

**Chairman Michael McCaul Opening Remarks  
OIM Hearing, July 15, 2011**

As Prepared for Delivery

NOTE: *Congressman McCaul may deviate from prepared text*

As an oversight committee our job is to help reduce the cost of government. With our nation's record debt approaching \$15 trillion, we need this now more than ever before.

One area of the federal government with great potential to reduce this cost to taxpayers is the Department of Homeland Security – specifically in regard to its acquisitions of technology.

The Government Accountability Office has identified technology acquisition at DHS as an area of high risk, meaning DHS programs have greater vulnerabilities to waste, fraud, abuse and mismanagement.

Today our objective is to examine whether DHS leverages emerging technologies to accomplish its mission.

In other words, does it properly evaluate technology that is already available? Or does it needlessly spend billions of taxpayer dollars reinventing the wheel?

Unfortunately, we know the Department of Homeland Security has already spent an enormous amount of money developing new technologies only to find they don't work or there are off the shelf technologies that could accomplish the same objectives.

Just yesterday, the Washington Post reported that DHS plans to spend more than \$300 million “on radiation detection equipment that has not been fully tested and may not work”. The Post cites a DHS budget request and a report from the General Accounting Office.

Perhaps the most infamous example of this is the Secure Border Initiative net, or “SBInet”, initiated in 2006, which was in part designed to be a surveillance system.

After expending nearly one billion dollars DHS cancelled the program because “SBInet has had continued and repeated technical problems, cost overruns and schedule delays, raising fundamental questions about SBInet's ability to meet the needs for technology along the border.” Compare the SBInet system to the US Army's Rapid Aerostat Initial Deployment (RAID) system.

RAID was initially deployed in Afghanistan in 2003 to protect US Forces. It is a combination of towers and aerostats—light-weight, blimp-like aerial vehicles – which provide a persistent surveillance system in support of intelligence and reconnaissance needs.

We realize the mission of the Department of Homeland Security attempting to secure our borders is different from the Department of Defense, however it seems to me the basic mission of the SBInet and RAID are the same—to provide surveillance.

My question is: did DHS examine RAID before attempting to develop a brand new surveillance system?

If so, what kept them from using the equipment? If not, what kept them from discovering it?

I have personally been to the Texas-Mexico border to see demonstrations of other forms of DOD surveillance technology that are proven to have worked on the Afghanistan-Pakistan border.

This equipment already exists, the research and development would not be duplicated, it is built at a fraction of the cost, and is readily available. This could save taxpayers money and secure the border much sooner than SBI's last predictions of 10-15 years from now.

The GAO has also criticized the development of SBInet concluding DHS did not follow their own acquisition directives while developing the program.

DHS had not approved key program documents until several years after acquisition had begun and most importantly GAO found that operational requirements for SBInet were unclear and unverifiable.

These types of mistakes cost taxpayers millions and millions of dollars. But there are other examples of how DHS could reduce costs to the taxpayer.

The Customs and Border Protection, Transportation Security Administration and other agencies have purchased an average of \$387 million of detection equipment in each of the last three years.

A March 2011 Inspector General audit found that DHS could save taxpayer dollars and reduce duplication by coordinating and consolidating purchases of metal detectors, explosive detection systems, and radiation detectors for screening people, baggage and cargo.

At DHS, components are only encouraged but not required to leverage contracts department-wide to increase efficiencies.

Additionally, an April 2011 DHS Inspector General audit found that 10 of the 17 (59%) DHS programs reviewed were acquisitions in which commercial-off-the-shelf equipment or existing contracts could have fulfilled mission requirements.

As a result, administrative costs were increased without adding value to the program.

One of Secretary Napolitano's top priorities is unifying the Department of Homeland Security and supporting a "One DHS" policy.

Unfortunately the Secretary and this Administration have failed to coordinate and integrate acquisition functions department-wide.

This has led to the failure of multiple acquisition programs and the waste of millions of taxpayer dollars.

This Administration needs to stop investing in high-risk acquisition programs until they can effectively manage and oversee them.

We have a recommended solution for DHS to save taxpayer dollars. Follow the guidance provided by the Office of Management and Budget.

On February 11, 2011, the Office of Management and Budget sent out a memorandum to Chief Acquisition Officers, Senior Procurement Executives and Chief Information Officers stating:

"With expenditures of over \$500 billion annually on contracts and orders for goods and services, the federal government has an obligation to conduct our procurements in the most effective, responsible, and efficient manner possible.

Access to current market information is critical for agency program managers as they define requirements and for contracting officers as they develop acquisition strategies, seek opportunities for small businesses, and negotiate contract terms.

Our industry partners are often the best source of this information, so productive interactions between federal agencies and our industry partners should be encouraged to ensure that the government clearly understands the marketplace and can award a contract or order for an effective solution at a reasonable price."

We must streamline the DHS contracting process, find technologies that work and reduce burdens on the taxpayer.

###