to the

(Chico?) [18:06], we solicited everybody, and then we kind of went and told the secretary we did it.

Q: (Off mike.)

ADM. ALLEN: Yeah, and so Grace Hopper (sp), easy to get forgiveness than permission sometimes.

And when we finally told him he kind of raised an eyebrow; he said, well, if you really don't like it we're just going to call it a prototype and we'll kill it. But I think Michael Jackson and the secretary, once they saw what was going on, understood the value and the relevance of this program.

One of the reasons I'm vested in it personally, and the folks in the Coast Guard in the room will tell you, I had the same view of the Coast Guard and what we need to do internally to reposition ourselves in this current transnational-threat environment and air of persistent conflict. Now, I'm just generalizing outside the Coast Guard, where I think the department needs to go. So I have a personal interest in making sure that we have qualified, strategic, visionary thinkers that are change-centric, and drive this department where it needs to be to be able to take on a new paradigm on how we're going to deal with threats to the homeland.

So I already drank the Kool-Aid, folks, and the coffee and everything else – (laughter) – I'm here, okay. This is the second time I've talked to this group. It's not by accident you're here; it's not by accident you're near Ground Zero – huge symbology in this town. It's waned in a lot of people's minds. That's too bad; the threat's still there. We all know – we get the intelligence every day – this thing is not going away anytime soon; this is a generational war. We have a generational challenge in the Department of Homeland Security. But I would submit to you, and I'm going to – (off mike) – when I talk to other classes because there's some other things happening around us right now, that we really got to keep our eye on the ball moving forward for a couple of reasons.

The first one is we're moving into an election year and there will be a transition. There was a near panic before the last election that if, for some reason, there was a new administration coming in there was no doctrines, set of procedures – and maybe those of you were here at the time remember there was a big rush trying to get management directives out to try to lock down the processes in the department.

That's going to be important. But moving into the next year what's going to be more important is the understanding we're moving into a heightened risk period. Look what happened before the elections in Madrid; look what happened right after the change in government in the U.K. with the Glasgow bombings. Nobody disagrees with the notion that we are moving into a heightened risk



period, and whether it's from the November election, the 20<sup>th</sup> of January, somewhere around there, we have to be more vigilant and keep our eye on the ball for this country.

At the same time, we're losing the top strata of leaders and political appointees in the department. You know, one of the things the Homeland Security Act didn't do that it probably should have done was designate one under or assistant secretary to be a careerist, so you'd always have somebody to be an acting secretary. That is a significant issue right now moving forward. John Seymour, who spoke to you earlier, who was in the Department of Transportation with me and he occupied the position that was always a careerist, as was Melissa Allen (sp) after him, so that there was always somebody there standing watch, if you will.

We're going through a significant issue right now of identifying the number twos and the number threes, and in some cases the number fours, in some cases, converting positions to career that weren't before to make sure we have continuity. The only two people who will emerge after the inauguration next year in the leadership position in this department that are here now are myself and Mark Sullivan of Secret Service.

So in addition to the heightened risk period we're going through, we're going through a period where we may not have all the top leadership positions filled out, and bench strength is going to be important. And this program creates bench strength. It creates better development and leadership skills for you all, but it creates bench strength for the department. And I would fully expect the people who have gone through this program would know that they might be available to serve our workgroups, transition briefing teams, new position papers and things like that because you're going to have a view coming out of this program that other people in the department do not have.

At the G7 meeting – Gang of Seven meeting, that's what they call it now for any components – we meet once a week. Last week, Deputy Secretary Schneider went through the general outline of how they're going to handle transition and had the acting undersecretary for Management, Elaine Duke, handed out the list of the prior class of DHS fellows. Certainly we know they're out there. These people understand unity of effort in the department; they understand jointness. So I think you can expect that they do get engaged so that sometime during the next year because of the unique view you're going to have in this department for the experience you're getting here in the DHS fellows program. It goes beyond that. I mean, there are two more things and we can go to some Q&A here.

We have found, moving into this transition period in the department, that we lack some operating capabilities in the department that you would find in Defense and other places that we're going to have moving into a heightened

threat period, and that's the ability to coordinate operations and do planning, operational planning, at the departmental level. For you that have been involved with DOD in the past or have DOD experience, we would call this the three and the five function, the J3 and the J5. As it stands right now, when we have an operation that spends more than one entity in the department, we kind of ad hoc how that works. But while we create some structures within the national operations center in the last year or so, especially following Katrina, we do not have doctrine and a set way to take an external tasking or a threat that becomes clear, that crosses more than one entity, and produce a coherent plan and then execute it inside the department.

And it's important for two reasons. Number one, we need to be effective in working between Coast Guard, TSA, CBP – and I'll give you some examples in a minute. But ultimately, for the secretary of Homeland Security, he will execute his responsibilities under HSPD-5 and HSPD-8. He has to be a leader in the interagency and we're going to find that very, very significant when we start talking about cyber-security-related, the dot-gov domain.

So there's an overarching mission requirement for this department and the secretary to be that leader in the non-DOD world for incident management response and security, but it's hard to do that unless you have the capability, capacity and competency embedded in your own department, operate your own department that way. So there's an additional premium moving forward in this transition period; you create ops coordination and planning, and that's to get the department competent to do it so that they can be exported to the interagency.

And why is that important? Just a quick retrospective: I get asked sometimes whether or not I will write a book about what happened down in New Orleans and the Gulf with Katrina and Hurricane Rita, and the answer is usually no. But if I were to write a book, I already have a name for it; it would be called "Bayou One." Early morning here. Okay, the reference is directly to Desert One, which was the failed rescue of the Iranian hostages in 1980, followed by a spotty performance in Grenada in 1983, yields the Goldwater-Nichols Act in 1986.

A couple of data points: We got no choice; we got to rethink how we do this, the national security defense in this country. I would submit to you 9/11 and Katrina were data points that we need to understand the rest of the government's got to get itself together on how we coordinate and do the three and five functions – operations, execution and planning – across the non-DOD entities in this government, and then link that back to DOD when required, support the disaster relief or whatever.

If we don't, I can tell you what the next two data points are. One is the meltdown between DHS and HHS during a pandemic influenza, which we're still shaking out. It's clear from HSPD-5 we got that; it's not clear to the rest of the government we have the capability, competency, and confidence to do it. The

other one will be if we have a terrorist attack and the arm-wrestling that's going over between immediate response to help the victims and the management of that as a crime scene by the senior law enforcement official, which would likely be the local FBI, SAP (ph), or somebody in the Department of Justice. Until we figure out a way to work these we're going to run the risk of having another data point of procedural operational failure in this country.

So in moving to the close of my remarks I would tell you, not only is it important for this department to continue to mature and us to understand very frankly what we were and what we weren't on the 24<sup>th</sup> of January and on the first of March 2003, but to understand strategically we have to keep making progress, but beyond that we have to make a more effective mission and execution structure inside the department and then we have to export that to the rest of government. At a time when we have zero tolerance for failure in the middle of a political election – we're almost back to 24 January 2003, when you think about it with the potential risks that are there, but we ought to know better now because we sat back and watched. We ought to do better because we have five years of understanding each other. We ought to do better because quite frankly, we have you. And that is the cause, that is the reason, that is the basis for action that we have started this fellows program, okay.

How much time do we have?

MS. : We have as much as you want.

ADM. ALLEN: (Chuckles.) Want to go with some Q&A? Is there anything else I need to cover, Pat?

MS. : (Off mike.)

ADM. ALLEN: What do you guys want to talk about?

Tell me who you are and what you do, and all that.

Q: Roald Crane (sp). (Off mike) – security officer for the – (inaudible) – directory. First, I want to say thanks for coming in and speaking with us today. It's inspiring.

My question is, you didn't talk about cyber-threats and cyber-threats are hard for most people to understand, as far as what most people perceive – (inaudible, background noise) – you can't see them, and oftentimes you can't comprehend them until they happen. You've mentioned them twice, so I'd like to hear more thoughts on how you perceive cyber-threats – (inaudible).

ADM. ALLEN: Sure. But let me start with there's a limit to what I can about in this room. Anybody that is DOS knows that there is a limit, okay.

Just in general, any time you have to pass through an Internet portal there is a threat to you, just like in your home computer. When you sign on, that's where you have all the spyware, that's where you have all the firewalls and everything else. If you look at trying to put up defenses to a computer network attack or exploitation, you have to do it at the portal, at the point of presence where you entered the Internet, okay. I haven't talked to Scott Charbo recently, but I think within the Department of Homeland Security we have 17 ways to get to the Internet. In the Coast Guard, we have three. To be able to understand and protect just the department in the dot-gov domain against a computer network attack, we're going to have to figure out a way to manage our entry into what we pull down from the Internet at the portal sights. That is the reason you're seeing a consolidation of data centers, the two.

And, ultimately, the goal should be to reduce our access to the Internet to two places because then you can defend it. It's hard to defend 17 locations right now. And that really is the issue. That really is the issue. So the consolidation of systems, the reduction in the number of data centers – and this is seen by some as a loss of control. I mean, there are some people who run huge data centers in this organization. I think CBP's data operation is like the second or third largest in government after IRS and Social Security, I think. But, ultimately, to reduce the risk and be able to manage and defend ourselves, we have to consolidate the data centers.

But moving beyond that, this gets back to the HSPD-5 role. Not only do we have the responsibility in the Department of Homeland Security, we have the responsibility for the dot-gov domain. So we have the responsibility to understand the vulnerabilities and the issues associated with HHS, HUD, Labor, Commerce, everybody that is not in the dot-mil domain. And then we have the issues related to dot-com, dot-org, and dot-edu. And we need a comprehensive defense strategy at the portals to do that. And, right now, it is probably the most pressing new initiative or requirement that's emerging at the departmental level to the point where, if you remember last year, we submitted a budget amendment to get emergency funding to get this thing started and kicked off.

I don't want to be totally dramatic here, but this is not far and away removed from my idea of something like a Manhattan Project, trying to pull this off government-wide. So you'll be hearing a lot about cyber security moving forward. I think I'll better stop there because I'm right about at the end of classification here. Does that respond to – (Inaudible) – was I close on that? You're the expert.

MR. : Hi, Admiral John Dwyer (ph). (Inaudible.) Can you talk a little bit about joint operations center? We've some initiatives on that. It looks like it's moving forward. I'd just like to hear your views as to what you feel.

ADM. ALLEN: Sure. I think, ultimately, that the more we can co-locate and derive synergies from working together, especially at the field level, the more effective we're going to be out there. We in the Coast Guard have found this out in a variety of ports around the country where we are co-located with CBP, AIS in some cases, in some cases, even some TSA folks that are there.

The ports where we've made more progress than any place else are San Diego; Hampton Roads; Miami; Charleston, South Carolina; and most recently, the new joint harbor-operations center we opened in Seattle, what's also fuses (?) in naval force protection at the same time. Now, I will tell you this because sometimes we in the Coast Guard can even be too Coast Guard centric on what's going on. To quote one of my predecessors, if you've seen one port, you've seen one port. Okay. And the solution is not always going to be the same in every port.

What we need to look to is synergies, functionality, and one of the best examples I can give you recently that I saw was a recent trip I made to Jacksonville, Florida, where the Coast Guard is actually going to move out of where they're at, CBP is going to move out of where they're at. They're going to move into a brand-new building, TSA-leased building and they're going to co-locate in the port of Jacksonville. They're already established a joint targeting center where they take information coming out of the national targeting center, the best – (inaudible) – arrival information.

They've got a maritime domain-awareness cell that operates with the Navy for force protection at the Navy base. All of that is going to go to one location. And we shouldn't care whether it's Coast-Guard hosted, CBP-hosted or whatever. And it's the same as the land border. You all know that. Sooner or later, we're going to stop talking about what's going on between the ports and in the ports. It's a continuous spectrum of threats we've got to deal with along the border. Included in that – interoperable communications, common operating picture to be able to see what's going on. Working very hard in the maritime domain with the P-28 project down in Arizona is going to be looking to bring that to the land border, and that's going to continue to grow with SDI – (inaudible).

What air and Marine folks are doing out of Riverside, California, at the AMOC. All of those are pieces of this where you bring together, you create a common operating picture that is not only visible for the field people to optimize what they're doing, but can be used in times of crisis to brief up and maintain a picture for the secretary at the National Operations Center as well. Got to go there; got to go there. Is that responsive?

Q: Yes.

Q: Good morning, sir. Randy Herbert Holt (ph), Customs and Border Protection and Marine in Tucson (?). Is there one area that has our particular

interest right now as one of our shortcomings or gaps? Is there one that we're really focusing on pretty hard right now?

ADM. ALLEN: Well, I think the real issue is going to be how to integrate them because each one of these domains that I talked about has an evolving commander-and-control and commander-center structure. And to give you an example – you'll know this really well – AMOC handles the air common operating picture for the department out of one location. When you go to AMOC or Riverside, you will see people at consoles. They have a certain sector of the border they're watching, okay? We need to understand, as SBI net comes online and we start getting a ground operating picture, where does that go and who should see it? And, right now, quite frankly, CBP would rather have that just staying in Tucson at the sector office. They're not interested in having the secretary looking over their shoulder and asking what that agent is doing down by – (inaudible). Right? I see you nod your head there.

So the real question is, how do you integrate all of that together to create a common operating picture the entire department needs and who gets to see it? It was a commonly held assumption and probably based on past experience, your folks would say it's true that if my boss can see it, he's going to get in my knickers and start telling me how to do my business. Now, I don't believe that on our side and I think AMOC has proven that's not the case either. But I think the next real big step for us is to kind of coordinate between all of the entities at the port level, maritime and land port, then to figure out, as we build out SBI net, who is going to see it, who is going to be in charge for taking action, what's the commander-and-control structure going to be and who's going to initiate responses? And who's just going to be able to look at it to be able to understand it but not get involved and inhibit the response for the local officers on scene?

And I think, in addition to that, the UAB issue of center borders, something we really need to get going at best speed and to move that through the maritime side as well. And you may or may not be aware, but we have – we're almost in the process of setting up a joint UAB office between CBP and Coast Guard. I have actually been with Mike Costello and Commissioner Bash (ph) and we've gone to meet Buzz Moseley, his chief of staff of the Air Force, on how we can build that up, a common approach to man aerial vehicles.

Is that responsive?

Q: Yes, sir. Thank you.

Q: (Off mike, laughter.) Through the first six months of the next year, how do you prevent a return to the free-for-all in DHS? (Off mike) – we might have lost out on decisions that have been made by Secretary Ridge and Secretary Chertoff decides – (off mike) – litigating under a new secretary – (inaudible)?

ADM. ALLEN: Did you all hear that? That was a really good question. I'll kind of paraphrase it. How do we keep from descending into chaos – (laughter) – when we have a change of leadership? And everybody's been packing into some invisible bag the things they're mad about that happened to them – (laughter) – under this administration and then go back and try and revisit some things.

I think there's every chance that can happen. The less we reduce things to doctrine directives that are rebuttal presumptions on how we act coming in, the more we are going to be vulnerable to personalities, the impact of what are perceived prior failures by a new administration coming in or we will allow room for mischief by those who said, I didn't get fair treatment. I'm going to try and turn this thing on its head and get back some ground I thought I lost. I think all of those are potentially injurious to the department. And some people are going to have to keep their wits about them, okay?

We probably will run the risk of somebody coming in and saying, you know, especially with the Democratic administration, we don't really like the policies under which this department was run, but there are certain things that you're going to have to run in departments. That food, clothing, and shelter stuff – it should be non-negotiable. And the more we lock down doctrine and create expectations about "this is the way we do things," the less that will be vulnerable either internally or externally to be messed with through this transition period. And we've got to keep remembering; it's a heightened risk period. We've got to kind of suppress our agency-centric or even bipartisan, tendency to be partisan and say, wait a minute, we have got to keep our eye on the ball until we get this thing transitioned.

If we don't do that, we're not serving the country well and all of the noble efforts that have gone into building this department thus far will have been for naught because we will increase the chance that we'll have an operational failure. I think that's what we've got to keep in mind, especially the folks at your level. You are the continuity folks. You're the ones who have your heightened position papers, counseling people, giving incoming briefs, and all that kind of stuff. We've got to do that. That's the reason it's so very, very important that this ops coordination planning thing to succeed.

And just to give you a timeline of where we're going on this, our goal is to have this new capability stood up in the operations coordination section of the department by the first of April, staffed by the operating components. In other words, the people that will be doing this will be people that are coming from CBP, Coast Guard, TSA, and so forth and then by 1 June to be fully up and operating at initial operating capability for the hurricane season so that the day after the election, the secretary can call the winner and say, we are prepared to give you a brief on the proceedings of the processes by which we respond to incidents and

start reading your staff-in so on the day of the inauguration, if something were to occur, you are ready to go.

So you've done a couple of things there. Number one, you've kept the promise on transition and security through a heightened risk period. You reduce the chances for people to mess with the structure by saying, here's the way we do it. But if we don't know how we do it and we haven't agreed all agreed on that, then we can't tell the new person coming in that we won't do that, you run the risk of having terms dictated to you or create enough trade space where they're going to feel they – it's a vacuum; they've got to fill it.

So your question is right on. And I think you ought to keep asking yourself that question all the way through this program and check everything you're doing against that. I think that is an excellent, excellent benchmark. Are we really going to – are we reverting, are we starting to move back on where this department needs to be. Are we not keeping faith with the need to be more vigilant during this heightened risk period during the transition? You ought to just keep asking yourself those questions because those are the right questions to ask.

The one in the back of the fort? Yeah.

Q: Good morning, sir. (Off mike.) I've got a question – (off mike). What is your opinion of I guess the – (off mike). What is your opinion of I guess the invasion – (off mike) – in the intelligence community as a whole, but interdepartmentally working? Is it not working? Is it not? Where do we – (off mike).

ADM. ALLEN: The question was the intelligence sharing, intel function of the department, how do we do and how is it working. You're right. This is one of the huge challenges we have. In a way, it really highlights what I talked about how the department was structured. We didn't start off with a blank sheet of paper and say, if you're going to build a department that defends the whole homeland, how would you build an intelligence structure to optimize – the identifying of intelligence requirements, essential elements of what you need to collect it, centralize it, analyze it. They send somebody to get it out to everybody that knows and then fill all the holes that are associated.

We didn't do that. It includes together different agencies that have different organizational structures for intelligence. Some involve agents; some involve analysts. Some involve both. The structure is not the same between entities nor do they have the same requirements all the way around. Plus then you have just the plain old amount of information in this department that is useful, but not related to investigation, just plain background information on people that CIS holds that you just want to get to, background on people who hold merchant or – (off mike) – documents that we hold, that people need to get to.



So it is a challenge, but we need to really keep remembering that if we don't solve this problem, well, we're going to solve it sooner or later. We either solve the problem or it'll get solved for us because something will happen and we'll have terms dictated to us. The outcome following Hurricane Katrina, it regarded preparedness planning, what FEMA should or shouldn't do, which was pretty much fixed by the second stage review of the secretary then got taken out of our hands completely and we had terms dictated to us. We had no say in how that was coming down because there was a perception of an operational failure. So we need to understand that while it's difficult, we need to keep making in progress in that regard. Otherwise, you run the risk of having any discretion taken away from you.

Now, beyond that, there are some structural things we've got to get better at. One of them is the national applications office and how the department interfaces with folks like the National Geospatial Intelligence Agency, NRO, NSA, and so forth in bringing that all together. We in the Coast Guard have a challenge because we're already members of the intelligence community. So when do we act as a military member of the intelligence community with our own service cryptographic element – we're embedded in all of the NSA activities – and then when do we need to come together to function as a unified departmental intelligence entity. And, quite frankly, you need to do both. It's a Venn diagram; they'll completely overlap.

But it would be the same answer I gave to the gentleman up here. We've really got to keep our eye on the ball here. And how many people here are into investigations? Criminal investigators 1811? Inspectors? okay. Just listen to what I'm saying and don't get offended, okay. I think I'm really talking more to the FBI, probably, than to you guys. And I had a real long conversation yesterday with my EA about this. Allen's view of the world is that an arrest and prosecution is consequence management. Well, think about that for a minute. Prosecution is consequence management. What you are doing is you are taking some kind of action, even if it's a perceived deterrent effect, our accountability after the event has occurred. Our real challenge is to create non-events.

Now, it's contrary that criminal investigators are rewarded, evaluated, how ADTs are perceived and you know, we talk about arrest and we talk about seizure, really, you're the Coast Guard. There's something looking forward and we need to think about, and that's that we are in the business of creating non-events; not to have a bad thing happen rather than to mitigate once it is happened. There is a role for criminal investigation, intelligence, analysis; it's all got to come together. But somewhere in this kill-chain we have to decide are we not even going to let it happen, rather than letting it happen and making an arrest because we are more liable to get a prosecution if we do that because the evidence package is – the case package is better. I think it's a real issue we got to talk about, moving forward.

Q: (Off mike) – United States Coast Guard. A curiosity question for me, I guess, is how do we get agencies within the department to focus on the enterprise versus their individual agencies, and how do you stop this stovepipe in the kingdom building that have taken place within that organizations. Just your view on that, sir.

ADM. ALLEN: Well obviously, I think efforts like this are the first step. A DHS fellows program, the Homeland Security master's program in the naval post-graduate school – any time you can bring people together and put them in a joint environment and you can talk about the spaghetti chart, cross-domain threats, you understand right away that no agency can do it by themselves, that when one piece of what is a threat-chain or a kill-chain coming at us, and it's got to be interrupted somewhere, the best way to that is if we do it together. And then, we shouldn't minimize the degree of difficulty associated with it. I mean, let's not minimize this, folks; this is really hard, this is really complex; this is applied civics in the most extreme sense. And again, we shouldn't make ourselves feel bad because it is hard and we have to do it.

It's hard in DOD, too. There are a couple of areas in DOD right now where they are really struggling with the same type of issues. One is missile defense; the other one is cyber-security; and just the whole global war on terrorism that's going to transcend the combatant commander's areas of command. But if a missile goes off from Asia, is it the responsibility of PACOM to do something about it; is it strategic command or is it NORCOM because it may be coming here? Now, do you switch command and control and how do you interrupt that kill-chain before it gets to us? That's the same logical extension of things we have to deal with and it's really a national security issue, not Homeland Security, DOD, and everything else. But what it takes is understand – and you've got to crack the code.

Quite frankly, in the first couple of years of the department's existence, the Coast Guard was very, very difficult to deal with on a lot of matters because we thought that the first thing they wanted to do was create a regional structure and round everybody up in the field and put them under some kind of politically appointed regional czar. I see some heads nodding around here.

Q: (Off mike.)

ADM. ALLEN: Yeah. I can tell you, my predecessor was completely fearful of that, okay. I'd rather sculpt the agency and create the structures that are effective against the threats because we get it right that way. I don't think it really mattered, and I've probably told my folks, stop worrying about this; just do the right thing because the right thing will take you where you need to be in the long run. If there's a line of business that we're in that doesn't look like we should be, and we need to be able to say, that's okay. And you see it in operate

– we’re going to see it first in support and we’re going to see it first in the consolidation of the data centers in IT. That’s what’s going to happen first, but ultimately we’re not going to be able to do this any other way than doing it that way, and you need stovepipes because you need competency and expertise, and subject matter experts in these areas, but they’ve got to be able to fuse across the top. If they can’t do that; we’ll not have kept our faith with the American people.

Is that semi-responsive? So tell everybody it wasn’t the right answer – didn’t taste great; it was less (?) filling. (Laughter.) That is the answer from view.

Q: Good morning, sir. My name’s Matt Baudlin (sp) with the U.S.S. program office. Did you support the creation of the 9/11 Commission, and do you feel the department has held its mandate in – (inaudible)?

ADM. ALLEN: To fill a mandate, to read the mandates of the 9/11 commission requires breaking down the stovepipes across the entire U.S. government. It is the larger national question posed by this gentleman about how do we break down the stovepipes because, let alone what’s going on in the department, for the reasons I just said earlier I’m not sure we’re still there yet with FBI, CIA and everybody else.

We got a DNI now, and I think we’re making progress. I think we’re much better than we were before, but there’s got to be a national consensus on the structure that we’re trying to fix here, and I’m not sure the 9/11 commission really looked at it this way. But it was a first effort at least, to stand back and say how did everything fit together. And I think we need to understand how we put the department together moving forward against the challenges that I’ve laid out. We must be ever mindful that there’s a larger set of equities out there that we are a subset of, including larger national security, homeland security, that would fit with DOD and everything else.

You know, if we get away from this context in talking about that, you start sub-authorizing everything because everybody’s looking at it from what is the political accountability. We recommended you didn’t do it and we get into this conversation; here’s a checklist, you didn’t complete it, you’re not keeping faith. And then you get Congress and the administration pointing fingers at each other. In my view, that ought to be suppressed in favor of the larger picture, which is how do we defend across all domains understanding that non-events are what we want to create. You’re going to have prosecutions; you’re going to have hold people accountable; there are people that are going to be sent to jail and all that kind of stuff. But when it comes to the potential for losing thousands of life to a weapon of mass destruction or something like that, the goal has to be, has to be, a non-event.

And by the way, we can create a non-event. We successfully have done it. Anybody figure out which one it was? Paul? Here you go: Y2K. We created a non-event. Most people say, now, why did we even do it if nothing happened. Well, we don't know; we don't know. But there was something different about Y2K, and it was kind of the same thing that happened with this new change of administration and a transition. First of all, everybody agreed there was a problem and we had a deadline. We had a deadline, right? I mean, everybody agrees we're probably going to go heightened-risk period right now, right? And we do have two deadlines, one's in November and one's in January.

Q: Just following on to that – oh, Kelly Burkman (sp) with TSA.

One of the frustrations I know I felt within DHS is, like you said, this spotlight and that the American public sees – you know, criticizes and watches, as well as Congress and everybody else, what we do. But creating a non-event sometimes, which is what our goal should be, there's nothing in the news then that says that we did something good. And so it's difficult to communicate to the American public that we're really doing something, and that we've done a good job, and to just say, you know, from TSA there's been planes – if no other planes hit buildings, we're doing a good job – doesn't necessarily satisfy their issue of we have to take our shoes off. And so it's difficult to communicate that within the public, as well as the PC agency itself, at a level of staying dedicated and enthusiastic about their job.

ADM. ALLEN: Well, you're raising a great point. It's an enduring challenge for this department, always will be in the future, and that's that it's what I call warning fatigue from 9/11, and there hasn't been an attack, there's been – it appeared to a lot of people that this – the department and the country, to be less of a cause for action. Congress, this is antithetical to the way they act; they need to have things that are wrong so they can conduct oversight, or they need to have things they can measure. They can say, this is what I produce for the appropriations and authorization we provided you. This is very, very difficult to do. I think a lot of this, ultimately, is going to get back to the intelligence analysis, the ability within the department to be able to articulate where we created a non-event and how they will talk about that when are compromising the sources because in each strategic communications challenge, I think moving forward, we're going to have to do things like that.

And I guess – well, I guess in the London threat from a year and a half ago we had a good example of a non-event, intercepted just in time. The take-down in Barcelona, the week before last of that cell there. I mean, they're there; I think we need a new way to talk about it, but the one thing I'm always going to have a problem is – and this probably is only real stuff that we can't control, and it's one of those things where there's going to be a limit to how much we can deal with, and that quite frankly is the structure in Congress. The failure of Congress

to reform itself is the biggest impediment to executing the recommendations of the 9/11 Commission of anything I can think of right now.

To give a good example, the Coast Guard ops bill this year referred to four committees in the House, and they all did something different to it. So we have four versions of our authorization bill and it hasn't cleared the fourth committee yet, which is energy on LNG security. And it's been there for almost a year and has not gotten to the floor in the House. And so our ability to get an authorization bill out this year is fastly becoming in doubt, and it's because we stayed with our original authorizing committees when they created the Homeland Security committee. We stayed with transportation and infrastructure, as did TSA and as did FEMA, I believe.

So you're constantly involved with these people trying to stake out a claim for why they should retain committee jurisdiction. And they're going to be looking for failures or reasons why we shouldn't have gone to DHS to begin with. And the one thing we don't want to do, we don't want to do, is have this election become a referendum on this department's performance, and that serve as a political premise to start unraveling it.

CDP folks in the room at ports – how many have we got here, five? A couple, okay. I had to go up and talk with Senator Feinstein about the oil spill in San Francisco the other day, but I went up also when Jaya Hurt (sp), talked about her agriculture inspections. Well, Senator Feinstein, because of the threat she perceives to California on stuff coming across from Mexico, and the fact that we need to take our eye off an agriculture inspection in terms of security, offered an amendment to the ag bill to take the agent's inspectors and move them back into agriculture.

Chairman Oberstar, chairman of the T&I committee, was talking about taking all of the transportation grants, reinstate the inspections, which is the equivalent of what FAA does in transportation, and move that back to transportation. So while we move into this next year, the one thing I don't want to have happen is having this department become an issue in the presidential debate and a referendum on our performance, ultimately setting the agenda for another administration to come through and start taking this apart. But I know Secretary Chertoff feels very strongly about it, and he would tell you that we are a public safety department. Terrorism issue is important, security's important, but we've got to keep the portfolio together because now I have legacy constituencies in congressional committees we're dealing with that will exploit that and use that as a way to tear us apart even further.

That kind of got off to the side here, but you reminded me to talk about it and I thank you for that.

END

