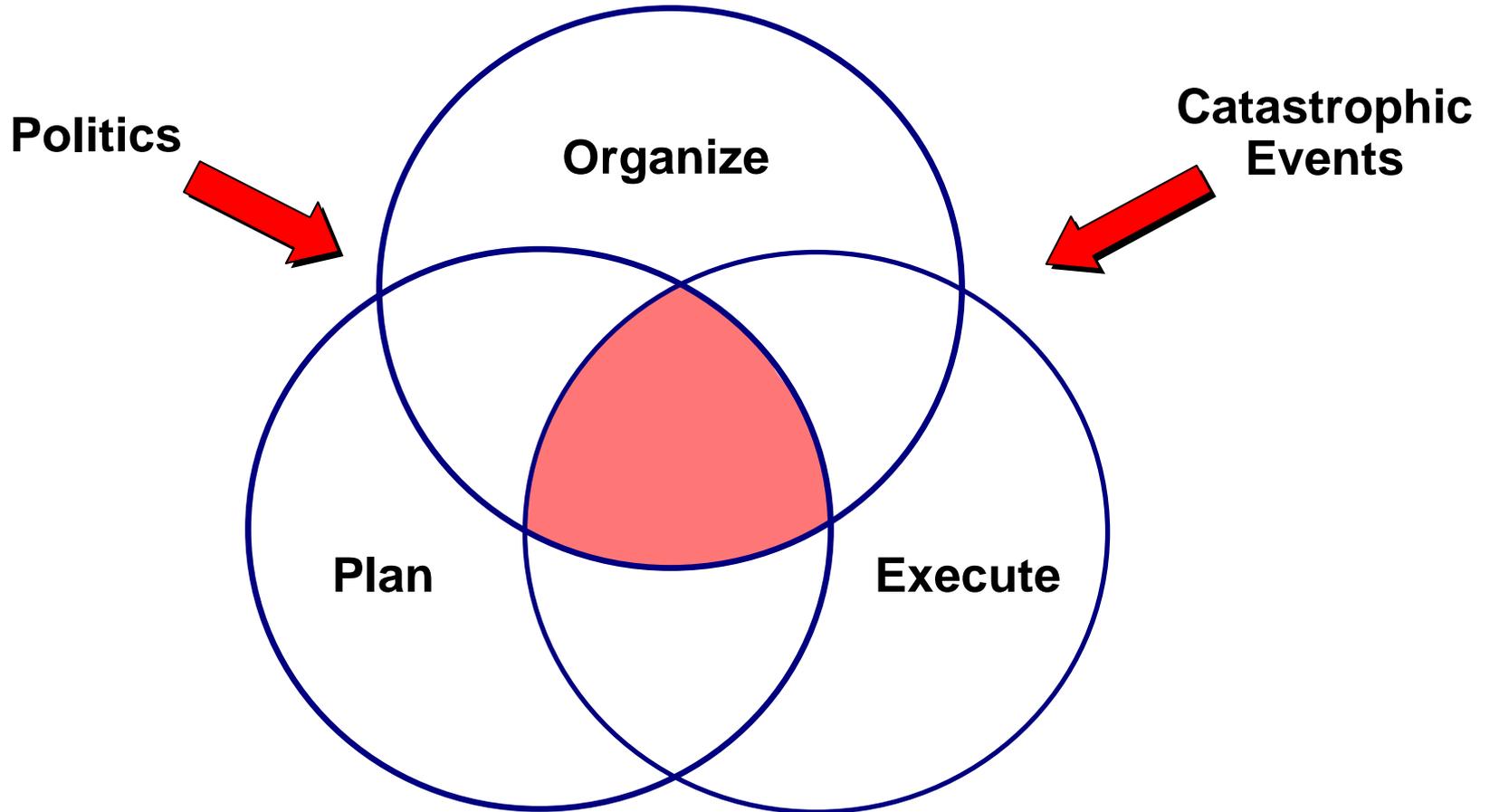


2008 CTNSP Seminar Series on  
Stability Operations  
“Privatizing Homeland  
Security”

Dan O'Brien

# The Homeland Security Challenge



**After 5 years, little has changed!**

# The Homeland Security Challenge ... building the plane while flying

- A huge geographic area with air, land, sea, cyberspace, ports, legal and illegal border crossings, uncertainty, political factors, respect for the basic freedoms of all Americans, climatic extremes, all bearing on the problem
- An asymmetric enemy who is adaptive, fearless, independent, patient, committed, etc., etc., etc....
- A process in which we think, discuss, organize, plan, exercise, critique, improve, build consensus and execute while in contact with the enemy.

It is not a question of if  
there will be privatization ...

- “5. In the Department’s view, what is the right balance between contract and government staff to carry out the responsibilities of the NCSD at DHS?”
- “15.c. Given that private sector cooperation is crucial to effectively protect federal government networks, how do you plan to work with this sector in the implementation of the CNCI?”
- Source: Homeland Security and Governmental Affairs Committee May 02, 2008  
ltr to DHS

# Homeland Security over time ....

- There has ALWAYS been some level of privatization of our security
- From Lexington and Concord to Flight 93, Americans have always answered the call ...
- Do we ever take privatization too far?
- When do “economic” issues become “homeland security” issues?

# Privatization of some but not all governmental responsibilities

- A “gap analysis” shows where government capability, capacity, and the need for accelerated response drives private requirements
- “Inherently governmental” functions must not be privatized – Policy, Decision-making, acquisition, contracting, etc.
- Finding the right mix of options
  - Many choices in private business type
  - Many choices in contract vehicles
  - One size doesn't fit all ... yet

# Responsibility of private industry and private citizens

- 85% of the key infrastructure is privately owned
  - Who should protect/pay for infrastructure protection?
  - Who should be responsible for continuity of business/operations?
- Anyone can be can be a victim in catastrophic event
  - Is there an inherent personal responsibility to be ready as well?
  - When does responsibility to the “common good” take precedence over personal pleasure/freedom/gain??

# Expectations for FY-09\*

- Spending on contracts will drop by more than 10 percent from FY-08 to FY-09 (\$490 B to \$440 based on Presbud)
  - The Pentagon - 12 percent (\$316 B to \$278 B)
  - Civilian agencies - 2.7 percent (\$148.5 B to \$144 B)
  - DHS could drop by more than 18 percent
- Causes
  - Sluggish national economy
  - Growing deficit
  - A lack of procurement expertise in government
  - Increase in federal employment, which consumes a larger share of the budget

\*Comments made by Ray Bjorklund, senior vice president and chief knowledge officer for FedSources on 28 May 2008

# Summary

- We are flying the plane and continuing to do major modifications
- Multi-dimensional challenge
- Homeland Security will continue to have a large private component
- Our real task is to find the right mix.