



Secretary of Homeland Security Janet Napolitano's 2nd Annual Address on the State of America's Homeland Security: Homeland Security and Economic Security

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For more information, see [DHS progress in 2011](#).

Thank you for the introduction and warm welcome. It's great to be back at the National Press Club, and I want to thank all of you for coming.

Established nearly nine years ago, the Department of Homeland Security is still a relatively young agency.

Its creation represents one of the most sizable reorganizations within the Federal Government since the Department of War and the Department of the Navy were combined to create the Department of Defense.

Every day, our workforce protects our air, land and sea borders and, increasingly, our cyberspace.

They guard against terrorist attacks from groups like al Qaeda or homegrown extremists. They apprehend human traffickers and other criminals. They protect the President and Vice President; they help thousands of immigrants become new citizens of the United States.

Today, DHS has over 230,000 employees working to ensure the safety and security of the American people, in jobs that range from law enforcement officers and agents to disaster response coordinators, from those who make sure our waterways stay open to those who make sure our skies remain safe.

The men and women of DHS are committed to their mission, and on behalf of the President, I would like to thank every one of them for their service.

As I have said many times, homeland security begins with hometown security.

And as part of our commitment to hometown security, we have worked to get resources out of Washington and into the hands of state and local officials and first responders.

We have made great progress in improving our domestic capabilities to detect and prevent terrorist attacks against our people, our communities and our critical infrastructure.

We have supported our nation's network of 72 fusion centers, increasing our ability to analyze and distribute threat information across the country.

We have invested in training for local law enforcement and first responders of all types in order to increase expertise and capacity at the local level.

We work with a vast array of partners, from local law enforcement to the private sector to community leaders across the country, all of whom are committed to doing their part to help keep America safe.

And we will continue to build upon those efforts.

At the same time, we have worked to protect Americans from natural disasters. Last year our nation saw remarkable examples of resilience grounded in this work.

We saw communities across the country bounce back from a historic number of disasters, from Hurricane Irene along the East Coast to fires in the Southwest, from flooding along the Mississippi and Missouri Rivers, to the devastating tornadoes that hit the Midwest and the South.

The tornado that struck Joplin, Missouri last May leveled countless houses and businesses, destroyed most of the schools, and killed more people than any tornado since 1953.

Yet within days, the school superintendent announced that school would start on time this fall - and it did.

Local health officials announced that the hospital would be rebuilt—and it will be.

And the city manager was drawing up plans to rebuild the city's downtown—which is currently underway.

I could relate similar stories from Alabama to Connecticut, from New England to North Dakota.

As we have seen time and again, Americans are by nature a resilient people. Our role is to be part of the team that fosters that resilience and to strive to continue doing our jobs better and more efficiently.

Our experience over the past several years has made us smarter about the terrorist threats we face and how best to deal with them.

We have learned that we can apply different protocols in different cases, depending on the information we possess about both the individual situation and the threat environment as a whole.

For instance, not every traveler or piece of cargo poses the same level of risk to our security.

The key to evaluating potential risk is information—by sharing and leveraging information we can make informed decisions about how to best mitigate risk.

And the more we know, the better we become at providing security that is seamless and efficient.

We can also free up more time and resources to spend on those threats or individuals we are bound to encounter but may not know much about—the “known unknown.”

Think of it this way--if we have to look for a needle in a haystack, it makes sense to use all of the information we have about the pieces of hay to make the haystack smaller.

This approach not only makes us safer, but it also creates efficiencies within the system for travelers and for businesses. Good, thoughtful, sensible security by its very nature facilitates lawful travel and legitimate commerce.

Simply put, our homeland security and our economic security go hand-in-hand.

Accordingly, security measures should, to the greatest extent possible, be designed to facilitate the safe and efficient movement of people and goods while securing our critical infrastructure.

The movement of people, goods, and ideas has always driven the development of nations and provided opportunities for economic growth and prosperity.

In recent years globalization has brought more diversity to world trade.

Within the American economy, trade with our international partners accounts for roughly one quarter of our GDP.

So, in other words, our economy is dependent on our ability to secure and facilitate the flow of people and goods to and from our shores.

And a crisis or vulnerability in any part of the world has the ability to impact the flow of goods and people thousands of miles away.

A passenger originating in Ghana, or a piece of cargo from Yemen, can threaten a plane bound for the United States.

And massive flooding in Thailand can drive up the global price of computer hard drives, just as an earthquake and tsunami in Japan can grind assembly lines at American auto plants to a halt.

We must therefore continue to look both within and beyond our physical borders and develop strategies that keep America safe from threats that can originate both here at home or on the other side of the world.

As the federal department charged with regulating the flow of people and goods in and out of the country, DHS has been

transforming how we approach the relationship between security and trade.

This transition will be a key, ongoing focus for the Department in 2012 as we continue our drive toward a risk-based, information-driven approach to security, where what we know about a piece of cargo or a passenger allows us to better assess its risk, and identify threats at the earliest point possible.

We must recognize that security and efficiency are not mutually exclusive. We can enhance security while decreasing wait times, expediting travel and keeping costs down. And we know we can because we are doing so already.

This year alone, DHS will help facilitate about \$2 trillion in legitimate trade, while enforcing U.S. trade laws that protect the economy, the health, and the safety of the American people.

So how are we strengthening security while expediting trade and travel?

One key way is through trusted traveler and trusted shipper programs.

These programs rely on mutually-agreed upon information sharing which allows us to know more about a traveler or piece of cargo before it begins its journey.

At the same time, these programs provide an economic benefit for the individuals, countries and companies involved by expediting the movement of the goods and people that are critical to their business.

For example, Global Entry is a program that allows us to expedite entry into the U.S. for pre-approved, low-risk air travelers.

More than one million passengers have already joined Global Entry, and President Obama recently announced that we will be expanding the program in 2012 as part of the Administration's efforts to foster travel and tourism.

We have also been expanding TSA Pre[√]™, a domestic trusted traveler initiative that enhances security by allowing us to focus on passengers we know less about and those who are considered high-risk, while providing expedited screening for travelers who volunteer information about themselves prior to flying.

TSA Pre[√]™ is currently available to U.S. citizens who are members of existing CBP Trusted Traveler programs as well as eligible airline frequent flyers.

TSA Pre[√]™ passengers may be referred to a lane where they will undergo expedited screening, which could include no longer having to remove shoes, laptops, jackets, or belts.

Efforts like TSA Pre[√]™ represent an important evolution in the way we handle airline security, as we shift away from the one-size-fits-all model of passenger screening to one that is risk based.

And what's critical is that both of these initiatives strengthen security while expediting travel for those travelers we know the most about.

We are applying these same concepts in the area of cargo security.

As part of a broader cargo security initiative, we now allow participating shippers to screen air cargo, following strict standards to support the 100 percent screening requirements of the 9/11 Act for cargo transported on passenger aircrafts.

We are also reviewing our foreign partners' cargo screening to determine whether their programs provide a level of security commensurate with U.S. air cargo security standards.

Those who meet these requirements are officially recognized to conduct screening for cargo traveling to the U.S.

We are working with more than 80 countries to prevent the illegal theft or diversion of precursor chemicals that can be used to make Improvised Explosive Devices or IEDs.

Through these efforts we have already seized more than 62 metric tons of these deadly materials.

We are partnering directly with the international trade community to provide expedited cargo processing for companies that undergo extensive vetting and meet strict security criteria.

And just last week, I announced an administration-wide effort on Global Supply Chain Security that builds off these existing programs.

This new strategy represents a whole-of-nation approach to global supply chain systems, with two explicit goals: promoting the

efficient and secure movement of goods and fostering resilient supply chain systems.

Our efforts will be guided by three key principles:

We will find smarter and more cost effective ways to address security threats and maximize resources and expertise from across the United States Government;

We will foster an all-of-nation approach to leverage the critical roles played by state, local, tribal and territorial governments, and private sector partners in strengthening supply chains; and

We will enhance our coordination with the international community and international stakeholders who also have key supply chain roles and responsibilities.

Like the aviation system, our physical borders, both land and sea, serve not only as a crucial line of defense when it comes to our security, but also as a critical intersection of international commerce.

The Obama administration has undertaken the most serious and sustained actions to secure our borders in our nation's history. And it is clear from every measure we currently have that this approach is working.

On the Southwest border, illegal immigration attempts, as measured by Border Patrol apprehensions, have decreased 53 percent in the past three years, and are less than 20 percent of what they were at their peak, while seizures of illegal drugs, currency, and weapons are all up.

We have increased the number of Border Patrol agents to more than 21,000, which is more than double the size of the Border Patrol in 2004.

And as we have worked to combat illegal crossings, violent crime in U.S. border communities has remained flat or fallen in the past decade.

We are using technology in new ways – including license plate readers to detect suspicious vehicles, aerial surveillance, and cameras and sensors along the land borders.

These kinds of technologies, combined with increased manpower and infrastructure, give our personnel better awareness of the border environment, so they can more quickly act to resolve potential threats or illegal activity.

We've also invested heavily in infrastructure improvements at our ports of entry, including over \$400 million in Recovery Act funds to modernize older facilities along our Northern border to meet post-9/11 security standards.

We've also expanded our busiest ports along our Southwest border, like San Ysidro and Nogales.

And we are working with our partners across the border. Last year we stepped up coordination with Canada through the Beyond the Border Action Plan to speed inspection of goods like car parts so that factories on both sides of the border can operate more efficiently.

We have continued to work closely with our Mexican counterparts to protect shared critical infrastructure and expand trusted traveler and shipper programs as part of a declaration signed jointly by President Obama and President Calderon.

These efforts are not only speeding legitimate trade, but they are also stopping illegal goods from entering the country—goods that can undermine domestic businesses that play by the rules.

In Fiscal Year 2011, we interdicted goods representing more than \$1.1 billion in Manufacturer's Suggested Retail Price. Further, the value of consumer safety seizures including pharmaceuticals totaled more than \$60 million, representing a 41 percent increase over Fiscal Year 2010.

When it comes to the movement of people, our efforts are not just focused on promoting tourist and business travel to the United States.

We are also enforcing our immigration laws in smart, effective ways designed to protect communities while, to the greatest extent possible under current law, fostering legitimate employment and foreign investment.

The bottom line is that our nation's current immigration laws are sorely outdated and in need of revision.

President Obama views such a revision as both a matter of fairness and as an economic necessity.

While we continue to urge Congress to take up immigration reform, we have acted on clear and common sense priorities when it

comes to immigration enforcement under the existing laws.

We have reduced bureaucratic inefficiencies in visa programs - streamlining the path for entrepreneurs who wish to bring their business to America.

We have improved and automated the process for identifying individuals applying for or in possession of a visa who may pose a national security or public safety risk.

We are ending practices that break up American families by shortening how long the spouses and children of American citizens must wait abroad for a US visa that we know they will obtain.

For the first time, we have prioritized our enforcement resources so that we can concentrate first on those individuals who are in our country illegally and who are also committing other crimes.

We are also focusing on the removal of repeat immigration violators and recent border crossers before they enter our country's interior.

This year, we began reviewing the hundreds of thousands of cases languishing on the immigration court docket to speed the removal of criminal aliens while administratively closing cases of those with no criminal record who pose no risk – such as students who were brought here through no fault of their own, or members of the military.

We've also focused on employers who hire illegal labor and, by doing so, unfairly compete with employers who play by the rules.

None of these actions substitute for statutory reforms. But we can, we have, and we will seek to enforce the law in a way that best meets our needs and our ideals.

In today's high tech security and commercial environments, we must also focus beyond just the physical movement of goods and people across our borders.

That is why, in the area of cybersecurity, we are moving to create a secure environment for the flow of cyber commerce and helping support a secure marketplace for the exchange of goods and ideas.

We are deploying the latest tools across the federal government to protect critical systems while sharing timely and actionable security information with public and private sector partners to help them protect their own operations.

Beyond protecting the computer networks of the civilian side of our government, we are leading the effort to protect our nation's critical information infrastructure – the systems and networks that support the financial services industry, the electric power industry, and the telecommunications industry, to name a few.

And we now have dedicated representatives from these and other key economic sectors working at DHS alongside our own cybersecurity experts to prevent, identify, and address cyber incidents.

We continue to work with the private sector, other government national security and law enforcement agencies and the international community to mitigate the risks and reduce the potential for a malicious actor to be successful.

Last year, our Computer Emergency Readiness Team responded to more than 100,000 incident reports, and released more than 5,000 actionable cybersecurity alerts to our federal, state, and private sector partners.

And we are working with our international law enforcement partners to share expertise and resources to combat electronic crimes such as identity and intellectual property theft, network intrusions, and a range of financial crimes.

These efforts are showing results. In the last year alone, the U.S. Secret Service prevented \$5.6 billion in potential losses through financial crime investigations and \$1.5 billion through cyber crime investigations.

At the same time, ICE also disrupted or dismantled more than 140 transnational criminal organizations capable of laundering over \$1 billion in illegal proceeds and illegally exporting 50,000 pieces of controlled technology.

No one understands the need for security more than the business community, where one break in the supply chain can put an entire company at risk.

And in today's world, it is not just big businesses that feel the impact of the global security network. Small businesses are inextricably linked to the larger commercial world—and in many cases are serving as the engines of security innovation.

We want to encourage this innovation. In Fiscal Year 2011, DHS awarded almost 30 percent of our total contracting dollars to

small businesses, resulting in more than \$4.2 billion in prime small business contracts.

Our investment in businesses of all sizes is paying off in the development of new security tools.

For example, our new “Commercial First” approach leverages the innovations and development done by industry to support the Department’s nuclear and radiological detection equipment needs.

This initiative facilitates interaction among industry, stakeholders, and researchers to develop technology that is better and more cost-effective.

Businesses are also central to rebuilding a community after a disaster or other tragedy strikes. That is why, led by FEMA, we have changed how we work with businesses before, during, and after a catastrophic event.

We have seen that the more we do to make sure we’re prepared for a disaster, the faster we will rebound. And that has immense economic consequences.

Last year, we supported 99 major disaster declarations. These included the response to Hurricane Irene that impacted 14 states, record fires in the Southwest, flooding across the central United States, and devastating tornadoes that hit the Midwest and South.

In all of these instances we have shown that we are dedicated to helping communities rebuild after disaster strikes.

One of the many new ways we do this is by awarding contracts to local small businesses and adhering to the principle: hire local, buy local, and help communities get back on their feet.

Last year, I had the honor of attending the opening of the new 9/11 memorial in New York City. That memorial, like the one at the Pentagon and in the fields outside Shanksville, Pennsylvania, stands as a reminder of those we lost and will never forget.

But these memorials must serve another purpose. They must stand as reminders of our need for vigilance in a dangerous world, and as a symbol of our resilience as a nation—a nation that has proven time and again that we will always come back stronger from tragedy and adversity.

We have come a long way over the past year, and over the past ten years since 9/11. We have learned a great deal about how to better secure our country, but we remain aware of how a successful terrorist attack or natural disaster can inflict economic damage beyond its human toll.

Threats against our nation, whether by terrorism or otherwise, continue to exist and evolve. And DHS must continue to evolve as well.

While we resolve to remain ever vigilant against another 9/11 style attack, we also commit ourselves to deploying security measures that promote the movement of goods and people and that build upon our national resilience.

Today, we’re bringing new strategies to this effort, not only to confront an ever evolving set of threats, but also to protect and support the economic engine that makes our Nation great.

We will do even more in 2012 and beyond. I want to thank you for your interest and for your continued engagement.

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