



U.S. Department of Homeland Security

Record of Progress and Vision for the Future

Secretary Jeh C. Johnson

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Introduction

In the world of homeland security, good news does not get much press and public attention, while bad news quickly becomes front-page news. But there is much good news to report. Day to day, the men and women of the Department of Homeland Security do an outstanding job protecting our homeland – on land, at the borders, at sea, in the air, and in cyberspace. Routinely, our Customs officers prevent high-risk travelers from boarding flights bound for the United States; our TSA personnel seize loaded weapons from carry-on luggage at airports; our cybersecurity experts detect and prevent cyberattacks against federal civilian networks; our Secret Service protect the First Family and world leaders who visit this country; our Coast Guard pull drowning boaters from the sea; our Border Patrol officers combat illegal smuggling and rescue starving migrants from the desert; our investigative agents break up human trafficking operations; and our FEMA personnel help thousands rebuild their home after natural disasters.

To aid in these efforts, over the last eight years we have adopted a more effective and efficient risk-based approach to homeland security. With more technology and sophisticated uses of data, we are better able to screen more people that warrant it, and, at the same time, reduce the burden and inconvenience on those who pose less risk. The benefits of this approach are seen across the spectrum of port, border, maritime, and aviation security – more people and things of suspicion detected, and greater efficiency in processing lawful trade and travel.

As a collective entity, the Department of Homeland Security is still a work in progress. We are the newest and third largest cabinet-level department of the U. S. Government, and likely the most decentralized and diverse in its missions. Work remains to be done to remove bureaucratic stove pipes and improve the effectiveness of headquarters functions.

But things are improving. President Obama and his Administration will leave a much stronger DHS than the one we inherited eight years ago. Through our Unity of Effort initiative launched in 2014, we have improved decision-making around budgets and acquisitions, stood up Joint Task Forces for border security, improved the hiring and promotion process, financed a new headquarters, and raised employee morale. For the first time, we now have a unifying mission statement for our 22-component, 232,000-employee workforce: *“With honor and integrity, we will safeguard the American people, our homeland and our values.”*

I urge the next Administration to continue to focus on – in addition to our vital missions – improving the manner in which the Department conducts business. This is essential to support our people on the front lines and the public we are all committed to protecting.

Record of Progress

Counterterrorism

Counterterrorism must continue to be our cornerstone mission. The global terrorist threat still exists, has evolved to a new phase, and requires a new approach to our homeland security.

DHS was created in the wake of 9/11. At the time, the underlying assumption was that terrorism was

something that would be exported to our homeland from overseas, by penetration of our physical land, sea, or air borders. Hence, Congress consolidated the maritime, aviation, port, and border security missions of the U.S. Government, along with the general enforcement and administration of our immigration laws, into one Cabinet-level department with the overarching homeland security mission.

Today, the national security apparatus of the federal government, of which DHS is a part, must continue to guard against large and small scale “terrorist-directed” attacks originating from overseas, but now must also detect and prevent “terrorist-inspired” attacks from homegrown violent extremists. These actors are inspired by effective terrorist use of the Internet, live among us in the homeland, and most often plan and attack alone and in secret, with little or no notice to law enforcement. ISIL has, in effect, outsourced terrorism when it comes to the U.S. homeland.

The Obama Administration has been very successful in degrading al Qaeda and its affiliates. Our military, along with an international coalition, is also making considerable progress rolling back the size of ISIL’s territory in Syria and Iraq, shrinking the size of ISIL’s fighting force, taking out its leadership and those focused on external attack planning, and degrading ISIL’s ability to communicate and finance its operations.

In law enforcement, the FBI and others are doing an excellent job detecting, investigating, preventing, and prosecuting terrorist plots in the homeland.

The current threat environment requires continued focus by DHS in four areas:

Preventing terrorist travel to this country. We must guard against ISIL’s foreign terrorist fighters leaving the battlefield in Syria and Iraq and attempting to travel to the United States.

Customs and Border Protection’s National Targeting Center has developed an impressive capability to track the travel of individuals who potentially pose a threat to the country and share that information with others in the U.S. government. As a result, in FY 2016 alone, CBP prevented 14,293 high-risk travelers from boarding flights.

We have strengthened the Visa Waiver Program, which permits travelers from 38 countries to enter the United States without a visa. We have improved the security around the Electronic System for Travel Authorization, or ESTA. With these enhancements, we have denied visa-free travel to literally thousands of individuals with potential terrorist connections. We have made a concerted and successful effort to prevail upon more foreign governments in the Visa Waiver Program to enter into arrangements to exchange terrorism information, which has added thousands of known or suspected terrorist identities to the Terrorist Screening Database.

We are expanding CBP’s successful preclearance program to screen individuals before they attempt to leave on flights headed to the United States. Preclearance is currently deployed at 15 airports abroad to pre-inspect air travelers for admissibility. In 2015, through the preclearance program, we denied boarding to more than 10,700 travelers who would have likely been found inadmissible once they arrived in the U.S. In May 2015, I announced 10 additional airports in nine countries that we have prioritized for preclearance. In November 2016, I announced 11 new foreign airports, located in nine countries, for possible preclearance expansion.

We must continue on all these tracks to monitor and prevent foreign terrorist travel.

Information sharing. We must continue to expand and encourage information sharing with foreign governments, state and local law enforcement, the private sector, our federal interagency partners, and within DHS itself. To foreign governments, we have offered our Secure Real Time Platform. This is a tool through which our foreign allies submit to us biometric data on migrants for comparison against our own biometric data to support security screening activities at the border. For those governments that have agreed to use it so far, the tool has proven very useful. Our allies – particularly those within the European Union – must continue to be encouraged to themselves track the travel of those who enter and leave their borders, and share that information with us. It is encouraging that in April 2016, the European Union adopted a directive on the use of passenger name record data, also known as PNR data. The European Union must be prodded in this direction going forward.

Through joint intelligence bulletins and other means, we and the FBI share intelligence and other information with local police chiefs and sheriffs.

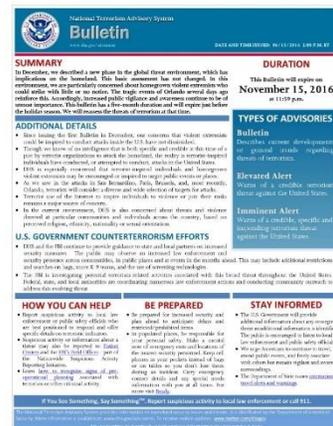
Within DHS, we have spearheaded the DHS Data Framework initiative to strengthen our ability to synthesize our own Department’s travel, immigration, and other information at the unclassified and classified levels to support our screening and vetting mission. Currently, the Data Framework contains nine data sets, and it will incorporate twenty more by 2018. We have also expanded the use of social media for more than 30 operational and investigative purposes within DHS.

All these initiatives and other information-sharing efforts must continue.

Raising public vigilance and awareness. Public awareness and public vigilance can and do make a difference.

In 2010, Secretary Napolitano launched the “If You See Something, Say Something”™ campaign to highlight the role everyday citizens can play to protect their communities by recognizing and reporting suspicious activity. To help reach the public across the Nation, the campaign forms partnerships including with states, cities, airports, colleges and universities, entertainment venues, the National Football League, and Major League Baseball. In this particular environment of home-grown violent extremism and the lone-wolf actor, public vigilance and awareness can and do make a difference.

In 2011, Secretary Janet Napolitano replaced the color-coded alerts of the Homeland Security Advisory System with the National Terrorism Advisory System, or “NTAS”, designed to more effectively communicate information about terrorist threats by providing timely, detailed information to the American public. However, NTAS was never activated, because it can only be triggered by a specific threat to the homeland. In December 2015, I announced a revision to NTAS – the NTAS Bulletin – which does not depend on a specific threat to the homeland, and which educates the public about the general environment we are in. The first NTAS Bulletin was issued at that point, and two more NTAS bulletins have been issued since.



Countering violent extremism (CVE). Given the current nature of the terrorist threat to the homeland – which includes homegrown violent extremists – building bridges to diverse communities is now a homeland security imperative. Personally, I have traveled to Boston, New York, Philadelphia, suburban Maryland, northern Virginia, Columbus, Detroit, Dearborn, Chicago, Minneapolis, Houston,

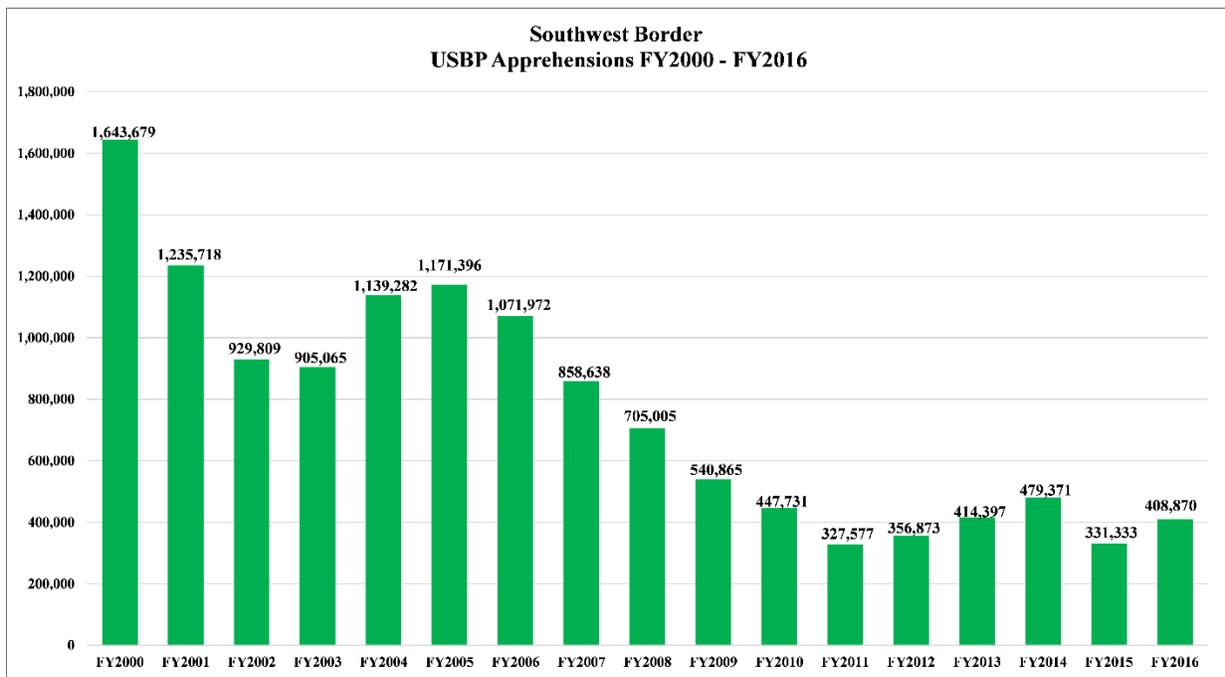
and Los Angeles in pursuit of our CVE mission. In 2015, DHS established the Office for Community Partnerships as the central hub for the Department's efforts to counter violent extremism in this country. With the Department of Justice, this office leads a new inter-agency CVE Task Force that includes the FBI, National Counterterrorism Center, and other agencies. The next Administration must continue these bridge-building efforts.

And there is more to do in the CVE effort. Last fiscal year, Congress responded to our request for grant money to support local CVE efforts. The start was modest, just \$10 million, and our hope is that this grant program will continue and expand. Beyond that, the next Administration must continue to encourage the "counter-message" to ISIL's and al Qaeda's appeal on the Internet.

Immigration and Border Security

There is still much work to be done to fix our broken immigration system. Spanning the Clinton, Bush, and Obama Administrations, our government has invested more in border security than at any point in the history of this Nation. Today's Border Patrol is itself one of the largest agencies of our government, with a budget of \$3.5 billion and a total of 21,600 personnel. The Border Patrol has never had a larger or more sophisticated inventory of technology and equipment to carry out its mission. Sixteen years ago, we had only 8,600 agents dedicated to the southern border and just 77 miles of fence. Today, there are over 17,000 agents and over 700 miles of fence in the areas where our Border Patrol professionals have determined it would be most effective. And, over this period, we have more than doubled the unmanned aerial systems, surveillance capabilities, thermal imaging capabilities, water vessels, and underground sensors on the southern border.

This investment has paid off. Today, it is now much harder to cross our southern border without authorization and avoid detection and apprehension. Apprehensions in recent years – a strong indicator of total attempts to cross the border – are much lower than they used to be. In FY 2016, total apprehensions by the Border Patrol on our southwest border, between ports of entry, numbered 408,870. This represents a fraction of the number of apprehensions routinely observed from the 1980s through 2008 (see below).



While illicit southern border crossings are a fraction of what they used to be, there has been a dramatic shift in the demographic of this illegal migration that has presented challenges to our immigration system – fewer Mexicans and single adults are arriving, and more women and children, primarily from Central America, are fleeing poverty and violence and crossing our southern border. Many assert asylum claims. Meeting our legal and humanitarian commitments to adjudicate these claims has presented enormous challenges that will require additional resources.

In the summer of 2014, this new dynamic came to a head with a sudden and unprecedented surge of unaccompanied children and families from Central America. We responded with a number of aggressive border security, immigration enforcement, and enhanced processing measures, and the flow dropped sharply by August 2014.

But experience teaches that border security alone cannot overcome the powerful push factors of poverty and violence that exist in Central America. Ultimately, the solution is long-term investment in Central America to address the underlying push factors in the region. In FY 2016, Congress approved \$750 million in foreign assistance to Central America. The next Administration and the next Congress must continue this course.

At the same time, efforts must continue to promote and provide alternate, safe, and legal paths from Central America to the U.S. and other countries for those in need of humanitarian protection. Earlier this year, the government of Costa Rica announced its agreement to enter into a protection transfer arrangement with the United Nations High Commissioner for Refugees and the International Organization for Migration to help address the Central American migration challenge. We have established the Central American Minors program for parents and relatives in the United States to allow parents who are legally present to petition for refugee status for their children who are residing in El Salvador, Honduras and Guatemala. We must continue to promote and encourage use of these programs.

We in the Administration have done as much we could within our existing legal authority to fix the immigration system, make it more fair, and make our enforcement smarter and more efficient.

In 2012, we developed the Deferred Action Childhood Arrivals (DACA) policy. DACA has provided temporary relief from deportation to the young people brought to our country as children. More than 750,000 young people have qualified for relief under DACA. These young people are contributing to the only country they know by working, studying, paying taxes, and giving back to their communities.

Instead of focusing our enforcement resources on those who are law-abiding and productive, we have focused these resources on those who may pose threats to public safety. More specifically, our immigration enforcement personnel now focus more sharply on finding and deporting those convicted of serious crimes. This prioritization is reflected in actual results. In Fiscal Year 2016, 98% of all initial immigration enforcement actions and over 99% of all removals and returns aligned with the immigration enforcement priorities that I established in November 2014. Significantly, an increasing percentage of those deported from the interior have been convicted of serious crimes – over 90% in 2016 compared to 51% in 2009.

In November 2014, we also ended the Secure Communities program and replaced it with a new Priority Enforcement Program (PEP). PEP enables ICE to work with state and local law enforcement in a collaborative fashion to take custody of individuals who pose a danger to public safety before they are released into our communities. Today, 21 out of the largest 25 jurisdictions that previously declined detainers under Secure Communities are now participating with DHS in implementing PEP. It is critical that the next Administration maintain this collaborative approach to working with state and local governments to better safeguard our communities.

We have published guidance and regulations that modernize and streamline immigration processes for high-skilled workers, students, entrepreneurs, new citizens, and families.

All of these efforts to improve our broken immigration system have been important and have led to meaningful progress. But they are fundamentally insufficient in achieving the overall goal of truly fixing the system. The next Administration and the next Congress must return to the subject of comprehensive immigration reform. Everyone agrees the immigration system is broken. For one thing, we must reckon with the millions of undocumented immigrants who live in the shadows in this country, who have been here for years, who are not criminals, who are not going away, and who should be given the opportunity to come forward and become accountable. The next President and the next Congress should finally address this and other immigration issues and adopt comprehensive immigration reform.

Cybersecurity

We have made tangible improvements to the Nation's cybersecurity, but more work remains to be done.

We now live in an interconnected world. As online threats grow, we must secure the Internet and the increasing number of Internet-connected devices and infrastructure, while preserving the movement of online data that drives economic growth, protecting human rights, and promoting innovation. Cyber threats are increasing in their frequency, scale, sophistication, and severity. This affects everyone, across the country and around the globe.

DHS leads the federal government's efforts to safeguard and secure federal civilian cyberspace and to help the private sector and state, local, tribal, and territorial governments with their own cybersecurity efforts. DHS's National Cybersecurity and Communications Integration Center (NCCIC) was formally established by Secretary Napolitano in 2009 and codified by Congress in 2014. The NCCIC is the federal government's 24/7 hub for cybersecurity information sharing, technical assistance, and incident response. The NCCIC's mission is rapidly expanding. In FY 2016 alone, the NCCIC disseminated more than 6,000 bulletins and responded on-site to 32 cybersecurity incidents. Earlier this year, the NCCIC deployed its automated indicator sharing platform to exchange cyber threat indicators between government and the private sector in real-time. As of October 2016, 74 entities, including foreign partners and 12 federal agencies, were connected to this new system.

In 2009, we also stood up the Industrial Control Systems Cyber Emergency Response Team (ICS-CERT). ICS-CERT coordinates control systems-related security incidents and information sharing with federal, state, and local agencies and organizations, the intelligence community, and private sector constituents. This includes vendors, owners and operators, and international and private sector CERTs. As a component of the NCCIC, ICS-CERT provides focused operational capabilities for defense of control system environments against emerging cyber threats.

Congress has supported our efforts. DHS is in the process of implementing the Cybersecurity Act of 2015. As an incentive to the private sector to work with the NCCIC, the new law provides targeted liability protection to companies that share cyber threat indicators with DHS and each other.

Effective cybersecurity requires partnerships with countries around the world. During this Administration, DHS has prioritized efforts to expand bilateral and multilateral international engagements to advance the goal of an open, secure, and reliable Internet that enables trade and the freedom of expression, while protecting the privacy and security of its users. The NCCIC has developed trusted sharing relationships with foreign government cybersecurity incident response teams.

DHS and our interagency partners have established a cybersecurity relationship with China as a result of the President securing China's agreement, in September 2015, on a series of cyber commitments – one of which was to refrain from conducting or knowingly supporting cyber-enabled theft of intellectual property, including trade secrets, with the intent of providing competitive advantages to domestic companies. I have personally engaged with my counterparts several times since then to ensure these commitments are upheld through the U.S. – China High Level Joint Dialogue on Cybercrime and Related Issues.

Consistent with the Obama Administration's Cyber National Action Plan, I have issued an aggressive timetable for improving federal civilian cybersecurity, principally through two DHS programs.

The first, EINSTEIN 3A (E3A), detects, monitors, and automatically blocks potential cyber intrusions on our federal civilian networks. Thus far, E3A has blocked over one million potential cyber threats. We are rapidly expanding this capability. Today, 80% of our federal civilian networks have adopted E3A, and we are working to get all large federal departments and agencies on board by the end of 2016 as required under the new Cybersecurity Act.

The second, our Continuous Diagnostics and Mitigation program, provides agencies with sensors to detect and prioritize vulnerabilities inside their networks. In 2015, we provided these sensors to 97% of the federal civilian government. By the end of 2016, we will provide the second phase of these tools to 100% of the federal civilian government.

We have been working to attract and hire top talent to help us achieve our cybersecurity mission. Secretary Napolitano established the National Initiative for Cybersecurity Education to extend cybersecurity education and training beyond the federal workplace in order to build a cadre of cybersecurity professionals through competitive scholarships, fellowships, internship programs, and other student opportunities.

By working with the Office of Personnel Management, we now have the ability to expedite hiring for cyber professionals. We hosted our first Cyber and Tech Job Fair in July 2016, which marked the first time eligible candidates could interview for an opening, receive a tentative job offer, and initiate the security process – all on the spot. We brought 120 new cybersecurity and tech employees on board within 60 days of the Job Fair – which has been recognized as a best practice – with more on the way. We are using new hiring authorities that provide us with more streamlined hiring procedures, and we are developing incentives to reward high-performing cybersecurity employees.

Looking forward, we continue to urge Congress to establish the Cyber and Infrastructure Protection Agency, replacing the National Protection and Programs Directorate. This proposed reorganization would streamline and strengthen existing functions within the Department and ensure we are best positioned to execute our vital mission of countering cyber threats to the nation.

For the future, we must ensure that DHS's cybersecurity mission has the resources necessary to meet increasing demand. The NCCIC must continue to grow, both in size and capability. This includes staffing senior leadership roles, in NCCIC and DHS, with expertise in computer science, data science, information security, user experience, and other technical disciplines. We must also invest in and support the law enforcement agencies within DHS in order to combat cybercrimes, consistent with their authorities. As we continue to improve our ability to monitor threats and collect and share information, we are going to continue to proactively discover and remediate vulnerabilities. This is critical to strengthening our collective defenses and to protecting our nation's security and prosperity.

Earlier this month, the bipartisan Commission on Enhancing National Cybersecurity released its final report. The Commission's recommendations affirm the course that this Administration has laid out and strongly supports a number of the steps I have outlined above. But the report also makes clear that there is much more to do. I encourage the next Administration, Congress, the private sector, and the general public to build on the progress we have made and continue to make cybersecurity a top national security priority.

Aviation Security

We have taken aggressive steps to improve aviation and airport security. To address recent threat streams, much of our efforts have focused on international flights and last-point-of-departure airports overseas. We have reversed a multi-year trend of downsizing the TSA workforce.

Since 2014, we have enhanced security at overseas last-point-of-departure airports, improving the way we screen passengers, property, and cargo. Today, TSA assesses security at 280 last-point-of-departure airports worldwide.

A major turning point for TSA was May 2015, when a classified DHS Inspector General's test of TSA screening at eight airports identified a dismal fail rate. I directed a 10-point plan to fix the problems identified by the Inspector General. Under the new leadership of Administrator Pete Neffenger over

the last year, TSA has aggressively implemented this plan. This has included back-to-basics retraining of the entire TSA officer workforce, increased use of random explosive trace detectors, testing and re-evaluating the screening equipment that was the subject of the IG's test, a rewrite of the TSA standard operating procedures manual, increased manual screening, and less randomized inclusion in TSA Pre^vTM lanes. These measures were implemented on or ahead of schedule.

Our TSA Pre^vTM program continues to make an impact. More than 4 million passengers have enrolled in TSA's Pre^vTM expedited screening program since the initiative began under Secretary Napolitano in October 2011.

We have been focused on increasing airport security, including restricting access to secure areas at airports. In April 2015, TSA issued guidelines to domestic airports to reduce access to secure areas, to require that all airport and airline personnel pass through TSA screening if they intend to board a flight, to conduct more frequent physical screening of airport and airline personnel, and to conduct more frequent criminal background checks of airport and airline personnel. Since then, employee access points have been reduced, and random screening of personnel within secure areas has increased four-fold. We have continued these efforts in 2016. In February, TSA issued guidelines to further enhance the screening of aviation workers in the secure areas of airports, and in May, TSA and airport operators completed detailed airport-specific vulnerability assessments and mitigation plans for nearly 300 federalized airports.

To continue to improve aviation and airport security, we must ensure that TSA has the personnel and resources it needs to employ its capabilities effectively and keep pace with evolving threats. Specifically, Congress and the next Administration should support maintaining the additional staff we brought on in 2016 to handle increased travel volumes, and support this Administration's funding requests to bring on new detection technology equipment, canine teams, cyber security for mission-essential systems, and cargo screening capabilities. As we balance security and efficiency at airports, expanding the trusted traveler population is imperative. And globally, we must work with our partners to advance security standards at last-point-of-departure airports to stop potential threats at their point of origin.

Emergency Response and Resilience

Over the past eight years, Secretary Napolitano and I have fundamentally changed how DHS works with its state and local partners to prepare for, respond to, recover from, and mitigate the effects of disasters. Under the leadership of Administrator Craig Fugate, FEMA is now a top performing disaster response agency.

We have worked with and across state, local, tribal, territorial governments, the private and non-profit sectors, and other departments and agencies to design and implement a National Preparedness Goal and National Preparedness System. The National Preparedness Goal, and the plans that support it, have enabled the Nation to better prepare for and have the capabilities to more cohesively prevent, protect, mitigate, respond to, and recover from all threats and hazards. These capabilities build on lessons learned from Hurricane Katrina and Hurricane Sandy and are continually improved over time to help make our communities and our Nation more resilient.

We have partnered with the private sector to increase the security and resilience of critical infrastructure. In 2013, we released an update to the National Infrastructure Protection Plan, which provides an integrated and collaborative approach to secure physical and cyber infrastructure. We are also developing policies to incentivize greater investment in community resilience, such as the Disaster

Deductible, and supporting communities impacted by natural disasters to build back stronger than before.

Looking forward, we urge the next Administration to support reform and reauthorization of the National Flood Insurance Program, which offers coverage for more than 5 million insured properties across the country. The program suffers from a structural inability to collect the total cost of administering policies and paying claims, leaving it more than \$23 billion in debt to the U.S. Treasury. Failing to reform this program and letting its authorization expire would have serious consequences for individuals, families, businesses, and real estate markets. The incoming Administration and Congress must also work to address the unrealistic spending constraints on disaster relief funding dictated by the Budget Control Act.

The Coast Guard

The United States Coast Guard safeguards the public, the environment, and U.S. economic and security interests in maritime regions around the world. The Coast Guard is the primary federal maritime law enforcement, regulatory, environmental, and humanitarian agency with broad authorities to prevent maritime threats and disasters in the homeland, and to respond rapidly and effectively when they do occur. On an average day, the Coast Guard saves 10 lives in more than 45 search and rescue operations. Additionally, on an average day, the Coast Guard seizes and removes 874 pounds of cocaine and 214 pounds of marijuana with a wholesale value of \$11.8 million.

The next Administration and the next Congress must continue our recapitalization of the Coast Guard's aging fleet. In September 2016, we announced the contract to continue development of the Offshore Patrol Cutter. The contract will complement the Coast Guard's 418-foot National Security Cutter and the 154-foot Fast Response Cutter fleet while replacing the aging fleet of 210-foot and 270-foot medium endurance cutters, some that have been in service in excess of 50 years. The first Offshore Patrol Cutter is expected to be delivered in fiscal year 2021. Congressional support has been critical to the success of the Offshore Patrol Cutter program, as well as the National Security Cutter and Fast Response Cutter programs.

We are also seeking Congressional funding for a new heavy icebreaker, which is necessary to ensure continued access to both polar regions and support the Nation's economic, commercial, maritime and national security needs.

The Secret Service

The Secret Service is the finest protection agency in the world. In this demanding election year, the Secret Service worked hard, without fanfare, to provide and lead the security for the presidential candidates and their families, the Republican and Democratic National Conventions, and the United Nations General Assembly, all while fulfilling the agency's other protection and law enforcement responsibilities. Last year, the Secret Service orchestrated the security for 170 world leaders who attended the United Nations General Assembly and Pope Francis when he visited the U.S., all in the same week. The Secret Service is now turning its attention to the security for the January 2017 Presidential Inaugural Ceremony.

In the face of its demanding missions, ensuring that the Secret Service is adequately funded and resourced is the continuing challenge. Attrition among agents and uniformed officers has been a huge problem, but Director Clancy has worked to turn the corner and net staffing levels are on the rise. The incoming Administration should continue to work closely with the Secret Service to ensure the agency is appropriately hiring, training, and staffing its protective and investigatory missions.

Lawful Trade and Travel

We continue to promote lawful trade and travel. Our strong relationships with our North American partners have collectively strengthened our regional security and improved our economic competitiveness. We have successfully built and delivered the national “Single Window,” a system that allows American importers and exporters to electronically transmit information to 47 government agencies at one time, cutting time and costs. The next Administration should leverage the enormous potential of this new IT capability to further speed the processing of over \$2.7 trillion in imports, \$2.3 trillion in exports, and \$40 billion dollars in duties, fees, and taxes collected annually at our Nation’s borders. We have also been implementing the Trade Facilitation and Trade Enforcement Act of 2015 to step up our enforcement of trade laws. This includes safeguarding intellectual property rights, combating anti-dumping/countervailing duty evasion, and prohibiting the importation of forced labor-derived goods. The next Administration should continue to utilize these tools, and international fora like the World Trade Organization, to ensure a fair and competitive trade environment.

Management Reform

Management reform of the Department of Homeland Security has been a top priority of this Administration and of my tenure as Secretary.

The centerpiece of these efforts has been the Unity of Effort Initiative announced in April 2014, which focuses on getting away from stove-piped component practices in favor of more centralized programming, budgeting, and procurement processes.

As part of the Unity of Effort initiative, in 2014 we established Joint Task Forces dedicated to the security of the Nation’s borders. In 2015, these Task Forces became fully operational. As conditions on the borders continue to evolve, the Task Forces must lead the DHS response. We are pleased Congress officially authorized them into law in the 2017 National Defense Authorization Act.

We have changed the way DHS does business. We transformed the approach to our \$14 billion per year procurement program. In 2015, we established a DHS-wide Joint Requirements Council to evaluate, from the viewpoint of the Department as a whole, each DHS component’s needs on the front end of an acquisition. We reorganized major headquarters offices and functions to strengthen our capabilities at the top. We set up a U.S. Digital Services team to help DHS more quickly adopt modern technologies and agile processes. We also await congressional authorization to implement additional realignments, such as the consolidation of the Chemical, Biological, Radiological, Nuclear, and Explosive Office.

We have made it a priority to get off the General Accounting Office’s “High Risk List.” Through sustained efforts, we are projected by GAO to have 70% of our 30 high risk items deemed “mostly” or “fully” met. GAO has cited DHS as a model agency in terms of cooperation, calling our partnership with their team “exemplary.”

We have achieved more transparency in our operations. And despite the significant increase in demand for records, from FY 2009 through FY 2016, we processed almost 1.75 million FOIA requests, reducing our backlog by more than 45%.

We have transformed our approach to the budget. Today, we focus on Department-wide mission needs rather than on component stove pipes. With the support of Congress, we are moving to a simplified budget structure to strengthen our resource allocation process and the reliability of our

financial reporting. This October, we began operating under the new Common Appropriations Structure, one of the largest budget transformations in the Federal Government's history. In FY 2015, the Department earned a third consecutive clean audit opinion on our financial statements, demonstrating our continued commitment to transparency and efficient investments.

We are constructing a new Department of Homeland Security headquarters at the St. Elizabeth's campus. We expect to see more than \$1.2 billion in savings from this endeavor over 30 years.

In May, after soliciting and receiving views from about 3,000 of our personnel, we issued our first Department-wide mission statement.

We are using all of our tools to recruit, retain, and reward personnel. Since 2010, through our hiring reforms, we have seen more than a 30% decrease in our overall time-to-hire rate alongside a 31% increase in our hiring at the Department.

We have staffed up our Office of Immigration Statistics and gave it the mandate to integrate immigration data across the Department. In 2015, and for the second year in a row, we reported our total number of repatriations, returns, and removals on a consolidated, Department-wide basis.

To better serve the American people, we have implemented best practices in software engineering and design to transform some of the Department's most critical services. We created one of the government's largest U.S. Digital Service teams by recruiting dozens of technologists from leading private sector companies. Today, over a third of immigration benefits applications are processed digitally, nearly all imports come through the Single Window, a modern processing system, and the Department is taking steps to better utilize data to drive operational decision making. These digital achievements will significantly improve the ability of applicants, consumers, and businesses, to more efficiently receive services from DHS.

Finally, we have been on an aggressive campaign to improve morale and satisfaction at the Department. This year our efforts paid off. The 2016 results for the annual Federal Employee Viewpoint Survey show that, after six straight years of decline, employee satisfaction at DHS went up by a statistically-significant three percentage points – from 53% in 2015 to 56%. This increase compares favorably to the one percentage point increase across the entire government, and is the largest increase of any cabinet department our size. Hopefully, these improved results are the beginning of a new, upward trend. The next Secretary of Homeland Security must continue to make employee morale a top priority.

Conclusion

I return to where I started: in homeland security, good news is most often no news, while bad news quickly becomes front-page news. Much of the good work of the people in homeland security goes unrecognized by the American public. Additionally and regrettably, many of our issues are highly political and emotional, and consumed in misinformation and over-heated rhetoric.

Despite these headwinds, it is my profound hope that the next Secretary of Homeland Security will continue to promote all the good work of our people to protect the homeland, and be a voice of calm and reason in the public dialogue. This can only work to the benefit of the Department and the people in it, and, ultimately, the American public we serve.