



ANNUAL DINNER REMARKS

December 9, 2010

**Jack Mayer, Chairman of HSDBC
Executive Vice President, Booz Allen Hamilton**

I want to take the opportunity tonight to pose a challenge to the Business Council. We are maturing as an organization and are establishing a productive industry-to-government dialog with the Department of Homeland Security and other members of the homeland security community. In parallel, the Department and its government partners have come a long way in the past several years. But the Department continually faces new threats and challenges. For us as a Council to be truly relevant as an industry representative to the Department and the rest of the community, we need to constantly seek ways to help the Department meet its evolving challenges – not only by providing services and tools but also by providing thought leadership and bringing value and perspectives to the homeland security policy debate. This is not an unprecedented role – industry has long been an active participant in shaping defense and national security policies and programs. But the homeland security community is relatively new; relationships and lines of communication are still forming. By being a thought leader, the Council can shape those relationships and communications channels while helping the Department become more effective and efficient.

So let's take a look at the state of the homeland security community today.

DHS was established to bring a more coordinated approach in two major areas: protecting the nation against terrorism and preparing for and responding to natural disasters. We are all familiar with – and many of us participated in – the Department's successes and failures as it has matured as an organization.

When it came to disaster preparedness, the response to Hurricane Katrina showed serious organizational shortcomings and performance issues. Much progress has been made since then to address these problems; but the system has not been tested again like it was in September 2005.

As far as preventing terrorist attacks in the United States, it is clear that we continue to face dedicated, resourceful adversaries. So far, the intelligence, law enforcement, and homeland security communities have successfully detected and prevented major attacks in the United States. In some cases, luck and a vigilant population, have played a role, but credit must also go to improved information sharing, intelligence analysis, investigative techniques, technical solutions, and cooperation among agencies.

Meanwhile, the men and women of DHS continue to carry out a wide range of critical activities to protect our borders, secure and facilitate trade and travel, enforce our immigration laws, and provide essential citizen services.

The Department continues to face new challenges.

While the Department is often criticized for how it does its job – just look at the recent uproar over TSA airport screening techniques – by and large DHS has made significant headway in its short life against its terrorism and disaster response missions, while simultaneously juggling a very full plate of other missions.

But the Department and its partners are facing a new threat to the homeland, which in many ways is as daunting as anything they have dealt with until now. I'm talking about the threat posed by the unprecedented drug-related violence in Mexico. This is a national security problem with potentially serious domestic political and public-safety dimensions. Depending on the course of events in Mexico and US Government decisions on how to react, the situation could put major new demands on the Department, other agencies across the federal government, state and local law enforcement, and the private sector.

Nearly 30,000 have been killed in Mexico over the last five years as drug trafficking organizations fight to control shipments to the United States and elsewhere. And the violence isn't restricted to traffickers fighting each other. Innocents are increasingly affected as the gangs branch out into kidnapping and extortion. Local law enforcement is often compromised, and many Mexican municipalities are left with no effective police force whatsoever. The press is under siege, and some news organizations have stopped reporting on the violence altogether in certain areas.

While the violence is – at least so far – almost entirely south of the border, there have been US victims, gang members are operating on both sides of the border, and many in border communities fear spillover.

Even more worrisome are the potential political, social, and economic consequences in the region. The current situation in Mexico is undermining the rule of law and potentially threatening democratic processes. Economic progress is undermined as the middle class and business leaders grow more and more concerned about their personal safety and investors begin to look for more stable environments. In the past decade, Mexico has made significant progress economically and in growing its democratic institutions. Current violence threatens to end that progress, and could even send things in the wrong direction. At a minimum, such an outcome would make it far more difficult for us to limit the flow of drugs into this country, for we would have no effective partner to our south. In the worst case, economic and political troubles in Mexico could have a profound, negative effect on us in terms of increased illegal immigration, cross-border gang activity, and other problems.

The US Government and the Government of Mexico are cooperating. The Merida initiative is providing funding, law enforcement agencies are cooperating as never before, intelligence sharing is increasing, and the two nations are working out ways to increase military-to-military cooperation. Indeed, this past weekend's *Washington Post* ran a feature article on the cooperation of the US DEA with elite Mexican Marine Units in the war against the drug lords.

Needless to say, addressing the violence and its causes is extremely complicated. The task at hand differs from the war on terrorism in many ways, but is equally if not more difficult. The threat is here, not half way around the world. Our governments face extremely

complex law enforcement challenges: well financed DTOs with significant manpower and the resources and the will to corrupt government officials or violently attack those who stand in their way. The response requires that multiple agencies and governments work together, often overcoming significant cultural and operational differences, and building trust where little has existed before. Further, Mexico lacks adequate law enforcement and judicial capacity, and what capacity does exist is under direct attack in many places. Solutions must go beyond traditional border control and interdiction strategies, to include helping strengthen the Mexican law enforcement and judicial systems, while providing training, intelligence and other capabilities that will help Mexican officials limit the violence while they build their own enforcement capabilities and reinforce their legal institutions.

Most important, we must have a clear strategy and strong leadership. Here, our recent lessons in Iraq and Afghanistan may apply. I'm not saying that we should be looking for the Dave Petraeus of the southern border, but until there is a coherent, integrated strategic approach, progress is hard to achieve.

How can industry help in this situation? First, we should not just market our capabilities against client needs but also seek to bring our best thinking to bear on core problems. For example, criminal enterprises are businesses. What do we know about running a business that can be adapted to strategies for attacking illicit enterprises? More broadly, the Government of Mexico and the Mexican private sector need support. Can bi-national public-private partnerships help? Can we help solve the information sharing challenges through innovative applications of new technologies and architectures?

I propose a challenge to HSDBC and its membership.

I've intentionally painted a dark picture and have thrown out a few ideas that may not be practical, at least in their current incarnation. However, I do this to make a point: As an industry Council working in cooperation with the Department, we mustn't limit our dialog to how we and the Department can do business together more effectively. Instead, we should also become a true, value-added resource for the Department and other public organizations as the country develops and implements policies and programs to address the most critical challenges in homeland security. We bring unique perspectives – not just technical solutions and business acumen, but also policy and operational views that can help formulate approaches and courses of action. Industry plays such roles in other sectors – especially defense. As a Council, we have begun to address this through our series of position papers. I'm challenging us to do more, much more.

Marc Pearl, President & CEO - Homeland Security & Defense Business Council

The Council has had a really tremendous 2010. We are entering our 7th year as the only industry group focused solely on homeland security policy, and our programs and initiatives have now reached a level of credibility and prominence – adding great value to our members and to the greater community.

Even our relatively still new Administration – now having had some time to settle in – has come to recognize the importance of not only talking to us, but also talking with us, to work through the numerous opportunities and challenges facing our homeland's security.

And there are many, and they are real.

In addition to catastrophic oil spills, the Mexican drug wars that are bleeding across our borders, and numerous physical and cyber incidents that go unreported, over the last year alone we have witnessed numerous attempts to blow up aircraft and an attempted Vehicle Born IED attack in Times Square.

All of these events serve as constant reminders that our focus and determination cannot diminish.

Everyone in this room tonight is cognizant of their responsibility, obligation, and mission to the constantly changing threat matrix. The Council's efforts focus on the valuable role the private sector can and does play – with particular emphasis on the companies that bring homeland security solutions to the marketplace.

Council members not only bring those world-class solutions – services, technologies and products – to the homeland security marketplace, but also individually and collectively bring an unmatched high degree of knowledge and an in-depth understanding of the threat environment, and how to mitigate it. We strive to promote and facilitate a dialogue of cooperation and coordination to achieve mission success.

A major part of the Council's mission is to facilitate that 'safe' environment of substantive interaction between industry and government that, unfortunately, can be made that much more challenging if we are perceived as merely being representative of "vendors."

The underlying premise of the Council is that relationship-building through substantive engagement between senior level industry and government executives will better integrate the perspectives, innovations, expertise and capabilities of the private sector and improve our nation's security. Our members are the thoughtful, experienced and skilled leaders who can best negotiate the complexities of homeland security and homeland defense.

Your active involvement, patience and perseverance have given the Council the tools we need to develop valuable initiatives and mechanisms that have facilitated a valuable dialogue, giving all of us opportunity to thrive in this challenging environment.

Membership in the Council has remained strong this year because our companies recognize that to be "involved in" homeland security, in any meaningful way, means that they must be active participants around the Council policy table. I applaud your excellent judgment and pledge to continue to provide a high measure of value and relevance. I commend your willingness to take off your individual corporate hats as you participate in the Council and our programs and initiatives.

Through our members' contribution of time and resources, the Council has developed a robust set of activities built on the foundation of our Executive Roundtables – further expanding our thought leadership initiatives and programs.

- Our retooled thought leadership initiatives have resulted in our facilitating a meaningful set of business conversations with administration officials,

Congressional leaders, and global policy makers on critical issues of mutual concern.

- Our “9-10-11 Project” monograph series has highlighted and trumpeted the role of industry in architecting, implementing and executing the creation and maturation of the Department and of “homeland security” – *small h / small s*.

We have done this with the constant support and involvement of our members, our Senior Advisors and our valued strategic partners.

Many of you have often heard me comment that we are not fashioned as a health club – a membership you buy and hopefully rarely use – but rather, we thrive when you are actively utilizing the Council, participating in the development of industry points of view, and are actively engaged in our thought leadership initiatives and “business conversations” with senior public sector officials.

Whether contributing extra dollars, time and/or subject matter expertise for our programs, as companies like ITT, GDIT, IBM, The Tauri Group, Optelecom, Unisys, and Serco have done this past year; or contributing your perspective at committee and work group meetings – ALL of you have invested in the Council’s work and helped to elevate our efforts to national prominence.

I am constantly in awe of your intelligence, your business acumen, your public service, and your passion to accomplish. I look forward to learning from you even more in 2011 and working with you on our shared goals.