

AN EXAMINATION OF THE PRESIDENT'S FISCAL
YEAR 2008 BUDGET REQUEST FOR THE
DEPARTMENT OF HOMELAND SECURITY

FULL HEARING
OF THE
COMMITTEE ON HOMELAND SECURITY
HOUSE OF REPRESENTATIVES
ONE HUNDRED TENTH CONGRESS

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AN EXAMINATION OF THE PRESIDENT'S FISCAL YEAR 2008 BUDGET REQUEST FOR THE DEPARTMENT OF HOMELAND SECURITY

Friday, February 9, 2007

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON HOMELAND SECURITY,
Washington, DC.

The committee met, pursuant to call, at 9:10 a.m., in Room 311, Cannon House Office Building, Hon. Bennie G. Thompson [chairman of the committee] presiding.

Present: Representatives Thompson, Sanchez, Markey, Dicks, Lofgren, Jackson Lee, Christensen, Etheridge, Langevin, Carney, Carney, Green, Perlmutter, King, Lungren, and Bilirakis.

Chairman THOMPSON. The committee on Homeland Security will come to order. The committee is meeting today to receive testimony on the President's fiscal year 2008 budget request for the Department of Homeland Security.

Welcome, Mr. Secretary.

Let me begin by thanking you for delivering your testimony within the time frame requested by the committee. This is a good start for the new Congress. I appreciate your cooperation to date on this matter. I believe I have seen you more this year than I did all in the last Congress. You are keeping your word about meeting more often with this committee, and I appreciate it, and I know the members do likewise.

Last February, when you appeared before this committee to discuss the administration's fiscal year 2007 budget, the entire Nation was disgusted with the atrocious response to Hurricane Katrina. Confidence in FEMA and the overall Department was at an all-time low. At the same time, in last year's budget, the Department proposed drastic cuts to programs that assist our first responders who are on the front lines of the war on terror here at home, and finally, for mass transit, rail and critical infrastructure, we were enormously shortchanged by that budget. It was evident to the Nation that the Department was not prepared to handle another catastrophic terrorist attack or natural disaster.

Today, the committee is reviewing the Department's fiscal year 2008 budget proposal, a budget which you will assert protects the Nation from dangerous people and goods, protects critical infrastructure, improves emergency preparedness and response, and improves the operation and management of the department. Well, this may be a new year, but in some instances, Mr. Secretary, it feels like *deja vu*.

(1)

I do recognize some significant increases in an area such as border security. Unfortunately, I fear that, behind the increases, lurk some problems rather than answers. For example, the budget requests \$31 million to add an additional 600 detention beds for fiscal year 2008. I am not sure that 600 beds are enough if the intention is to truly increase work site enforcement. In addition, adding beds alone is not the only issue. Detention space needs to be humane. Just last week, I saw reports of the tent city, nicknamed STRITMO, set up in Raymondville, Texas. The conditions depicted by these reports are far from humane. I can assure you that this committee will be looking into this matter.

I also have other concerns, Mr. Secretary. I am concerned that the budget does not adequately address why the Department ranked at the bottom for the second time in nearly every category of the OPM employee satisfaction, certainly. I am also concerned that the budget is, again, passing the Homeland Security book to State and locals.

Once again, the President's budget would eliminate funding for local law enforcement terrorism detention program. This year's budget would cut 52 percent from the State Homeland Security grant program, which provides grants to first responders in all 50 States and U.S. territories. The Firefighters Grant Program, the Fire Act, would be cut by nearly 50 percent. First responder training grants would be slashed by 55 percent, and the President's budget would zero out funding for grants to metropolitan medical systems that are needed to prepare for the mass casualties from a disaster like pandemic flu.

As I have said to you before, millions of lives are at stake, and we can not continue to protect the homeland on the cheap, nor can we do it through contracting services.

One last note. I am, personally very disappointed that you are zeroing out the minority serving institution research and fellowship program. As we have discussed on numerous occasions, the Department must reach out to these institutions to assure that our Homeland Security efforts mirror America and its citizens. This elimination does not show a commitment to doing so.

With that, Mr. Secretary, I look forward to hearing your testimony about the Department's fiscal year 2008 budget priorities and its justifications.

The Chair now recognizes the ranking member of the full committee, the gentleman from New York, Mr. King, for an opening statement.

Mr. KING. Thank you, Chairman Thompson.

Good morning, Mr. Secretary. It is nice to see you again.

Let me, at the outset, say that I sat through most of the hearing the other day when we heard testimony from the inspector general and the comptroller general, and quite frankly, what I got from the testimony is that I think that you and your management team that you have in place are doing a very good job. The fact is, when you are talking about 22 departments and agencies being consolidated and 80,000 employees, all of those numbers we have heard before, there are tremendous challenges, and I believe that you and the team you have in place are going definitely in the right direction and have a plan in place.

Also, I would like to, for the record—and I took this from the Department's Web site. It is a list of the accomplishments for 2006 of Homeland Security.

Mr. Chairman, I would like to make this part of the record.

Chairman THOMPSON. Without objection.

[The Information follows:]

FOR THE RECORD

SUBMITTED FOR THE RECORD BY THE HONORABLE PETER T. KING, RANKING MEMBER,
COMMITTEE ON HOMELAND SECURITY

Fact Sheet: Select Homeland Security Accomplishments For 2006

Release Date: December 29, 2006

Securing The Nation's Transportation System: Transportation Security Administration (TSA)

- **TSA Responds to Liquid Explosive Threat in London:** In response to the foiled terror plot in England, TSA trained its 43,000 security officers to address the threat of liquid explosives in a matter of hours. After two days security wait times returned to normal levels. Six weeks later, after conducting extensive explosive testing with our federal partners, TSA again proved its flexibility by modifying its ban on liquids by allowing limited quantities onboard aircraft. Again, efficiency was not seriously affected and in fact wait times during the Thanksgiving holiday were slightly lower than in 2005.
- **TSA Strengthens Air Cargo Security:** In Fall 2006, TSA issued two security directives requiring inspection of 100 percent of high risk cargo, as well as packages tendered to airlines at the ticket counters. TSA also expanded the use of explosives detection canine teams to screen cargo and added 100 air cargo inspectors.
- **TSA Screens 700,000 Port Workers:** TSA conducted more than 700,000 name-based security threat assessments on port workers. In partnership with the U.S. Coast Guard, TSA issued a proposed rule and will soon issue a final rule that clears the path to begin enrollment for the Transportation Worker Identification Credential (TWIC) program in early 2007.
- **TSA Raises Freight Rail Security Baseline:** TSA worked with freight rail stakeholders to mitigate the greatest vulnerability in freight rail transportation the standing Toxic Inhalation Hazard (TIH) rail car. These efforts provide for minimizing the occurrence of unattended TIH cars in High Threat Urban Areas, and if they are present, lowering the cars' standstill times and providing protection or surveillance. TSA also published a notice of proposed rulemaking that would require a secure chain of custody for certain security sensitive materials and a car location reporting requirement allowing DHS to locate any car containing security sensitive materials at any time.
- **TSA Commences Baseline Security Evaluations for Mass Transit and Passenger Rail Systems:** Through this program, 100 nation-wide Surface Transportation Inspectors reviewed implementation of 17 Security and Emergency Management Action Items that TSA and the Department of Transportation's Federal Transit Administration (DOT/FTA) jointly developed, in coordination with the Mass Transit Sector Coordinating Council. Implementation of the action items helps elevate security readiness throughout the public transportation industry by establishing baseline measures.
- **TSA Strengthens TSO Workforce:** TSA has enhanced the TSO workforce through increased focus on IED training, lower injury rates, new career opportunities, and a new performance incentive system.

Strengthening Border Security: Customs and Border Protection (CBP)

- **President Successfully Deploys 6,000 National Guard to Border:** In support of the President's initiative to deploy up to 6,000 National Guard personnel to the Southwest border, Border Patrol launched Operation Jumpstart. In addition to the National Guard deployment, Border Patrol staffing increased by 8 percent, from 11,265 to 12,349.
- **Increased Border Security At and Between the Nation's Ports of Entry:** CBP Border Patrol agents reduced the number of apprehensions at the borders by more than 8 percent in fiscal year 2006. As a result of targeted coordinated enforcement efforts, CBP Border Patrol reduced non-Mexican illegal alien apprehensions by 35 percent. In fiscal year 2006, CBP Border Patrol

seized more than 1.3 million pounds of marijuana and 11,900 pounds of cocaine between the ports of entry. CBP officers at the nation's ports of entry seized more than 644,000 pounds of marijuana, arrested more than 23,000 suspected criminals, interdicted more than 209,000 inadmissible aliens and 1.628 million agricultural interceptions (meats and plants).

- **Increased Border Security Draws Reduction in Apprehensions:** CBP Border Patrol agents reduced the number of apprehensions at the borders by more than 8 percent compared to last year. As a result of targeted enforcement efforts and close coordination with other federal, state, tribal and local agencies, the Border Patrol saw a 35 percent decrease in the number of apprehensions of non-Mexican illegal aliens compared to 2005.

- **CBP Deploys Over 880 Radiation Portal Monitors at Land and Sea Ports:** CBP deployed 280 new radiation portal monitors throughout the Nation's ports of entry, bringing the number of radiation portal monitors to 881 at the Nation's land and sea ports of entry.

- **CSI Expands to 50 Ports, Covering Over 80 Percent of Containers:** CBP expanded the Container Security Initiative (CSI), increasing participating ports to 50 in fiscal year 2006. CSI now covers more than 80 percent of U.S.-bound maritime containers.

- **Processed 61 Repatriation Flights:** During the evacuations from Lebanon, DHS facilitated the processing of 61 civilian and military repatriation flights or 11,287 U.S. citizens, while continuing to be vigilant in identifying any individuals who would try and enter the U.S. fraudulently or with malicious intent. DHS fully vetted all arriving persons and ensured that all persons were checked for terrorism links, criminal warrants, immigration and other violations. Federal Air Marshals, Aviation Security Inspectors and Transportation Security Officers were also deployed to key sites both in the U.S. and abroad to facilitate secure flight and screening operations.

- **DHS Awards SBInet Contract to Boeing:** DHS awarded a contract to Boeing Co. to implement SBInet along the Northern and Southern Borders. The program will provide DHS with the best possible tools to detect, identify, classify, respond to and resolve illegal entry attempts at our land borders.

- **CBP Increases Capability to Secure the Northern Border:** CBP Air and Marine opened its third of 5 Air Branches planned for the Northern Border of the United States. The Great Falls Air Branch, Montana joins the Bellingham, Washington, and Plattsburgh, New York, Air Branches in supporting Homeland Security efforts along the northern tier.

- **Ports of Entry Inspections Form First Line of Defense at Land Borders:** CBP officers inspected 422 million travelers, more than 132 million cars, trucks, buses trains, vessels and aircraft. CBP Officers inspected 1.19 million private vehicles, 11.48 million trucks and more than 1 million aircraft.

- **CBP Immigration Advisory Program (IAP) Enhances Security:** The IAP enhances security by preventing terrorists and other high-risk passengers from boarding aircraft destined for the United States. Since its inception in 2004, IAP teams have made more than 1,000 no-board recommendations for high-risk or inadequately documented passengers. IAP accomplishments equate to approximately \$1.6 million in cost avoidance associated with detaining and removing passengers who would have been returned after having been refused admission to the United States, and \$1.5 million in potential air carrier potential savings.

Protecting National Security and Upholding Public Safety: Immigration and Customs Enforcement (ICE)

- **"Catch and Return" Replaces "Catch-and-Release" Along the Borders:** The practice of "catch and release" for non-Mexican aliens existed for years and was one of the greatest impediments to gaining control of the border. In 2006, the Department of Homeland Security and ICE re-engineered the detention and removal process to effectively end this practice along the border, an accomplishment that many considered impossible in 2005 when only approximately 29 percent of apprehended non-Mexican aliens were detained along the border.

- **ICE Sets New Record for Worksite Enforcement:** More than 4,300 arrests were made in ICE worksite enforcement cases, more than seven times the arrests in 2002, the last full year of operations for U.S. Immigration and Naturalization Service.

- **ICE Sets New Record for Compliance Enforcement:** ICE completed 5,956 compliance enforcement investigations resulting in the administrative arrest of 1,710 overstay and status violators, a 75 percent increase over the number of administrative arrests in FY 2005.

- **ICE Sets New Record for Alien Removals:** ICE removed a record 189,670 illegal aliens from the country this fiscal year, a twelve percent increase over the number of removals during the prior fiscal year. ICE also increased its detention bed space by 6,300 during fiscal year 2006. Combined with fiscal year 2007 enhancements, ICE is now funded for a total of 27,700 beds.
- **ICE Nearly Triples the Number of Fugitive Operations Teams:** ICE nearly tripled the number of fugitive operations teams deployed nationwide from 18 to 50. These additional teams maximized the efficiency of ICE immigration enforcement efforts to locate, apprehend and remove fugitive aliens, nearly one-third of whom have criminal histories.
- **ICE Dismantles one of the World's Most Powerful Drug Cartels:** ICE concluded a 15-year probe into Colombia's Cali drug cartel, once responsible for 80 percent of the world's cocaine supply, with guilty pleas by its leaders and a \$2 billion forfeiture settlement. More than 141 members of this organization have been arrested, indicted or convicted as part of this ICE case.
- **ICE Targets Transnational Gangs:** Through Operation Community Shield, ICE arrested roughly 2,290 violent gang members nationwide in 2006, of which 1,073 had convictions for violent crimes. Since its inception in 2005, Operation Community Shield has resulted in the arrest of 3,700 gang members.

Protecting the Public, the Environment & U.S. Economic Interests: U.S. Coast Guard

- **U.S. Coast Guard Christens First New High Endurance Cutter in Over 35 Years:** The U.S. Coast Guard christened the Coast Guard cutter *Bertholf*, the first new high endurance cutter to be built in more than 35 years and the first National Security Cutter in its Deepwater acquisition program. The cutter was designed to satisfy the Coast Guard's multi-mission responsibilities in homeland security, national defense, marine safety and environmental protection. The Coast Guard cutter *Bertholf* will play an important role in enhancing the Coast Guard's operational readiness, capacity and effectiveness at a time when the demand for its services has never been higher.
- **U.S. Coast Guard Implements National Capital Region Air Defense Mission:** The U.S. Coast Guard officially assumed responsibility for air intercept operations in the nation's capital from U.S. Customs and Border Protection. The Coast Guard will support the North American Aerospace Defense Command's mission with its rotary wing air intercept capability. Coast Guard HH-65C helicopters and crews will be responsible for intercepting unauthorized aircraft which fly into an air defense identification zone that surrounds Washington.
- **U.S. Coast Guard Arrests "Tijuana Cartel" Drug Lord: In August, off the coast of San Diego, the U.S. Coast Guard, along with federal drug agents, arrested Mexican drug lord Francisco Javier Arellano-Felix, leader of a major violent gang, known as the Tijuana Cartel, responsible for digging elaborate tunnels to smuggle drugs under the U.S. border.**
- **U.S. Coast Guard Set Records for Drug Seizures and Arrests:** This year, counter-drug boardings from U.S. and Royal Navy vessels resulted in all-time records for seizures and arrests. The 93,209 pounds of drugs that were seized was more than the combined amount seized in the last two years.

Preventing or Mitigating the Effects of Catastrophic Terrorism: Science and Technology (S&T)

- **DHS Launches the Air Cargo Explosives Detection Pilot Program:** The \$30 million program, launched at San Francisco International Airport and at Seattle-Tacoma International Airport, is designed to capture vital information associated with enhanced air cargo screening and inspection, and will provide critical knowledge to help TSA make future decisions and assist in technological research and development planning for the national air cargo security infrastructure.
- **S&T Announces National Interoperability Baseline Survey Results:** The Office for Interoperability and Compatibility's SAFECOM program has released the final results of its National Interoperability Baseline Survey, fielded earlier this year to measure the capacity for interoperable communications among emergency response agencies nationwide. By identifying the Nation's interoperability capacities, survey findings will help policy makers and emergency response leaders make informed decisions about strategies for improving interoperability and target resources. The landmark analysis surveyed 22,400 law enforcement, fire, and emergency medical service agencies nationwide, and had a response rate of approximately 30 percent.

- **TSA Conducts Rail Security Explosives Detection Pilot Programs:** Rail Security Explosives Detection Pilot Programs were conducted in Baltimore, MD and Jersey City, NJ to test and evaluate security equipment and operating procedures as part of DHS's broader efforts to protect citizens and critical infrastructure from possible terrorist attacks.
- **S&T Breaks Ground for the National Biodefense Analysis and Countermeasures Center(NBACC):** The facility will comprise roughly 160,000 gross square feet with a concentration of research and associated space. NBACC will support a staff of approximately 120, and will house two centers, the Biological Threat Characterization Center and the National Bioforensic Analysis Center.
- **DHS Awards Contracts to Support Emerging Counter-MANPADS Technologies:** S&T completed Phase II of a multi-phase program to migrate onboard military countermeasures technology to commercial aircraft to protect against shoulder-fired, anti-aircraft missiles, known as Man-Portable Air Defense Systems (MANPADS). Under Phase III of the program S&T and its industry partners are collecting operations, support, and performance data. Additionally, S&T selected three firms to receive \$7.4 million in combined contract awards to assess alternative methods to counter the MANPADS threat.

Keeping America's Doors Open While Ensuring National Security: U.S. Citizenship and Immigration Services(USCIS)

- **USCIS Eliminates Backlog:** Through increased productivity, reengineered processes, and automated services, USCIS eliminated case backlogs of applications for immigration services and benefits, reducing the backlog from 3.8 million cases in January 2004 to less than 10,000 at the end of September 2006.
- **USCIS Establishes National Security and Records Verification Directorate:** To combat fraud and criminal activity, USCIS established the National Security and Records Verification Directorate, deploying hundreds of officers who specialize in the detection of fraudulent documentation and immigration scams to USCIS field offices and centers throughout the United States.
- **Basic Pilot Employment Eligibility Verification Program Enrolls 11,000 Employers:** USCIS enrolled more than 12,500 employers and businesses in the Basic Pilot Employment Eligibility Verification Program. This program verifies the work authorization of more than one million new hires a year at 47,000 hiring sites across the United States through online employment authorization checks against Social Security Administration and DHS databases.
- **USCIS Expands Electronic Filing:** USCIS expanded opportunities for customers to file service or benefit applications electronically, and then track the status of their cases online through the USCIS.gov Web site. To further simplify immigration processing, new biometric standards were developed that permit USCIS to store electronic fingerprints, photographs, and signatures.
- **USCIS Welcomes New American Service Members:** USCIS naturalized members of the United States armed forces during special overseas ceremonies in Afghanistan, Djibouti, Germany, Greece, Iceland, Iraq, Italy, Japan, Kuwait, Kenya, South Korea, Spain, the United Kingdom and in the South Pacific aboard the USS Kitty Hawk. This year, USCIS welcomed more than 1,604 new Americans during these ceremonies.

Establishing A Nimble, Effective Emergency Response System: Federal Emergency Management Agency (FEMA)

- **Rebuilding FEMA as the Preeminent Emergency Management Agency for the Nation:** FEMA is concentrating efforts on improving core competencies, in such areas as Incident Management, Operational Planning, Disaster Logistics, Emergency Communications, Public Communication and Customer Service. FEMA is also focused on improving its business process to develop a strong foundation to support its mission, and has undertaken agency-wide organizational assessments in areas that range from human resources and logistics, to budgeting, communications, financial management, procurement and data systems management.
- **DHS Pre-Designates Disaster Coordination Teams:** In preparation for the 2006 hurricane season, DHS pre-designated five teams to coordinate the federal government's role in support of state and local governments preparing for, and responding to major natural disasters. In total, 27 federal officials were appointed, each with unique expertise and experience.
- **FEMA Achieves Key Developments in Assisting Disaster Victims:** FEMA increased registration capability to 200,000 a day through its toll-free registration number, online registration process, registering individuals in shelters and using mobile units; increased home inspection capacity to 20,000 a day;

activated a contract to assist in identity verification in future disasters; and tightened processes to speed up delivery of needed aid while simultaneously reducing waste, fraud and abuse.

- **FEMA Strengthens Logistics Management Capabilities:** FEMA implemented the Total Asset Visibility (TAV) program to provide enhanced visibility, awareness, and accountability over disaster relief supplies and resources. It assists in both resource flow and supply chain management. FEMA implemented Phase One of TAV in the hurricane-prone Gulf Coast States for the 2006 hurricane season and plans to expand it to all the regions. Interagency Agreements, Memoranda of Understanding, and private sector contracts were also developed to strengthen disaster logistics capabilities.

- **FEMA Improves Communications and Situational Awareness:** Real time information sharing is already occurring. To improve upon existing systems, DHS has initiated technological advances and elevated the standard by using satellite imagery, upgrading radios, and employing frequency management. The new National Response Coordination Center at FEMA is now operable. In addition, Mobile Registration Intake Centers, logistics supply systems and total asset visibility programs have been implemented.

- **Real time information sharing is occurring at all levels including local, state and federal.** Advances in technology are being utilized; satellite imagery, upgraded radios and frequency management are the new standard.

- **FEMA Enlists Seasoned Leadership Team:** In addition to the confirmation of Director R. David Paulison, FEMA has built a strong team of leaders across the organization who each bring more than 20 years of experience in emergency management or applicable fields. FEMA has also filled nine out of ten Regional Director positions with the same standard of experience, illustrating the vital importance of strong regional leadership, and is in the process of filling the last position.

Building a Culture of Preparedness: Emergency Preparedness

- **DHS Awards \$2.6 Billion for Preparedness:** Included in this total, approximately \$1.7 billion in Homeland Security Grant funds has been awarded to state and local governments for equipment, training, exercises and various other measures designed to increase the level of security in communities across the nation. \$400 million in grants was awarded to strengthen the nation's ability to prevent, protect against, respond to, and recover from terrorist attacks, major disasters and other emergencies that could impact this country's critical infrastructure. Almost \$300 million was also distributed in fire grants to fire departments and EMS organizations to enhance their response capabilities and to more effectively protect the health and safety of the public and emergency response personnel with respect to fire and all other hazards.

- **DHS Reviews 131 State and Local Emergency Plans:** By reviewing state and local disaster plans, collocating decision-makers, and pre-designating federal leadership, DHS is improving coordination across all levels of government. Through the Nationwide Plan Review, DHS completed visits to 131 sites (50 states, 6 territories, and 75 major urban areas) and reviewed the disaster and evacuation plans for each. These reviews will allow DHS, states and urban areas to identify deficiencies and improve catastrophic planning.

- **DHS Completes National Infrastructure Protection Plan (NIPP):** The NIPP is a comprehensive risk management framework that clearly defines critical infrastructure protection roles and responsibilities for all levels of government, private industry, nongovernmental agencies and tribal partners.

- **DHS Receives New Authority to Enhance Chemical Security:** DHS was given authority by Congress to implement risk-based security standards for chemical facilities that present high levels of security risk. This allows the department to recognize the significant investments that responsible facilities have made in security, while providing the department with authority to ensure that high-risk facilities have adequate safeguards in place.

Transforming U.S. Border Management & Immigration Systems: US-VISIT

- **DHS and DOJ Begin to Establish Interoperability:** DHS and the Department of Justice began the initial phase of establishing interoperability between the US-VISIT program's Automated Biometric Identification System (IDENT) and the FBI's Integrated Automated Fingerprint Identification System (IAFIS) fingerprint databases. This interoperability will increase DHS and the State Department's ability to screen travelers, increase accuracy of matching, and provide greater ability to match against latent prints.

- **DHS Tests Biometric Verification At Sea:** US-VISIT has teamed with the U.S. Coast Guard to test mobile biometrics collection at sea. The U.S. Coast

Guard and US-VISIT began a pilot program to collect biometric information digital fingerprints and photographs from migrants interdicted while attempting to unlawfully enter U.S. territory through the Mona Passage, the body of water between the Dominican Republic and Puerto Rico.

- **US-VISIT Deploys E-Passport Readers to 33 Airports:** US-VISIT completed deployment of e-Passport readers to 33 U.S. airports so that ports of entry have the capability to compare and authenticate data in e-Passports issued by Visa Waiver Program (VWP) countries.

Protecting Our Nation from Dangerous Goods: Domestic Nuclear Detection Office (DNDO)

- **DNDO Awards over \$1 Billion for Next Generation Nuclear Detection Devices:** DNDO announced the award of Advanced Spectroscopic Portal (ASP) program contracts totaling \$1.15 billion to enhance the detection of radiological and nuclear materials at the nation's ports of entry. ASP models were deployed to the Nevada Test Site, where they will be tested using nuclear threat material. Portals have also been delivered to the New York Container Terminal for data collection.

- **DNDO Establishes Nuclear Forensics Center:** DNDO established the National Technical Nuclear Forensics Center to collect and analyze material evidence in order to identify and ultimately prosecute those responsible for any potential act of nuclear terrorism.

Training Our Front Line Officers: Federal Law Enforcement Training Center (FLETC)

- **FLETC Trains 51,000:** Over 51,000 federal, state, local, tribal, campus and international law enforcement agents and officers were trained by FLETC on topics including border security, and the prevention and detection of nuclear, radiological or biological attacks.

Establishing Policy to Protect Our Nation: DHS Policy Office

- **DHS Renegotiates Passenger Name Record Data:** DHS successfully renegotiated an interim agreement regarding Passenger Name Record (PNR) data with the European Union, allowing the department to make full use of passenger data as needed to protect our borders. Under the agreement, CBP will have new flexibility to share PNR data with other counter-terrorism agencies within the U.S. government, carrying out the President's mandate to remove obstacles to counter-terrorism information sharing.

- **Secure Freight Initiative Launches to Begin Screening at Foreign Ports:** DHS and the Department of Energy announced the first phase of the Secure Freight Initiative, an unprecedented effort to build upon existing port security measures by enhancing the federal government's ability to scan containers for nuclear and radiological materials overseas and to better assess the risk of inbound containers. The initial phase involves the deployment of a combination of existing technology and proven nuclear detection devices to six foreign ports: Port Qasim, Pakistan; Puerto Cortes, Honduras; Southampton, United Kingdom; Port Salalah, Oman; Port of Singapore; and the Gamman Terminal at Port Busan, Korea.

- **Administration Announces Security Improvements to Visa Waiver Program:** The Administration announced its intention to work with Congress to reform the Visa Waiver Program (VWP), to strengthen security and facilitate international allies' ability to join the program. A significant component of the proposed reform is the implementation of a secure travel authorization system that would allow us to receive data about travelers from VWP countries before they board a plane.

Always Be Ready: Ready Campaign

- **Ad Council Deems Ready One of the Most Successful Campaigns:** The Ad Council declared the Ready Campaign one of the most successful campaigns in its more than 60-year history. The campaign has generated more than \$593 million in donated media support. The Web site has received more than 1.9 billion hits, the toll-free number has received more than 272,000 calls and more than 9.7 million *Ready* materials have been requested or downloaded.

- **Ready Kids Launches in February:** *Ready Kids*, an extension of the Ready campaign, was launched as a tool to help parents and teachers educate children in ages 8—12 about emergencies and how they can help get their family prepared.

- **DHS and the Ad Council Launch New Ads:** Together with the Ad Council, DHS released new television, radio, print, outdoor and internet PSAs to support the Ready campaign.

Preparing for & Responding to Incidents of Medical Significance: Office of Chief Medical Officer

- **DHS Coordinates Pandemic Influenza Activities:** The Office of the Chief Medical Officer (OCMO) coordinated the department's pandemic influenza preparedness activities, including: serving as DHS representative to White House Homeland Security Council's Pandemic Influenza planning processes (National Strategy, Implementation Plan for National Strategy); overseeing formation and activities of the Department's pandemic working groups; representing DHS at the Department of Health and Human Services' State Pandemic Influenza summits; establishing the Pandemic Influenza Program Office within the OCMO; developing detailed spend plan for and initiated execution of \$47 million Avian Influenza supplemental appropriation.

Shaping the Intelligence Network: Intelligence & Analysis (I&A)

- **Fusion Centers Facilitate Flow of Information:** I&A began embedding DHS analysts to state and local fusion centers across America. DHS has already deployed personnel to five centers and has provided over \$380 million in support of these centers.
- **DHS Enhances Information Sharing with Government and Private Partners:** I&A analysts produced and distributed nearly 450 intelligence products which provided actionable information which helped our partners protect their communities and critical infrastructure.
- **Installation Begins on Homeland Security Data Network (HSDN):** While an interim capability has been in use for several years, I&A began installing the Homeland Security Data Network, a classified network that will allow the advanced, real-time communications capability to exchange information up to the Secret level with our partners at the federal, state and local level. HSDN will be installed in every fusion center where I&A deploys an officer.

Integrating and Unifying All Aspects of the Screening Process: Office of Screening Coordination

- **Office of Screening Coordination Created:** DHS started the Office of Screening Coordination to integrate the department's terrorist and immigration-related screening efforts, create unified screening standards and policies, and develop a single redress process for travelers. The office will generate new and innovative approaches to how the department detects and interdicts threats of all types and improve the experience for legitimate foreign travelers entering the United States.

Strengthening and Unifying DHS Operations And Management: DHS Management

- **Chief Human Capitol Office Moves Forward with Performance Management Goals:** DHS deployed its performance management program and its automated system to approximately 10,000 employees in multiple components and trained 350 senior executives and more than 11,000 managers and supervisors in performance leadership.
- **The Office of Security Completes HSPD-12 Goals:** The Office of Security met all Homeland Security Presidential Directive (HSPD) 12 requirements by deploying an HSPD-12 compliant credentialing system and associated policy and procedures. This new credential meets all federal requirements for interoperability and security.
- **The Chief Procurement Office Exceeds Small Business Goals:** DHS awarded approximately 34 percent of DHS prime contracts to small businesses, exceeding the goal by 4 percent.
- **Chief Information Office Stands Up New Data Center:** Data Center Services completed the Stennis Space Center Data Center Construction Phase I, 24,000 square feet, on time and the first application has been transferred to this data center.

Countering the Drug Threat to the United States: Counternarcotics Enforcement (CNE)

- **National Southwest Border Counternarcotics Implementation Plan Closes Gaps:** On August 18th, 2006, DHS and the Department of Justice (DOJ), serving as co-chairs and represented by the Office of Counternarcotics Enforcement (CNE) and the Office of the Deputy Attorney General (ODAG) respectively, submitted a National Southwest Border Counternarcotics Strategy and Implementation Plan to the International Drug Control Policy Coordinating Committee (IDC-PCC). This 235 page document identifies the major goals, objectives, and resource requirements for closing gaps in U.S. and Mexico counternarcotics capabilities along the Southwest Border.

- **Statement of Intent Specifies Department's Effort Level in Counternarcotics Operations:** The Office of Counternarcotics Enforcement, in collaboration with the DHS Components, developed a document that formally specifies the Department's intended baseline level of effort (personnel and resources) that will be made available to support counternarcotics operations. This Interagency Statement of Intent, required by the National Interdiction Command and Control Plan, will assist operational commanders in allocating resources to collect drug-related intelligence, as well as support operations that interdict drug smugglers in South America, Central America, the Gulf of Mexico, the Caribbean and Eastern Pacific regions.

Protecting America and Preserving Our Freedoms: Civil Rights and Civil Liberties (CRCL)

- **CRCL Implements New Training Through The Civil Liberties University:** The Office for Civil Rights and Civil Liberties, working with component offices throughout DHS, developed a number of useful training products and posters for DHS personnel, including: an hour-long training on the introduction to Arab American and Muslim American Cultures; on-line training that emphasizes the core elements of the National Detention Standards developed by the Immigration and Customs Enforcement Detention and Removal Office; two posters that provide guidance on how to screen and, if necessary, search individuals who wear common Muslim and Sikh head coverings; and an educational poster on how to screen those of the Sikh faith who carry a kirpan, or ceremonial religious dagger.
- **CRCL Implements Effective Processing of EEO Complaints:** The Equal Employment Opportunity Program has developed an effective process for issuing Final Actions by hiring subject-matter experts, having a multi-tier quality control process, utilizing contractor support and exercising strong project management controls. The first priority has been addressing the oldest cases received from DHS's legacy organizations. The oldest case pre-dated DHS by 16 years. As of December 1, 2006, CRCL received over 3812 EEO complaints of discrimination for final agency action and over 3576 decisions have been issued.
- **DHS Co-sponsors Working Conference on Emergency Management and Individuals with Disabilities and the Elderly:** CRCL, in partnership with the Department of Health and Human Services, co-sponsored a working conference on June 28—30, 2006. The conference brought together Governor-appointed State teams to connect State emergency management officials with key disability and aging experts to work toward integration of efforts within their jurisdiction's emergency management framework; to facilitate cooperative planning with senior officials of the Federal Emergency Management Agency regions; and to identify and institute measurable outcomes and systems for tracking results.
- **CRCL Continues Engagement with American Arab, Muslim, Sikh, South Asian and Other Ethnic and Religious Communities:** CRCL has actively lead or participated in regularly-scheduled meetings with representatives from the American Arab, Muslim, Sikh, and South Asian communities in Houston, Los Angeles, Detroit, Chicago, Buffalo, and Washington, DC. CRCL has also established working relationships with immigration advocacy groups concerned with border security and naturalization policies, and with leaders of the disability community to discuss emergency preparedness issues, particularly in the context of natural disasters.

Mr. KING. Thank you, Mr. Chairman.

I say this, though, as a prelude to saying that, as I go through the budget and I see some of the same reductions that Chairman Thompson spoke about, at least \$420 million cuts in first responder grants, the zeroing out of the MMRS grants, the reduction in training grants, and also the SAFER grants—we see the problems we had last year in trying to find out how the money could be allocated to go to the areas that needed it the most, and I remember, at the time, one of the rationales you gave was that you felt that Congress had not, perhaps, given enough money on the grants, and my concern is that, when the Department was started back in 2003, it was put together with a budget which was supposed to involve no extra costs to the Federal Government. Basically, we were

taking these other departments, and their costs would go with them, and there would be no net increase in costs to the government.

Well, since then, we have certainly gone much more into the issue of immigration that was contemplated when the Department was created. We have had Katrina, which showed that much more had to be done in the area of natural disasters. The committee last year legislated port security funding—I mean port security—chemical plant security.

This year, I know Chairman Thompson intends to have extensive hearings on rail and transit security, and my point is that are we looking at this budget number from the wrong direction. Are we taking a budget that was first brought up 4 years ago, which was a guesstimate which then Secretary O'Neill said was not going to cost one extra penny, and trying to work within that budget every year and add on a certain percentage, and add this to a budget which, perhaps, was inadequate to begin with?

If we are at war with Islamic terrorism, if we are in a war similar to the war in Iraq and the war in Afghanistan, when we are at war, you decide how much money you need, and you work your way back from that.

We should, rather than work within the box, make a larger box or look at it and really just look entirely at a new way of how we approach this and find out what is needed and what is not needed, not just throw money at programs, but it seems to me that we are limited so often.

For instance, Press Secretary Snow said yesterday that we are trying to make the best we can with scarce resources. Well, if we are at war with Islamic terrorism, we should not have scarce resources.

So I would just ask you to consider that. Certainly, I intend to discuss this with the chairman as we go forward and also with the members on my side if we should be looking at this with larger parameters than we are right now.

So, with that, I thank the chairman for giving me the time.

Chairman Thompson and also Secretary Chertoff, one issue which I believe maybe we should discuss right now is the whole issue of interoperability, \$1 billion which is jointly administered between yourselves and the Department of Commerce, and my understanding is that there is, thus far, still difficulty to coming to a memorandum of understanding between the Department of Homeland Security and the Commerce Department. Now, as I see it, interoperable communications are critically important to the Nation's first responders. The inability to communicate their dependability to respond to an event creates further confusion.

While I am concerned there should be greater flexibility to distribute these funds past the current fiscal year and to ensure that they use it effectively, I am deeply concerned about the delay of getting the administration's grant program up and running. I am also deeply concerned regarding the grant guidance finance funds. Guidance should permit the use of funds for the purchase of interoperable systems that use bandwidths other than 700 megahertz. Many areas, including New York City, have spent millions of dollars of their own funds to build interoperable communication sys-

tems using bandwidths other than 700 megahertz. For more than 10 years, New York has been utilizing channels at 16 frequencies of 400 megahertz bandwidth to achieve interoperability. Given the city's dense urban areas, 700 megahertz just does not work, and that is just one example. You and I have discussed this, and I believe we are on the same page on this.

Secretary Chertoff and Chairman Thompson, I hope you agree this is a critically important issue for first responders across the country. I hope we can gain assurances from you two today that you will ensure that grant guidance permits the purchase of the systems operating on bandwidths other than 700 megahertz. I would further encourage you to let us know when and where the Department is having problems in issuing agreements with the Department of Commerce.

I believe, Mr. Chairman, this is an issue of which you and I are in full agreement.

Chairman THOMPSON. You are absolutely correct, Mr. King, and we will probably be sending a joint letter putting that position forward to the Secretary before the response. Thank you very much.

Mr. KING. I yield back the balance of my time.

Chairman THOMPSON. Thank you, Mr. Ranking Member.

Other members of the committee are reminded that, under the committee rules, open statements may be submitted for the record.

Again, I welcome our witness today. When he was confirmed in 2005, Secretary Michael Chertoff became the second person to serve as the head of the Department of Homeland Security. Prior to his confirmation, Mr. Chertoff served as a United States circuit judge for the Third Circuit Court of Appeals. Prior the that, he served as an Assistant Attorney General at the Department of Justice where he was instrumental in helping to trace the September 11th terrorist attacks to the al-Qa'ida network. He served in a number of other public service positions.

Mr. Secretary, I thank you for your service, and I appreciate your agreeing to testify here today.

Please.

**STATEMENT OF HON. MICHAEL CHERTOFF, SECRETARY,
UNITED STATES DEPARTMENT OF HOMELAND SECURITY**

Secretary CHERTOFF. It is a pleasure to appear here at the beginning of this new year and in Congress, and I appreciate the opportunity we have had already to meet informally, and I look forward to continuing that practice, which I think has been helpful to me, and I hope it has been helpful to you as well. I request that my full statement be made part of the record. I am going to just be brief in terms of summarizing what I have to say and then responding to questions.

This is a budget that reflects an 8-percent increase over our fiscal year 2007 budget, and actually, almost 50 percent over the 2003 fiscal year, so it does reflect an expanded amount of money recognizing that we have an expanded mission. It reflects the President's very strong commitment we articulated yesterday when we visited the Department, continuing to make sure we have the tools and resources that we need to enhance our security, but in a way that balances our freedom and our prosperity, and we do have, as

you point out, an enormous range of missions which I break down into 5 basic goals—keeping bad people out of the country, keeping bad or dangerous things out of the country, protecting our critical infrastructure, continuing to build a well-prepared and effective response capability, and finally, strengthening the institution of the DHS, itself—and I am just going to briefly review where we are now and what we have accomplished and where we want to go in the next fiscal year on each of these items.

Mr. Chairman, as you and the ranking member have pointed out, the border has become a very, very significant public issue, and we have devoted a lot of resources and have begun to see very positive results in getting control of the border. That includes investments we have made in high technology and tactical infrastructure. We are requesting \$1 billion for the SPSBE NET program to continue to support the deployment of high technology in a virtual fence across the border, and where appropriate, we are now putting up fencing on the border.

For example, in the Barry Goldwater range, which is basically a coordinated testing range for the military, we are putting up these pilings which will keep out vehicles, and we are welding fencing between the pilings to keep people out. That protects the people as well as the mission. I am delighted to say the Deputy Secretary was down there himself last week doing some of the welding, but in addition to the high-tech and the fencing, we are also well on the way to doubling the border patrol as the President committed last year, looking to have at the end of this coming fiscal year 17,819 border patrol and then getting to 18,319 by the end of the calendar year.

These boots on the ground, additional infrastructure and the fact that the National Guard has been working with us has produced some very significant results, which I will mention in a moment.

Another piece of this, of course, is when we apprehend people and what we do with them. We have ended the policy of catch and release for those who are illegally here and caught at the border. We have done that through a combination of better processing times, but also by increasing the number of beds from 18,500 in fiscal year 05 to 27,500 in this fiscal year, and are looking to add almost 1,000 additional beds for fiscal year 2008, which would get us to 28,500.

This has allowed us, to the extent the law permits, to detain and remove everybody that we catch at the border, and this has had a very significant deterrent effect with respect to non Mexicans who used to come into the country with the belief that, even when they were caught, they would be released into the community, and then they would never show up again. So we begin to see the deterrent effect as it is felt through the community of people who are trying to sneak in.

I am going to show you a chart now that shows what we have seen in terms of trends and apprehensions of people coming across the southern border, which show that since we began Operation Jump Start and our increased enforcement in the middle of last year, which was—you have the wrong chart up. No. Keep going back. We are going to show you the decreases in apprehensions.

What you will see is, from the third quarter of fiscal year 2006, which is when we began putting more boots on the ground, through the fourth quarter and into the present, we have had for the first time a reversal of the trend of the number of people coming across the border, the number of incursions and the number of apprehensions. That is quite dramatic. It went down 13 percent and 37 percent in the third and fourth quarters relative to the prior quarters. That does not mean that we have done the job. What it means is we have begun to have an impact, and it means that we now have some momentum which we have to keep building upon if we are to get this job done.

Finally, our increased work site enforcement, including a dramatic rise in the number of criminal penalties brought against companies that systematically violate the immigration laws, has begun to have an impact on that economic engine that draws people illegally into the country.

We have also made dramatic impact in terms of our protection of our ports. Three years ago, we only screened about 48 percent of our cargo overseas under the container security issue. Now we do 82 percent. Four or 5 years ago, we had no radiation portal monitors at our seaports. By the end of this year, virtually 100 percent of the containers coming into the United States will go through radiation portal monitors at our ports before they enter the country, and by the end of next year, our budget proposes to have virtually 100 percent of our land ports with the radiation portal monitors that will screen for radiation and for containers and cargo coming in. We are also, pursuant to the Safe Ports Act, beginning the process of deploying radiation systems and x-ray systems at overseas ports, including Pakistan, the United Kingdom and Honduras. So, to the extent that foreign governments allow us to do so, we can actually do this standing overseas.

Let me turn to critical infrastructure. Critical infrastructure, whether it be TSA where we are beginning to deploy document checkers to add a new level of defense for our air system or whether it is our new chemical plant regulations and toxic regulations and rail regulations, we are seeing significant steps forward raising the bar for security for all elements of our infrastructure. We have completed a national infrastructure protection plan. We have got submissions on each of the critical sectors in terms of their security plans, and we are working to validate and to elevate the security at all elements of our economy.

Let me turn fourth to emergency preparedness response. I think FEMA has demonstrated in the last year a remarkable turnaround from what I think you pointed out, Mr. Chairman, was a very sad story that we had to face last year at this time. In the recent response to the tornadoes in Central Florida, while not of a scale of Katrina, I think there is a hopeful sign in terms of our systems retooling all across the board, and we are requesting 149 million additional dollars to continue with this new initiative under Chief Paulson as well as money that we are going to use, \$48 million to further professionalize our disaster workforce by moving a significant number from being term employees to being permanent employees.

Let me turn to the issue of grants for a moment before I conclude. We recognize, of course, that there is always a desire for money in State and local governments, and we do have to operate within a pool even with an expanded budget where we have to make difficult trade-offs. Our commitment is to be risk-based, and that means, while we do not put all of the money in the high-risk areas, we are unquestionably leaning toward the high-risk areas in the way that we do allocate the money. We have listened to Congress. This year as opposed to in prior years, we have agreed to continue to propose grants in individual infrastructure categories as opposed to a single infrastructure grant program that lumps them all together, and our proposed funding continues the funding levels which Congress enacted last year. The urban area security initiative grants, which were \$770 million last year, we are proposing to increase to \$800 million, and although you are correct to say, Mr. Chairman, that the State home security grants were proposed to be cut by a little more than half, that is more than offset by the \$1 billion of interoperability funding, which will be available in fiscal year 2008 to address what everybody has recognized as a very high-priority, still unmet need.

I think the bottom line is that the money that will be in the hands of communities in fiscal year 2008 of the President's budget will be approximately the same as it was last year, and that is about \$3.2 billion, which I think is a very good news story. I also have to remind the committee that there is still over \$5 million that has been unspent, so there is plenty of money in the pipeline, and as we consider how to balance the competing demands, we want to keep the pipeline primed, but we do not necessarily want to overflow it.

Finally, Mr. Chairman, I take very seriously the results of the survey about which you mentioned. I recognize that, with any new department that is being stood up, physical constraints, shortages of money for training and the fact that we are working people very hard does have an impact on them. I have asked the deputy human capital officer and our under secretary of management to dig deeply into the survey to see what the causes of dissatisfaction are and to put together a plan that will give us better communication, better stability.

I am pleased to say some of the steps we have already taken, including increased professionalization of leadership in the workforce, for example, FEMA, is where we have now finally completed, essentially, populating our senior leadership with experience emergency managers and also getting started on a campus for DHS at St. Elizabeth's, which I think is an important part of what will settle the Department over the long term and build a culture and a spirit which are essential to having a happy and a productive workforce.

So, Mr. Chairman, I thank you for hearing me, and I look forward to answering your questions.

[The statement of Michael Chertoff follows:]

Statement for the Record
Michael Chertoff
Secretary
United States Department of Homeland Security
Before the
United States House of Representatives
Committee on Homeland Security
February 9, 2007

Mr. Chairman, Congressman King, and Members of the Committee:

As this is my first opportunity to appear before you in the 110th Congress, let me start by saying that I look forward to working with this Committee in making sure that the Department is operating and using its resources in the most effective and efficient manner to protect the homeland and the American people. While we have had many successes, there are numerous challenges that still remain. I am here today to ask for your partnership and support as we face these challenges. We may not see eye to eye on all issues, but we certainly agree that our interests are best served when we work together to achieve our common goal of securing this great Nation.

I am pleased to appear before the Committee today to highlight some of our key accomplishments of the last year and present President Bush's FY 2008 budget for the Department of Homeland Security (DHS). Five years after September 11, 2001, DHS is more dedicated than ever to our vision and accomplishing our mission. September 11, 2001, will forever be etched in our souls as we remember the lives lost, the terror felt, the sacrifices made, and the courage shown. As a result of the deliberate and malicious acts of our enemies that occurred on that day, the Department was formed and charged with the significant responsibility of securing America. As we approach our fourth anniversary on March 1, 2007, we recognize that the Department has endured challenges, yet bravely stood in the face of our Nation's enemies, diligently building systems to secure our homeland with urgency, flexibility and resolve.

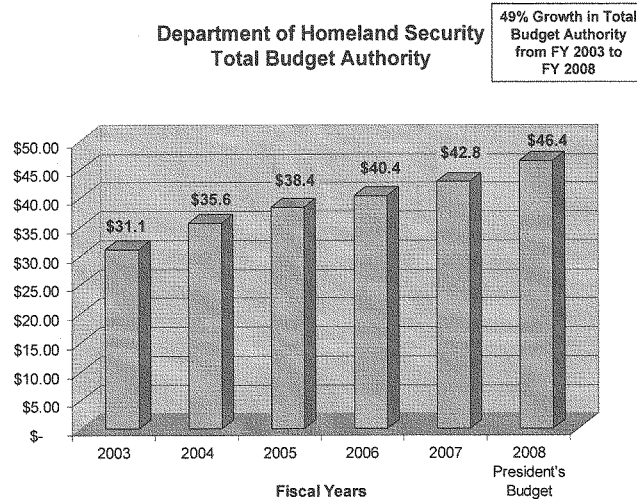
We must focus on the greatest risks and be flexible to changing threats, disciplined in our use of resources, and fully committed to building a Department that will meet future challenges, preserve freedom and privacy, and protect the American people. To achieve this, we will place considerable attention over the next two-year period on the following five goals:

- | | |
|---------|--|
| Goal 1. | Protect our Nation from Dangerous People |
| Goal 2. | Protect our Nation from Dangerous Goods |
| Goal 3. | Protect Critical Infrastructure |
| Goal 4. | Build a Nimble, Effective Emergency Response System
and a Culture of Preparedness |
| Goal 5. | Strengthen and Unify DHS Operations and Management |

We have already made great progress in each of these areas, and with the FY 2008 Budget, we will continue that momentum. Let me highlight some of our key accomplishments along with initiatives and ongoing programs in our FY 2008 budget request.

Overall, the FY 2008 budget request for the Department of Homeland Security represents an eight percent increase over FY 2007, with a total request of \$46.4 billion in funding. The Department's FY 2008 gross discretionary budget is \$37.7 billion, an increase of eight percent. Gross discretionary funding does not include funding such as Coast Guard's retirement pay accounts and fees paid for immigration benefits. The Department's FY 2008 net discretionary budget is \$34.3 billion, which does not include fee collections such as funding for the Federal Protective Service (ICE), aviation security passenger and carrier fees (TSA), credentialing fees (such as TWIC - TSA),

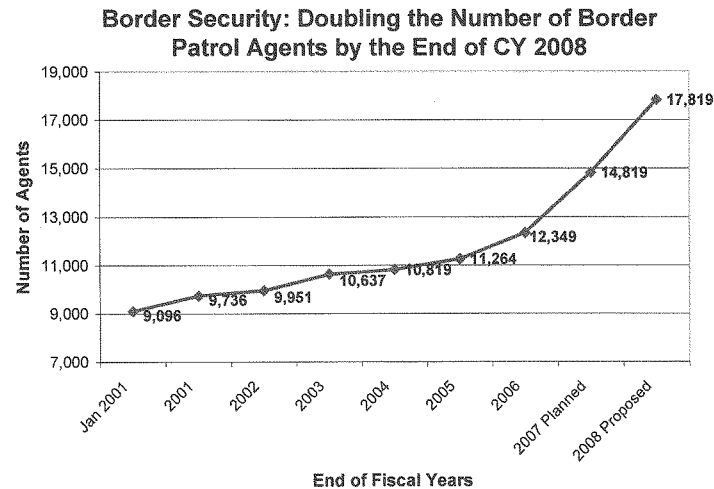
and premium collections (National Flood Insurance Fund, FEMA). It should also be noted that the FY 2008 President's Budget request reflects the Notice of Implementation of the Post-Katrina Emergency Reform Act of 2006 (P.L. 109-295) and of Additional Changes Pursuant to Section 872 of the Homeland Security Act of 2002, provided to Congress on January 18, 2007.



GOAL I: PROTECT OUR NATION FROM DANGEROUS PEOPLE

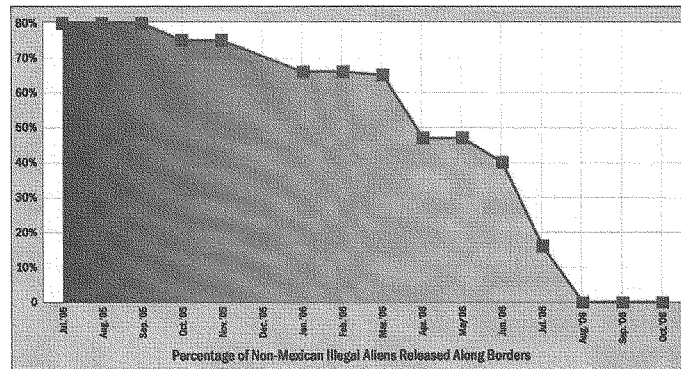
We have accomplished a lot in terms of continuing to protect our nation from dangerous people. Key accomplishments supporting this goal are as follows:

6,000 National Guard Deployed to Border: In support of the President's initiative to secure the border, 6,000 National Guard personnel were deployed to the Southwest border as part of *Operation Jumpstart*. In addition to the National Guard deployment, Border Patrol agent staffing increased by 8 percent, from over 11,200 to 12,349, as shown in the chart below.



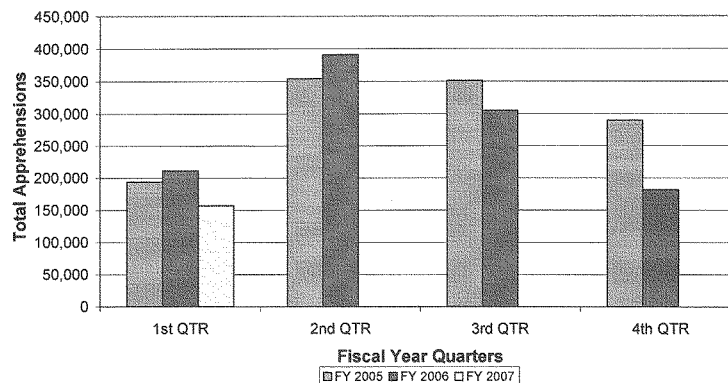
“Catch and Return” Replaced “Catch and Release” Along the Borders: As part of the Secure Border Initiative, the Department ended the practice of “catch and release” along the Southern and Northern borders. In the past, we apprehended illegal aliens from countries other than Mexico and then released them on their own recognizance. Often these illegal aliens failed to return for their immigration hearings. In July of 2005, we were releasing up to 80 percent of non-Mexican illegal aliens because we did not have the bed space to hold them. As of August 2006, we are holding 100 percent. When people know they will be held in detention and then returned to their home country, it creates a strong disincentive to cross illegally in the first place. Ending this practice and replacing it with “catch and return” is a breakthrough in deterring illegal immigration on the Southern border. This accomplishment is one that many considered impossible in 2005 when only approximately 34 percent of apprehended non-Mexican aliens were detained.

SBI Ends Catch and Release



Apprehension Rates Declined: FY 2006 showed a marked decrease in the apprehension rate due, in principle, to the end of “catch and release,” the implementation of *Operation Jumpstart*, and the expanded use of expedited removal procedures. The graph below provides historical data by fiscal year for total apprehensions of both Mexican and non-Mexican aliens between U.S. ports of entry. CBP’s Office of Border Patrol (OBP) made nearly 100,000 fewer apprehensions in FY 2006 than in FY 2005 due to these factors. This decline is represented below by quarter.

Border Security Deterrence



Border Security At and Between the Nation's Ports of Entry Increased: By deterring illegal immigration, security has been strengthened. DHS can more effectively target resources to control

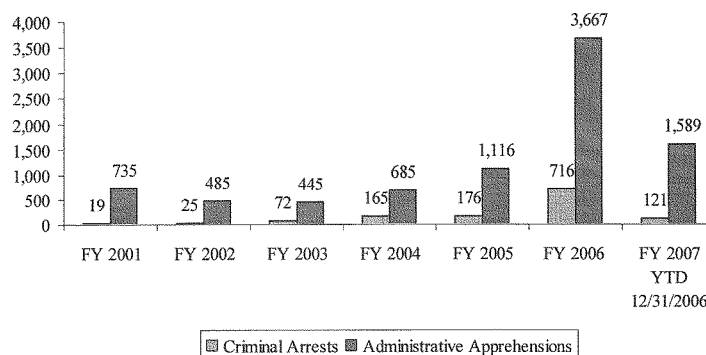
our borders with fewer alien crossings. As shown in the chart above, CBP Border Patrol agents reduced the number of apprehensions at the borders by more than 8 percent in fiscal year 2006. As a result of targeted coordinated enforcement efforts, CBP Border Patrol reduced non-Mexican illegal alien apprehensions by 35 percent.

CBP Increased Capability to Secure the Northern Border: CBP Air and Marine opened its third of five Air Branches planned for the Northern border of the United States. The Great Falls Air Branch in Montana joins the Bellingham, Washington, and Plattsburgh, New York, Air Branches in supporting Homeland Security efforts along the Northern tier.

Ports of Entry Inspections Formed First Line of Defense at Land Borders: CBP officers inspected 422 million travelers and more than 132 million cars, trucks, buses, trains, vessels, and aircraft. CBP officers inspected 1.19 million private vehicles, 11.48 million trucks, and more than 1 million aircraft.

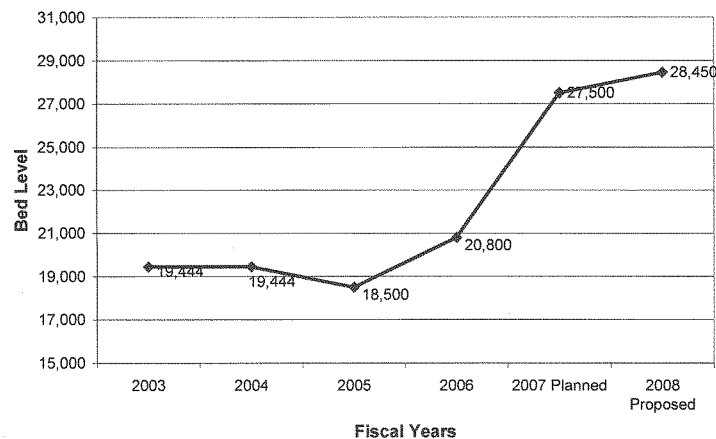
ICE Set New Records for Worksite Enforcement and Compliance Enforcement: As depicted in the graph below, in FY 2006 more than 4,300 arrests and apprehensions were made in ICE worksite enforcement cases, more than seven times the arrests and apprehensions in FY 2002, the last full year of operations for the U.S. Immigration and Naturalization Service (INS). ICE completed 5,956 compliance enforcement investigations resulting in the administrative arrest of 1,710 overstay and status violators, a 75 percent increase over the number of administrative arrests in FY 2005.

ICE: Worksite Enforcement Sets Record in FY 2006



ICE Set New Record for Alien Removals: ICE removed 189,670 illegal aliens from the country in fiscal year 2006, a 12 percent increase over the number of removals during the prior fiscal year. As shown in the following chart, ICE also increased its detention bed space by 6,700 and is now funded for a total of 27,500 beds for FY 2007.

ICE: Detention Beds Increased by 46 Percent



US-VISIT's Biometric Program Kept Terrorists and Other Criminals Out of Our Country: US-VISIT's biometric program increased watch list hits by 185 percent at consular offices. Keeping terrorists and other criminals out of our country protects the American people, while facilitating visits from legitimate travelers. In FY 2006 there were 2,558 watch list hits at consular offices, up from 897 hits in FY 2005. The use of biometrics has allowed DHS to deny entry to more than 1,100 known criminals and visa violators.

TSA Responded to Liquid Explosive Threat: Although over 600 million people fly each year, the Transportation Security Administration was able to perform necessary passenger screening operations preventing and protecting against adverse actions while attaining a new high in customer satisfaction. Customer satisfaction reached 81 percent, a new high for screening operations at the Nation's security checkpoints. In addition, in response to the foiled terror plot in England, TSA trained its 43,000 security officers to address the threat of liquid explosives. After two days, security wait times returned to normal levels. Six weeks later, after conducting extensive explosive testing with our Federal partners, TSA again proved its flexibility by modifying its ban on liquids by allowing limited quantities onboard aircraft. Again, efficiency was not seriously affected and in fact wait times during the Thanksgiving holiday in 2006 were slightly lower than in 2005.

U.S. Coast Guard Migrant Interdiction Efforts Contributed to Border Security: The Coast Guard evaluates its migrant interdiction effectiveness by counting the number of undocumented migrants from four primary source countries (Cuba, Haiti, the Dominican Republic, and the Peoples Republic of China) against the combined estimated yearly migration threat from these countries. There were 5,552 successful migrant arrivals out of an estimated threat of 51,134 migrants in FY 2006, yielding a deterrence and interdiction rate of 89 percent.

Intelligence Campaign Plan for Border Security (ICP): The ICP, managed by the Office of Intelligence and Analysis, is a departmental planning effort to provide comprehensive and coordinated intelligence support for the full spectrum of the Department's border security operations. The ICP is linking DHS intelligence resources, and those of state and local partners, with the Intelligence Community in order to deliver actionable intelligence to front-line operators and to fuse national intelligence with law enforcement information. As part of the ICP, we began developing and implementing, in partnership with the Director of National Intelligence, a robust strategy for collection and analysis of border security intelligence to support our operational missions. In addition, DHS intelligence analysts draw on their extensive experience in the Intelligence Community to help ensure that the Department gets full benefit from national collection assets.

The FY 2008 budget request includes funding to continue the progress made in protecting our Nation from dangerous people. Examples are as follows:

- Total funding of \$1 billion is requested for the **SBInet** program to support the deployment of an integrated infrastructure and technology solutions for effective control of the border to include fencing and virtual barriers to prevent illegal entry into the United States.
- Total funding of \$778 million will provide for **3,000 additional Border Patrol agents** as well as the facilities to house the agents, the support personnel, and equipment necessary to gain operational control of our borders. This will bring the total number of Border Patrol agents to 17,819 at the end of FY 2008. This will keep us on track to achieve the President's goal of doubling the Border Patrol by the time he leaves office.
- Increased funding of \$252 million is requested for implementation of the **Western Hemisphere Travel Initiative (WHTI)** at land ports of entry. The requested resources will advance the WHTI goal of ensuring that all people arriving at U.S. ports of entry have a valid and appropriate means of identification and can be processed in an efficient manner.
- An increase of \$146.2 million for the transition to **10-Print and IDENT/IAFIS Interoperability**. The funding will provide the capability to biometrically screen foreign visitors requesting entry to the United States through the collection of 10-print (slap) capture at enrollment. US-VISIT, along with the Departments of State and Justice, will be able to capture ten fingerprints rather than the current two, as well as increased interoperability between DHS' Automated Biometric Identification System (IDENT) and Justice's Integrated Automated Fingerprint Identification System (IAFIS).
- An increase of \$224.2 million in funding will support the Transportation Security Administration's screening operations. This includes funding for the **Transportation Security Officers (TSO), Document Checkers, Career Progression Program**, and procurement and installation of checkpoint support and explosives detection systems. TSA has evolved its TSO workforce to be highly responsive and effective in addressing the variety of potential threats, such as those presented in August 2006 by liquids, aerosols and gels. In FY 2008, TSA will add an important layer of defense for aviation security by assuming responsibility of document checking.

- An increase of \$38 million in funding will support development of the **Secure Flight** system. This includes funding for hardware procurement, operations ramp-up and training, and network interface engineering between the Secure Flight and the U.S. Customs and Border Protection (CBP) Advance Passenger Information System (APIS) network. Secure Flight will strengthen watch list screening and vet all domestic air travelers.
- An increase of \$28.7 million for the ICE **Criminal Alien Program** (CAP) will ensure the safety of the American public through the addition of 22 CAP teams. These teams will identify and remove incarcerated criminal aliens so they are not released back into the general population.
- An increase of estimated fee revenue of \$16.5 million in funding will support the **Transportation Worker Identification Credential** (TWIC) which will establish an integrated, credential-based, identity verification program through the use of biometric technology. In order to gain unescorted access to the secure areas within the Nation's transportation system, transportation workers who need access to these areas will go through identity verification, a satisfactory background check and be issued a biometrically verifiable identity card to be used with local access systems. The TWIC final rule has very recently been issued, and initial enrollment for this program is scheduled to begin in March 2007.
- A total of \$788.1 million is requested for the Coast Guard's **Integrated Deepwater System**. This funding will: complete the acquisition of four National Security Cutters; fund engineering and design costs for the Replacement Patrol Boat; and purchase four additional Maritime Patrol Aircraft. These long-awaited upgrades to its fleet will strengthen the Coast Guard's ability to safeguard our seaports from terrorists seeking to enter the country or transport dangerous weapons or materials.
- A funding request of \$30 million for U.S. Citizenship and Immigration Services' **Employment Eligibility Verification** (EEV) Program. Through this voluntary web-based program U.S. employers are able to quickly verify the employment eligibility of their employees, helping them avoid the hiring of unauthorized workers.
- Total funding of \$263 million requested for the **Federal Law Enforcement Training Center** (FLETC) will provide the most current basic and advanced training for our Nation's law enforcement officers. FLETC will provide training for over 53,000 students in FY 2008 including an estimated 4,350 Border Patrol Agents, 60 ICE Investigators and 530 ICE Detention Personnel in support of the Secure Border Initiative.

GOAL 2: PROTECT OUR NATION FROM DANGEROUS GOODS

We have also made a lot of progress in protecting our nation from dangerous goods. Key accomplishments include:

Increased the Number of Containers Inspected Prior to Entering the United States: Almost seven million cargo containers arrive and are offloaded at U.S. seaports each year. CBP increased the percent of shipping containers processed through its Container Security Initiative prior to

entering U.S. ports from 48 percent in FY 2004 to 82 percent in FY 2006. This significantly decreases the risk of terrorist materials entering our country while providing processes to facilitate the flow of safe and legitimate trade and travel from more foreign ports.

DHS Deployed Over 880 Radiation Portal Monitors at Land and Sea Ports: DHS deployed 283 new radiation portal monitors throughout the Nation's ports of entry, bringing the number of radiation portal monitors to 884 at the Nation's land and sea ports of entry. These additional RPMs allow us to inspect 90 percent of incoming cargo containers, an increase of approximately 30 percent from this time last year.

DNDO Awarded over \$1 Billion for Next Generation Nuclear Detection Devices: DNDO announced the award of Advanced Spectroscopic Portal (ASP) program contracts totaling \$1.15 billion to enhance the detection of radiological and nuclear materials at the Nation's ports of entry. ASP models were deployed to the Nevada Test Site, where they will be tested using nuclear threat material. Portals have also been delivered to the New York Container Terminal for data collection.

Secure Freight Initiative Launched to Begin Screening at Foreign Ports: DHS and the Department of Energy announced the first phase of the Secure Freight Initiative, an unprecedented effort to build upon existing port security measures by enhancing the federal government's ability to scan containers for nuclear and radiological materials overseas and to better assess the risk of inbound containers. The initial phase involves the deployment of a combination of existing technology and proven nuclear detection devices.

Protected Air Cargo: Recently published air cargo security rules help prevent the use of air cargo as a means of attacking aircraft. The rules mark the first substantial changes to air cargo regulations since 1999, and represent a joint government-industry vision of an enhanced security baseline. These new measures will be enforced by an expanded force of air cargo inspectors, who will be stationed at the 102 airports where 95 percent of domestic air cargo originates.

U.S. Coast Guard Set Records for Drug Seizures and Arrests: This year, counter-drug boardings from U.S. and Royal Navy vessels resulted in all-time records for seizures and arrests. The 93,209 pounds of drugs that were seized was more than the combined amount seized in the last two years.

The FY 2008 budget request includes funding to build on the accomplishments made in protecting our Nation from dangerous goods. Some examples include:

- Total funding of \$178 million is requested for the **procurement and deployment of radiation portal monitors**, including next-generation Advanced Spectroscopic Portal (ASP) systems. Our goal is to screen almost 100 percent of arriving cargo at seaports by the end of this year, and nearly 100 percent at all of our ports of entry by the end of FY 2008.
- An increase of \$15 million is requested for the **Secure Freight Initiative** that is designed to maximize radiological and nuclear screening of U.S. bound containers from foreign ports. Secure Freight includes a next generation risk assessment screening program and an overseas detection network, while merging existing and new information regarding containers transiting through the supply chain to assist customs and screening officials in making security and trade decisions.

- An increase of \$47.4 million is requested for DNDO's "**The Acceleration of Next-Generation Research and Development**" program which will increase funding across multiple DNDO Research, Development, and Operations program areas. The largest increases will be for the Systems Development (including multiple variants of Advanced Spectroscopic Portal systems) and Transformational Research and Development program areas.

GOAL 3: PROTECT CRITICAL INFRASTRUCTURE
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Working closely with State and local officials, other Federal agencies, and the private sector, DHS helps to ensure that proper steps are taken to protect critical infrastructure, property and the economy of our nation from acts of terrorism, natural disasters or other emergencies. America's critical infrastructure includes food and water systems, agriculture, health systems and emergency services, information and telecommunications, banking and finance, energy (electrical, nuclear, gas and oil, dams), transportation (air, road, rail, ports, waterways), the chemical and defense industries, postal and shipping entities, and national monuments and icons.

Summarized below are some of the key accomplishments associated with the goal of protecting critical infrastructure:

Buffer Zone Protection Plans Helped Protect Communities from Potential Terrorist Attacks Against Chemical Facilities: In 2006, 58 percent of identified critical infrastructure has implemented Buffer Zone Protection (BZP) Plans, up significantly from our FY 2005 percentage of 18 percent. The Department worked in collaboration with State, local, and tribal entities by providing training workshops, seminars, technical assistance and a common template to standardize the BZP plan development process.

DHS Completed the National Infrastructure Protection Plan (NIPP): The NIPP is a comprehensive risk management framework that clearly defines critical infrastructure protection roles and responsibilities for all levels of government, private industry, nongovernmental agencies and tribal partners.

TSA Conducted Rail Security Explosives Detection Pilot Programs: Rail Security Explosives Detection Pilot Programs were conducted in Baltimore, MD and Jersey City, NJ to test and evaluate security equipment and operating procedures as part of DHS' broader efforts to protect citizens and critical infrastructure from possible terrorist attacks.

U.S. Coast Guard Implemented the National Capital Region Air Defense Mission: The U.S. Coast Guard officially assumed responsibility for air intercept operations in the Nation's capital from CBP. The Coast Guard will support the North American Aerospace Defense Command's mission with its rotary wing air intercept capability. Coast Guard HH-65C helicopters and crews will be responsible for intercepting unauthorized aircraft which fly into an air defense identification zone that surrounds Washington, D.C. Since assuming the mission on September 25, 2006, the Coast Guard has successfully responded to 23 of the 23 incursions into the National Capital Region Air Space.

The Secret Service Continued its 100 Percent Protection Rate of Our Nation's Leaders: To safeguard our Nation's leaders, the Department operates the Domestic Protectees program 24 hours a day, 365 days a year to protect the President and Vice President and their families, former Presidents and their spouses, and other individuals designated by statute or Presidential directive. All protectees arrived and departed safely 100 percent of the time at more than 6,275 travel stops during FY 2006.

We will protect critical infrastructure by continuing to foster mutually beneficial partnerships with industry owners and operators. Our FY 2008 budget request builds on the 17 sector-specific plans as identified in the National Infrastructure Protection Plan (NIPP), which will be complete this year. We will continue to enhance protection through our chemical plant security program and regulations to protect high risk rail shipments in urban areas. The FY 2008 budget request will support this goal by providing:

- An increase of \$30 million is requested for DNDO's "**Securing the Cities**" initiative. Building off analytical work done in FY 2006 and FY 2007 in support of the New York region, DHS will begin the implementation of strategies developed through the course of this analysis. Activities included in the development of regional strategies include analyses of critical road networks, mass transit, maritime, and rail vulnerabilities. DNDO will engage State and local partners in additional urban areas beginning in FY 2008 to tailor strategies and lessons learned from the New York region to meet requirements specific to these regions.
- An increase of \$21.9 million is proposed for the newly formed **Science and Technology Office of Innovation** to provide increases to programs developing game-changing and leap-ahead technologies to address some of the highest priority needs of the Department. The technologies being developed will be used to create a resilient electric grid to protect critical infrastructure sites, detect tunnels along the border, defeat improvised explosive devices, and utilize high-altitude platforms and/or ground-based systems for detection and engagement of MANPADS in order to offer alternative solutions to installing systems on aircraft.
- An increase of \$15 million is requested to improve **Chemical Site Security** and regulate security of chemical plants. The funding will be used to establish the Chemical Security Compliance Division which will include a national program office to manage training of inspector staff, help desk personnel and other administrative staff. The division will also include an Inspector/field staff of subject matter experts in chemical engineering, process safety, as well as an adjudication office. Funds will also be spent on assisting chemical facilities with vulnerability assessments.
- TSA requests an increase of \$3.5 million to expand its **National Explosive Detection Canine Team** program by approximately 45 teams to support the Nation's largest passenger transportation systems in both mass transit and ferry systems.
- An increase of \$11.5 million is requested for the **Coast Guard's National Capital Region Air Defense** program. This funding is needed to make seven HH-65 helicopters fully mission ready, enabling the Coast Guard to continue protecting the National Capital Region against potential airborne attacks.

- An increase of \$35.6 million for the **Presidential Campaign** will enable the Secret Service to provide the appropriate level of resources to adequately protect the candidates and nominees during the 2008 Presidential Campaign while sustaining other protective programs.

**GOAL 4: BUILD A NIMBLE, EFFECTIVE EMERGENCY RESPONSE SYSTEM AND A
CULTURE OF PREPAREDNESS**

We have taken many steps toward building a nimble, effective emergency response system and culture of preparedness. Examples of major accomplishments supporting this goal are summarized below:

Federal, State, Local and Tribal Governments are Better Able to Protect Against Acts of Terrorism, Natural Disasters, or Other Emergencies: The percent of Federal, State, local and tribal governments that self-reported their compliance with the National Incident Management System (NIMS), for FY 2006 was 100 percent, up from 82 percent. NIMS establishes standardized processes, protocols, and procedures that all responders - Federal, State, tribal, and local - will use to coordinate and conduct response actions. With responders using the same standardized procedures, they will all share a common focus in national preparedness and readiness in responding to and recovering from an incident should one occur.

FEMA's Average Response Time to Arrive at a Disaster Scene Has Improved: With a goal of 48 hours for Federal response teams to arrive on scene at a disaster site, during FY 2006 our average response time was 25 hours. Improving the timeliness of specialized Federal response teams has saved lives, reduced property loss, enabled greater continuity of services, and enhanced logistical capability in the wake of disasters.

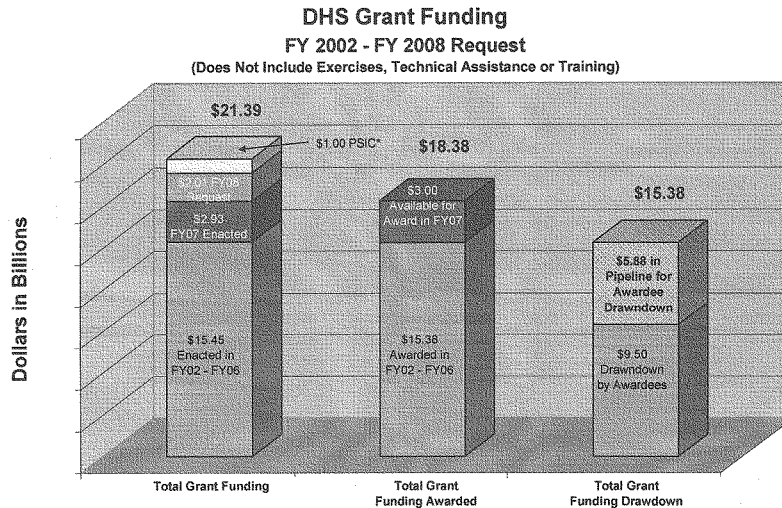
Customer Satisfaction with FEMA's Recovery Assistance Has Improved: To ensure that individuals and families that have been affected by disasters have access to the full range of response and recovery programs in a timely manner, the Department seeks to increase the annual customer satisfaction level among recipients, while reducing the program delivery cost and increasing the timeliness of service delivery. With a goal of 90 percent satisfaction with Individual Recovery Assistance programs, during FY 2006 we achieved a customer satisfaction rating of 91 percent in response to the question "Overall, how would you rate the information and support you received from FEMA since the disaster occurred?"

FEMA Expands Capability to Assist Disaster Victims: FEMA increased registration capability to 200,000 victims a day through its toll-free registration number, online registration process, registering individuals in shelters and using mobile units; increased home inspection capacity to 20,000 a day; activated a contract to assist in identity verification in future disasters; and tightened processes to speed up delivery of needed aid while simultaneously reducing waste, fraud and abuse.

FEMA Strengthened Logistics Management Capabilities: FEMA implemented the Total Asset Visibility (TAV) program in two Regions to provide enhanced visibility, awareness, and accountability over disaster relief supplies and resources. It assists in both resource flow and supply chain management.

FEMA Improved Communications and Situational Awareness: To improve upon existing communications systems, DHS has initiated technological advances and elevated the standard by using satellite imagery, upgrading radios, and employing frequency management. The new National Response Coordination Center at FEMA and Mobile Registration Intake Centers are now operational.

DHS Awarded \$2.6 Billion for Preparedness: Included in this total, approximately \$1.9 billion in Homeland Security Grant funds has been awarded to State and local governments for equipment, training, exercises and various other measures designed to increase the level of security in communities across the Nation. \$400 million in grants was awarded to strengthen the Nation's ability to prevent, protect against, respond to, and recover from terrorist attacks, major disasters and other emergencies that could impact this country's critical infrastructure. Almost \$300 million was also distributed in fire grants to fire departments and EMS organizations to enhance their response capabilities and to more effectively protect the health and safety of the public and emergency response personnel with respect to fire and all other hazards. Of the funds awarded to State and local governments, almost \$400 million was used to support State and Local Fusion Centers - valuable partnerships in place across the nation in which interagency efforts are focused to better share intelligence with state and local governments. The graph below shows the funding available to States and localities since FY 2002.



* In coordination with the DHS State Preparedness Grant Program, DHS will be co-administering the \$1.0 billion Public Safety Interoperable Communications (PSIC) grant program, in partnership with the Department of Commerce.

DHS Reviewed 131 State and Local Emergency Plans: By reviewing State and local disaster plans, collocating decision-makers, and pre-designating Federal leadership, DHS is improving coordination across all levels of government. Through the Nationwide Plan Review, DHS

completed visits to 131 sites (50 states, 6 territories, and 75 major urban areas) and reviewed the disaster and evacuation plans for each. These reviews will allow DHS, states and urban areas to identify deficiencies and improve catastrophic planning.

DHS issued **Tactical Interoperable Communication Scorecards for 75 Urban/Metropolitan Areas**. These scorecards measured the ability of Urban/Metropolitan Areas to provide tactical (within one hour) communications capabilities to first responders. This process included the creation of Tactical Interoperable Communications Plan (TICP), peer evaluation, full-scale exercise, and after action reports.

U.S. Coast Guard Search and Rescue Efforts: No one can predict when the next disaster will occur or whether it will be natural or man-made. Nevertheless, it will come, and the public expects the Coast Guard to be mission ready to answer the call and respond. The Coast Guard rescued 85 percent of mariners in imminent danger during 2006.

The FY 2008 budget request includes funding to build on these accomplishments. Examples include such things as:

- An increase of \$100 million is requested for FEMA's **Vision Initiatives** that will enable the agency to intensify and speed the development of core competencies that are central to achieving its disaster readiness, response and recovery mission. A combination of staffing increases, new technologies, and targeted investment in equipment and supplies, will increase FEMA's mission capacity in the areas of Incident Management, Operational Planning, Continuity Programs, Public Disaster Communications, Hazard Mitigation, Disaster Logistics, and Service to Disaster Victims.
- A total of \$3.2 billion will be available for **State and local preparedness expenditures as well as assistance to firefighters** in FY 2008, as shown in the following table. In addition to the \$2.2 billion requested by DHS to fund its grant, training and exercise programs, DHS will also be co-administering the \$1.0 billion Public Safety Interoperable Communications (PSIC) grant program, in partnership with the Department of Commerce.

Grants and Training

\$ in Thousands

Budget Activity	FY 2006 Enacted	FY 2007 Request	FY 2007 Enacted	FY 2008 Request
State Preparedness Grants Program	1,185,000	838,000	1,148,000	465,000
State Homeland Security Grants	550,000	633,000	625,000	250,000
Interoperability (PSIC) Grants ¹				[1,000,000]
LETPP ²	400,000	-	375,000	-
Emergency Management Performance Grants	185,000	170,000	200,000	200,000
Citizen Corps Grants	20,000	35,000	15,000	15,000
Metro Medical Response System	30,000	-	33,000	-
Targeted Infrastructure Capability Grants Program	1,155,000	1,438,000	1,229,000	1,256,000
Urban Area Security Initiative (UASI) Grants	765,000	838,000	770,000	800,000
Infrastructure Protection Grants	-	600,000	-	-
Port Security Grants	175,000		210,000	210,000
Rail/Transit Grants	150,000		175,000	175,000
Intercity Bus Security Grants	10,000		12,000	12,000
Buffer Zone Protection Grants	50,000		50,000	50,000
Trucking Industry Security Grants	5,000		12,000	9,000
Subtotal - Homeland Grant Programs	2,340,000	2,276,000	2,377,000	1,721,000
National Exercise Program	52,000	48,708	49,000	50,000
State and Local Training Program	210,000	92,351	218,000	95,000
Continuing and Emerging Training Grants	25,000	3,000	31,000	3,000
Demonstration Grants	30,000	-	30,000	-
Center for Domestic Preparedness	57,000	50,000	57,000	54,000
National Domestic Preparedness Consortium	88,000	39,351	88,000	38,000
Rural Domestic Preparedness Consortium	10,000	-	12,000	-
Technical Assistance Program ³	20,000	11,500	18,000	6,000
Eval and National Assessment Program	14,300	23,000	19,000	19,000
Commercial Equip Direct Assist. Program	50,000	-	50,000	-
Fire Act Program	655,000	293,450	662,000	300,000
Fire Program Activities	545,000	293,450	547,000	300,000
SAFER Act Hiring Program	110,000	-	115,000	-
REAL ID Act Grants	40,000	-	-	-
Management and Administration	5,000	5,000	-	5,000
Total, DHS G&T	3,386,300	2,750,009	3,393,000	2,196,000
Interoperability (PSIC) Grants ¹				1,000,000
Grand Total	3,386,300	2,750,009	3,393,000	3,196,000

1 In coordination with DHS' State Preparedness Grant Programs, FEMA will be co-administering the \$1 billion Public Safety Interoperable Communications (PSIC) grant program in partnership with the Department of Commerce, pursuant to P.L. 109-171 and P.L. 109-459. The funding for this program was appropriated per The Deficit Reduction Act of 2005 from anticipate spectrum auction receipts, and therefore is not included as requested DHS budget authority. However, PSIC will support interoperable communications grants to States and local public safety agencies, and adjusted totals are provided to illustrate the level of grant funding that will become available for State and local preparedness projects.

2 Funding for LETPP in FY 2008 is estimated to be \$262.5 million and reflects a 25% carve out of State Homeland Security Grants and UASI Grants.

3 Reflects a \$12 million transfer from Technical Assistance to the Office of Emergency Communications for the Interoperable Communications Technical Assistance Program (ICTAP).

- A realignment of \$132.7 million in base resources is requested to establish a **Deployable Operations Group** and strengthen the Coast Guard's overall response capability. The alignment of Coast Guard's deployable, specialized forces under a single command will improve and strengthen Coast Guard's ability to perform day-to-day operations *and* respond to maritime disasters and threats to the Nation.
- A total of \$48 million is requested to further professionalize **FEMA's disaster workforce** by converting Cadre of On-Call Response Employee (CORE) positions with 4-year terms into permanent full-time employees. This transition will stabilize the disaster workforce, allowing for the development and retention of employees with needed program expertise and increased staffing flexibility to ensure critical functions are maintained during disaster response surge operations.
- An increase of \$12 million for the **Nationwide Automatic Identification System** will continue funding for this vital project that significantly enhances the Coast Guard's ability to identify, track and exchange information with vessels in the maritime domain, especially those vessels that may threaten our Nation.

GOAL 5: STRENGTHEN AND UNIFY DHS OPERATIONS AND MANAGEMENT

It has been a challenge to take 22 separate agencies, each with their own set culture and way of operating and merge them together into a unified Department with a common mission of securing the homeland from terrorist and other threats. We have made many strides in strengthening the Department's operations and management. Major accomplishments include the following:

Chief Human Capital Office Moved Forward with Performance Management Goals: DHS deployed its performance management program and its automated system to approximately 10,000 employees in multiple components and trained 350 senior executives and more than 11,000 managers and supervisors in performance leadership.

The Office of Security Completed HSPD-12 Goals: The Office of Security met all Homeland Security Presidential Directive (HSPD) 12 requirements by deploying an HSPD-12 compliant credentialing system and associated policy and procedures. This new credential meets all Federal requirements for interoperability and security.

The Chief Procurement Office Exceeded Small Business Goals: DHS awarded approximately 34 percent of DHS prime contracts to small businesses, exceeding the goal by 4 percent.

Chief Information Office Stood up New Data Center: Data Center Services completed the Stennis Space Center Data Center Construction Phase I, 24,000 square feet, on time and the first application has been transferred to this data center.

The FY 2008 budget request includes funding to build on the accomplishments made in this area. We will strengthen and unify DHS operations and management by joining DHS headquarters' facilities at a single campus, beginning in 2010. We will unify IT infrastructures by reducing 17 data centers to two, seven networks to one, and through a common email operation. We will meet HSPD-12 goals by providing all newly-hired DHS employees with a single, secure, tamper-proof

smartcard that allows interoperable access to DHS facilities and systems. We will integrate our hiring, retention, training and development, and performance programs by the end of 2008. Other specific examples of items included in the FY 2008 budget include:

- An increase of \$139 million in premium processing fees will transform and improve **USCIS Business processes** and out-dated information technology systems. This investment will improve customer service and processing times of immigration applications, increase security and fraud detection, and support automation of USCIS operations by eliminating the current paper-based processes and antiquated technology.
- An increase of \$120 million is requested for the **DHS Consolidated Headquarters Project** for the relocation of the USCG Headquarters and the consolidation of other DHS components on the St. Elizabeths West Campus and throughout the National Capital Region.
- A total of \$99.1 million will continue to support the **Inspector General** activities to serve as an independent and objective inspection, audit, and investigative body to promote economy, efficiency, and effectiveness in DHS programs and operations.
- A total of \$17 million in new funding within ICE and CBP will help improve the **internal oversight** of personnel. This is especially critical as the workforces of these organizations are continuing to expand. Timely attention to allegations of misconduct is critical to DHS success.
- An increase of \$9.6 million for the **Office of the Chief Procurement Officer** is requested to improve acquisition operations. The Department is committed to establishing the staffing necessary to properly award and administer Department-wide acquisition programs to ensure effective delivery of services and proper procurement and contracting procedures in compliance with all Federal Laws and Regulations Governing Procurements.
- An increase of \$5 million is requested for the **Policy Office** to strengthen the Department's Committee on Foreign Owned Investments in the United States, work with states on the Real ID Act, and expand the duties of the International Affairs Office.
- An increase of funding is requested for the **Office of Intelligence and Analysis** to strengthen the Department's intelligence and information sharing capability and to continue integrating the intelligence offices and programs of the Department.

Conclusion

I am sure you will recognize that with the support of Congress, the Department has had many successes. I have outlined many of them in my testimony today and how they relate to the Department's five goals. We have also learned from our experiences certain things that we could have approached differently to get better results. As we move forward to face the many challenges ahead, those lessons learned will be at the core of our planning and implementation efforts. I am looking forward to working in partnership with the 110th Congress to build on our many accomplishments and focus on getting the desired results.

Thank you for inviting me to appear before you today. I look forward to answering your questions and to working with you on the FY 2008 budget and other issues.

Chairman THOMPSON. Thank you, Mr. Secretary. I thank you for your testimony, and I recognize myself for 5 minutes for the beginning of the questions.

I guess the first question, Mr. Secretary, is you have seen the budget. Are you satisfied with it? Is it enough resources for you to do your job?

Secretary CHERTOFF. I am satisfied, Mr. Chairman. I believe it presents us with a lot of resources, which I think we can use appropriately and in a disciplined fashion but which addresses what we need to get done in 2008 to build on the progress up till now.

Chairman THOMPSON. Given that, you talk about the poll that was taken by OPM relative to morale in staff. That is a real problem. I want to bring it to your attention in the sense that the committee will be looking over the next few months on how you propose to resolve what we think is too significant an issue not to have a plan in place to address, but it is a major issue.

Last month, I talked to you about the western hemisphere travel initiative, and that I had a talk with some ministers from the Caribbean relative to the passport requirement, and more specifically, I had spoken with the Bohemian administrator of tourism, Mr. Obie Wilshim, and he was concerned that, with the implementation of this initiative, it might have an adverse effect on tourism.

At that time, you felt that it was the right thing to do but that, in the interim, for people who might have a problem, we would have created an opportunity for them to phase in, if you please, that implementation.

Can you give me some idea as to how that is going?

Secretary CHERTOFF. Yes, I would be delighted to.

We did track this very carefully in the period of time leading up to the deadline, which was January 23rd. We have done it since then. We have discovered that, thanks to some very good communication by the destinations and by the airlines, at the time that we actually began the program on January 23rd, we had virtually perfect compliance. We had very few instances where people did not have the passports that they needed at the border. In those few instances where they have not, we have allowed people in, and we have simply told them to have the requirement in the future. We have obviously checked their identification. Although I have said I think the press was dogged in trying to search out stories of problems at the airport, I have not seen any report of any significant problem with respect to the program, and there is, as we speak, virtually 100-percent compliance at all of our ports of entry.

So it is a very important program because it is an important security measure for the country. I am pleased to say we were able to put it in without a lot of inconvenience.

Chairman THOMPSON. Okay, a lot of that is with Canada. What about with the Caribbean?

Secretary CHERTOFF. It was 99 percent.

Chairman THOMPSON. With the Caribbean?

Secretary CHERTOFF. Yes. Yes. In some cases, I think it was 100 percent. I mean it was really quite remarkable that people got the message and carried through on it.

Chairman THOMPSON. And I appreciate the fact that you facilitated a window of opportunity for those individuals who might not

have received the information relative to the passports. Was it 30 years or some kind of window?

Secretary CHERTOFF. Well, we continue to have the window open, and happily, it has been a window which very few people have had to pass through. So, you know, eventually, I think we will—let me say, Mr. Chairman, we have always allowed people—Americans—to return. It is just that, if you do not have a passport, it sometimes becomes a little bit more difficult. I do not envision this as being any more problematic than what we face, for example, when people come back from Europe or Asia.

Chairman THOMPSON. Well then, that is fine, and that resolves the question.

Relative to the experiments under the Safe Ports Act, we have shared with you some concern about the technology that is being deployed at the ports—you can expect the communication from the committee—as to whether or not that technology is state-of-the-art technology, whether it foreign-owned technology or what have you, and I would appreciate your response to it.

I now yield to the ranking member.

Mr. KING. Thank you, Mr. Chairman.

Mr. Secretary, on the issue of grants, they are being cut by \$420 million on port security. We authorized \$400 million, and only \$210 million is going in the budget of port security grants, and I know you are saying that the \$1 billion from the interoperability is to partially offset that. The fact is I was part of those negotiations at the time. I do not recall its ever being suggested that that \$1 billion would be in lieu of money that was supposed to be supplement to what is already being spent. It was not supposed to be fill-in. So I would have a really, you know, serious difference with you on that. Let me just ask several questions then and ask you if you could answer them.

One, on interoperability, if you could tell us, number one, what is the status of the memorandum of understanding between DHS and the Commerce Department? Secondly, as far as guest workers, if the U.S. visit plan is not able to control both entry and exit, how can a guest worker program work at this stage? I think this is probably a follow-up to what the chairman was referring to.

As far as radiation portal monitors, I know as to the ones that were installed on the test project, in the pilot project on Staten Island, the GAO last fall, I believe, said there were serious deficiencies with them. If you could update us on what the status of that is.

With that, I will give you the opportunity to answer. Thank you.

Let me just make one other point, Mr. Secretary. I always enjoy seeing you up here. The chairman enjoys seeing you up here. The fact is I do think that Congress has taken a golden opportunity this year to consolidate jurisdiction in one committee. My just quick reading is, with the seven full committees that have any number of subcommittees that are calling your people up here continually when we do have hurricanes to fight and a war to fight, I just think it puts too much stress on the Department to constantly have the top management coming up here to appear before most of the committees and subcommittees who are trying to get their moment in the sun.

Secretary CHERTOFF. Well, I certainly endorse the idea of allowing us to consolidate our appearances before this committee on the authorization side, and comparably on the Senate, that is what the 9/11 Commission recommended, and it would certainly, I think, not only make my life easier, but we would actually continue to build on it, and a very productive relationship will be developed both informally and in more formal settings.

On the three questions you raised, the memorandum of understanding is very close to being signed. If it is not signed within the next week or 10 days, I am going to get on the phone or sit down with Secretary Gutierrez, and we will just get it done. I do not think there is any obstacle in principle. It is just kind of a paper-work issue.

With respect to TWP—temporary worker program—and U.S. visit exit, it is quite clear that a foundation of a temporary worker program will have to require a secure identification card, and then that card will have to be something which it will be in the interest of the temporary worker to make sure it is being recorded when that person enters and leaves the country, but the number of people involved in that program dwarfs the number of people who cross the northern and southern borders every year. I think the total number of crosses we have every year are 400 million, and I will be very candid about what the problem or the challenge we face with exit is.

We intend to move forward in the next year with exit at the airports. In fact, we have money in the budget to handle that at the apartments. At the land ports of entry, though, if we were to be required to stop every single person when they leave to determine who is a citizen and who is not a citizen and who has to give their biometric and who does not have to give their biometric, we would have extremely long lines in places like Detroit and Buffalo and the southern border as well. So we need to come up with a more efficient system for determining who is leaving as part of U.S. exit, and that is going to require us to work with the Canadians and the Mexicans to see whether we can share information on their side of the border so people only have to stop once rather than twice.

At the same time, it is very important—and we are putting, I think, about \$140 million into the budget this year—that we move forward with a second part of U.S. visit, entry, which is the ten fingerprints, which allow us to match the fingerprints of people coming into the country, foreigners, against latent fingerprints we pick up from battlefields and safe houses all over the world, and that is something which directly adds, probably, the largest step up in security at the borders of any screening tool that we have.

Finally, with respect to the radiation portal monitors, I believe the GAO report was based on an early pilot study, and I have spoken to the head of the DNDO. The advance monitors we are looking at now have a much higher success rate, and of course, we will be testing them operationally before we invest a significant amount.

Mr. KING. Thank you Mr. Secretary.

Chairman THOMPSON. Thank you very much.

I now yield to the gentlelady from California, Ms. Sanchez.

Ms. SANCHEZ. Thank you, Mr. Chairman and Mr. Secretary, for being before us today.

I just want to make a little aside with respect to something that Ranking Member King said about, you know, if we do not have a U.S. visit program, we are not going to be able to do the guest worker program if there were to be some sort of program put in in the future, and I would just say we are not going to be able to make sure that any of our immigration reforms are passed along, whether it is naturalized citizens, whether it is, you know, residents. It is just a security issue. So it is incredibly important that these programs we have, like U.S. visit, actually work before we ever pass some sort of immigration reform.

I mean, we have to—as a sovereign state, I believe we need to know who is coming in and out, and that U.S. visit program is incredibly important, both at the airport and at land and port entries.

Mr. Secretary, I want to ask you a little bit about the catch-and-release policy. I want to know when you all decided to end the catch and release policy, how long it has been in place, what the actual logistics are of such a program, especially in light of a lot of allegations that I have received from civil liberties and immigration law groups that illegal immigrants are confined for 23 hours a day in windowless tents made of Kevlar-like material, are often without insufficient food, clothing, medical care, and very little or no access to telephones and counsel.

So I want to hear how did you come to this, what you think it really looks like if you are somebody who ends up in this catch-and-release program, and I would like to know how many OTMs have you returned to their native countries since you started doing it this way.

Secretary CHERTOFF. Catch-and-release was a policy that existed long before I ran the Department, and it reflected the fact that we did not have enough detention beds to hold nonMexicans who accorded the border. Now, Mexicans can simply be returned across the border on the same day, so there is no detention issue, but people from, you know, Guatemala or China or other parts of the world require processing before they can be sent back to their native countries. So the question is what do you do with them?

Until 2006, because of the shortage of beds and because of the cumbersome process, most of them were released, and the consequences of that is most of them never showed up for their court hearing.

Ms. SANCHEZ. I think we all understand that.

I am trying to get a feel for what does it look like. How long has it been, and what have been the results? Because the real result we want is to get this person back to their home country—

Secretary CHERTOFF. So here is what we do.

Ms. SANCHEZ. —and when we read in the paper it is taking 12 months or 18 months of hanging out in some tent on the border, this does not make us look good or efficient.

Secretary CHERTOFF. Let me break it into two categories. For the people who are now subject to what I call “catch-and-return,” people caught at the border, they are put on expedited removal. The average time to remove them used to be 90 days. It has now been

reduced to about 20 days, which means that people who are caught at the border and put in expedited removal are returned in approximately 20 days to their home countries. There are some, obviously, exceptions. That is an average.

I want to separate that from the category of people who are detained in the interior. There, we do not necessarily always detain people when we catch them illegally, because we do not have the beds to do that for everybody, but we do generally detain those who either have criminal records or who are particular flight risks or who have some other characteristic that suggests they ought to be a higher priority.

Sometimes those cases do take a while to process because the individual involved is pursuing legal remedies in the United States, which are very time-consuming, and so, while they are in that process, often the judge determines—sometimes the judge bails them out, but sometimes the judge determines that it is appropriate to detain them. So 12 and 18 months applies to people who are detained in the interior, and it really is a function of the way the immigration court system operates.

Ms. SANCHEZ. After the 20 days, does this OTM get before a judge?

Secretary CHERTOFF. Expedited removal, as a matter of law, does not put you in front of a judge.

Ms. SANCHEZ. And my last quick question before my time runs out: Are these camps also on the northern border, and are we doing the same thing at the northern border, or are you really just doing this at the southern border?

Secretary CHERTOFF. We have detention centers all over the country. Ninety-nine percent of the people who come across the border illegally between the ports of entry come through the southern border. So, when we built the particular tent camp that you are talking about—

Ms. SANCHEZ. Did you just say 99 percent of people who cross the border are coming across the southern one instead of the northern one?

Secretary CHERTOFF. Right.

Ms. SANCHEZ. Only 1 percent of the people without documents are coming across our northern border?

Secretary CHERTOFF. That is right.

Ms. SANCHEZ. Is that because we do not have it all checked, and we do not have as much going on at the north or do you just really believe that only 1 percent of the people are coming across the northern border?

Secretary CHERTOFF. Most of the flow—this may change in the future as we tighten up on the southern border. Most of the flow comes through the southern border, and I have been told it is approximately 99 percent between the ports of entry.

Ms. SANCHEZ. Ninety-nine to one. Do you want to stand by that number, 99 to 1?

Secretary CHERTOFF. This is what I have been told.

Ms. SANCHEZ. Ninety-nine to one? That is almost absolute.

Secretary CHERTOFF. Well, what I am telling you, Congresswoman, is that, by far, the majority of people by a very, very large margin—and I will have someone verify the figures for you. By a

very, very large margin, the people coming across between the ports of entry are coming from the southern border, but I will also tell you we have the same program at the northern border. If we catch somebody at the northern border who is there illegally, we will put them into the same program. They will be put into detention, and they will be returned under the same expedited removal. We go where the flow is. We are indifferent as to whether they come across the northern border or the southern border or, frankly, whether they come by sea. It is the same thing. If we catch them and they are illegally here and we can put them in expedited removal by law, we will hold them, and we will remove them within a very short period of time—

Ms. SANCHEZ. Thank you, Mr. Chairman.

Secretary CHERTOFF. —and I will just get someone to verify the percentage, but it does not strike me as intuitively wrong.

Chairman THOMPSON. We will now hear from the gentleman from California, Mr. Lungren.

Mr. LUNGREN. Thank you very much, Mr. Chairman.

I have been on the southern and northern borders—I took our subcommittee to the northern border last year—and I would be surprised if it were not 95 or 99 to 1 given the activity. Also, I remember when I was up at the sector that includes Seattle that they said 90 percent of the people that were caught there who were there illegally were actually from South and Central America, interestingly enough, not that they come across the border illegally. They had actually traversed up through the lower 48 to get up there.

I want to say we are never totally satisfied with what you are doing, but I think you are making progress, and I appreciate it. We on this committee asked you to stop catch-and-release. We were going to start legislation prohibiting it, and you moved ahead before the legislation was completed to do that. We have, in the Congress, enacted laws to allow you to do expedited removal, and frankly, I think we should be criticizing you if you were not doing it.

The fact of the matter is those people who are caught within a close distance to the border are not entitled to the same legal remedies as are others. That has been the law of the land for a long time, and frankly, I think you are enforcing the law as we should. In the past, we criticized you for not doing enough. So I appreciate the progress you are making there, but obviously, more progress needs to be made.

I would apologize to you from the Congress for our not adopting the 9/11 Commission recommendation that you only have to come up here one time. I mean it makes great TV, I suppose, but we should be about the business of protecting this country, not about the business of having multiple hearings by multiple committees.

I would like to ask you about—oh, the one thing I wanted to say about the temporary worker program, in addition to making sure the exit programs works, we have a temporary worker program in which you require the money that otherwise would go into social security be put into a fund which would allow the individual involved to redeem that amount in their home country. You have a way of identifying whether they are there or not. Not allowing

them to redeem that money if they do not show up during that period of time, making them disqualified for any future participation in the program and the threat of arrest if they come back to the United States might be one way of solving that. I hope you will be looking at that.

I would like to throw in my two cents on interoperability. I have been visited by people from the City of Ponce, Puerto Rico, from people in my district in Elk Grove and Sacramento, California and Southern California. Interoperability remains a huge problem. A number of years ago, we thought it would require us to buy all new radios, and now we know we have those systems that allow us to take multiple divergent systems and put them together, and I would just say, Mr. Secretary, please do what you need to do to shake that money loose.

We, in good faith, worked together on a bipartisan basis to put \$1 billion in there, and now when these constituencies come to us, it sounds a little strange for us to say we gave you \$1 billion, and they cannot get a memorandum of understanding between the Department of Commerce and your department to make it work. We really need it sooner rather than later, and I would hope that you would make a commitment to make sure that that happens in short order. It is absolutely needed.

In H.R. 1, which passed the House last month, there is a proposal to repeal the section of the TSA that governs the terms and conditions of the TSO workforce. I am worried about that because I thought that Congress made a judgment to give you that flexibility so you could respond to things like Katrina, like the London bombing and what it had for us here.

Could you give us any idea of your feeling if we come through with a conference report which requires you to work under the repeal of that section?

Secretary CHERTOFF. I think the tradition has been that, when you are dealing with people who work in the national security field, you need the maximum flexibility that can only operate in a system where you do not have collective bargaining over terms and conditions of work.

In this instance, of course, we pay a lot of attention to building a good career path and putting money into retention and training for TSA, and as a consequence, there has been a significant drop in the rate of people who are deported. Nevertheless, if you look at the experience we had, for example, last August after the discovery of the revelation of the airline plot in the U.K., we had to rapidly turn around the terms and conditions and the deployment of people literally within less than 24 hours. Likewise, during Katrina, we had to, all of a sudden, move people all the way across the country to do an enhanced screening operation.

I fear that these are subjects which could become part of collective bargaining, and that would make it much more cumbersome and difficult to respond to this. I also think that collective bargaining, because the employees are not under the general schedule, the fear of collective bargaining could make wages a subject of bargaining, and that would, of course, have a significant budget impact and would create a dislocation between those employees and other employees.

So, you know, our view is that Congress made the correct judgment originally and should adhere to it.

Mr. LUNGREN. Thank you.

I yield back, Mr. Chairman.

Chairman THOMPSON. Thank you.

I am sure, Mr. Secretary, you understand some of us differ with that opinion. Thank you.

Mr. DICKS. Mr. Secretary, it is my understanding that officials of DHS and the State Department met recently with officials from Washington State and have made some substantive progress. I think this is very important. I thank you and the Department for helping to move this forward. Because this project will require an adjudication of the license holder's citizenship, the Department of State must be an active partner.

Mr. Secretary, can you tell me how the discussions with the State Department are progressing?

Secretary CHERTOFF. Well, I agree. The State Department has to be an active partner, and I have spoken to representatives of the State Department and the Assistant Secretary of the policy, who is really the point person on this, and I am meeting regularly with the State Department to make sure that we are on track for the implementation of this program, so I cannot tell you at this moment exactly where the State Department is, but we are actively engaged with them as one of the most high-priority, current efforts.

Mr. DICKS. You know, this whole Real ID issue is worrisome to me. Can you tell me when you expect to see the proposed rules and how you intend to facilitate the States' ability to meet the May 11th, 2008 deadline, and what is DHS doing to minimize the costs to the States for complying with the Real ID Act?

Secretary CHERTOFF. Let me first make it clear that the deadline of May 11, 2008 does not mean that, on that day, everybody has to have a Real ID license or they are out of luck in terms of identification. In fact, the law allows, I believe, a 5-year period during which this is actually going to be implemented. May 2008 would be the kickoff date. We have been, throughout this process, in active discussion with not only various State representatives, but the Motor Vehicle Association. I am anticipating that, by the end of this month, we will have the regulations out for comment.

Mr. DICKS. Good. Good. There is a lot of concern, as you can imagine, by the States about how this is going to unfold and the time you are going to have to get this done and the cost involved, so I appreciate your involvement on this.

Mr. Secretary, the State ports act passed last September mandated the creation of—and you mentioned this in your statement—an intermodal radiation detection test center to identify optimal solutions for monitoring containerized and port cargo that move directly from ships to trains for radiation. The need to act deserves it because, by the end of this year, all imported containers at the top 10 container ports must be scanned for radiation.

When do you expect to have an implementation and cost plan finalized for the test center?

Secretary CHERTOFF. I know we regard this as a priority. Let me get back to you on it with a more specific date of when we think

we are going to have this decided, but we, obviously, want to do this in the next couple weeks.

Mr. DICKS. Okay. Good.

The other thing I wanted to touch upon is we had the inspector general up here, the IG, and I know you inherited all of these agencies, and some of them were on the GAO's list as not being auditable before you got them, and I had a chance to talk to Mr. Norquist, who is a former staffer up here who we have high regard for. What is your strategy?

I think the concern we have is it sounded as if it were difficult to deal with the Department of Homeland Security on this issue, that the legal counsel's office was obstructing and doing various things to slow down the interaction.

Can you assure us that you are going to get on top of this and make sure that this is cleared up in a reasonable period of time? I do not want you to be like the Department of Defense. The Department of Defense cannot audit their books, and I guess the Coast Guard is your biggest problem—

Secretary CHERTOFF. It is, yes.

Mr. DICKS. —but somehow we have got to move in the right direction here.

Secretary CHERTOFF. It is absolutely important, and you know, I sat down with David Norquist recently after we got the most recent audit. The good news was we had progress at CBP for the first time. We got an unqualified opinion. ICE was credited with making significant progress. You are correct that the Coast Guard seems to have the greatest difficulty, maybe because they have the most capital assets.

He has put together a specific plan with a timeline to get us to a clean audit within a couple of years. It is probably not going to happen this coming fiscal year, but it has milestones. We are going to meet periodically. I have empowered him to make sure that he is the authority over all the CFOs and components to get this done.

The other area where we were lagging—and I have a good news story to tell you here—is with IT security. In the fall of 2005, under FISMA, our certification and accreditation completion was only 22 percent, but in the fall of 2006, it was 95 percent.

Mr. DICKS. Good.

Secretary CHERTOFF. So we had a big jump forward. Now, we still have more work to do, but it was a good story.

Mr. DICKS. Thank you, Mr. Chairman.

Chairman THOMPSON. Thank you very much.

We now recognize the gentleman from Florida, Mr. Bilirakis.

Mr. BILIRAKIS. Thank you, Mr. Chairman.

Mr. Secretary, I wanted to thank you for your Department's response to the devastating tornadoes that recently swept through Central Florida. Although my district was not impacted, I understand that FEMA has worked closely with my State's emergency management officials, and I have also heard that the governor is very pleased to respond to this tragedy. I hope you will share my appreciation with those who helped.

Secretary CHERTOFF. I will absolutely convey your appreciation to Chief Paulson and to all of the people at FEMA, and I appreciate your comments.

Mr. BILIRAKIS. Sure.

My first question: In your opinion, does the employee dissatisfaction and low morale impact the ability of DHS to recruit and retain qualified program people to serve in highly specialized positions?

Secretary CHERTOFF. First of all, I think we have an exceptionally dedicated workforce. At least preliminarily, when I analyze where the sources of dissatisfaction were, I mean, some of it is not surprising. We still live in physically cramped quarters. It took us—we had a long period of time where not anybody had a desk. We have been working people very hard, and that means there is less availability of training. So, as we mature as a department, those issues will correct.

Secretary CHERTOFF. I think in those areas where we had some greater problems in morale, we have had success in recruiting and retaining people, but this requires constant attention. Some of what we have done in TSA is to reduce the departure rate by building a more substantial career development path.

Some of it, frankly, involves changes of leadership. We have had almost a complete turnover in leadership. I am very satisfied that the leadership we have now is professional and well respected.

Mr. BILIRAKIS. I have some of the same concerns that my colleagues already have raised about funding for first responders. If you can relay that information to the President and administration, I appreciate that.

I am pleased that the administration's budget request provides funds to hire, train and equip an additional 3,000 Border Patrol agents which I believe are necessary. I think the problem is not a question of funding for these needed agents but the inability to recruit and retain dedicated men and women to fill those positions; is that correct?

Secretary CHERTOFF. I have spoken to the commissioner, and they are confident that they can meet their recruiting goals, not only to get the new people but also to fill the gap of people who depart. We have gotten, for example, I think former military folks as well as law enforcement people who are interested in coming on board. Ironically, the one piece that is working in the other direction is we have a number of Border Patrol who want to move over to ICE and become investigators. We have a plan, and I am confident we are going to meet the President's goal by the end of 2008.

Mr. BILIRAKIS. Do you believe Congress should review the authority that border agents have in discharging their duties to clarify what agents can and cannot do to apprehend illegal aliens, terrorists, and drug traffickers who attempt to cross the border?

Secretary CHERTOFF. I think there is a professional doctrine on the use of force and the authorities that is well settled and everybody is trained to. I think we are best served if we let the professional leadership, the career leadership of the Border Patrol, make any adjustments that are necessary in those.

Mr. BILIRAKIS. Thank you, Mr. Chairman.

Chairman THOMPSON. Thank you. I now recognize the gentleman from Massachusetts, Mr. Markey.

Mr. MARKEY. Thank you, Mr. Chairman.

Mr. Secretary, welcome.

Mr. Secretary, I think the Bush White House doesn't understand that when they nickel and dime an agency, that morale is going to be hurt. They have done it for the last 5 years. Morale has been affected, and I think the consequences for you as a manager are quite severe. If they were funding this agency at the level at which it deserves in the same way they have given a blank check to fight the war in Iraq, I think the problems would be much less severe.

Let me give you an example. In a statement of administration policy on 9/11, the Bush administration asserted that 100 percent screening of maritime cargo is neither executable nor feasible. In your testimony, you stated that the Department secure freight initiative, which is scanning 100 percent of maritime cargo at six ports is doing so through the deployment of existing technology and proven nuclear detection devices.

Dubai Ports World, one of the largest port operators in the world, was involved in negotiations over the purchase of U.S. port terminals. It has promised to install scanning equipment in all of its ports worldwide at its own expense to scan all cargo containers before they were loaded onto ships headed to the U.S. for nuclear bomb material.

So I am confused, and I am sure employees at DHS are confused. The port operators say they will do it. The Bush administration says it is being done using existing technology at six foreign ports, yet the White House says it is not possible. So which is it? Is OMB wrong? Is the industry exaggerating its capabilities?

Secretary CHERTOFF. I think I can clear this up. First of all, I think we all agree it is desirable to scan for radiation overseas. But I think we also know that not every foreign country is going to permit us to do it, and we also know that not every foreign port is physically configured in a way that allows it. So do we want to move as much of this overseas as we can? Absolutely. Can we predict that we are going to be able to do 100 percent? I think that is extremely unlikely.

In Hong Kong, even though they originally piloted this, although it was a nominal pilot, not a real pilot, they are still struggling with this issue because they have some real physical problems, and the government there is not convinced it wants to assume the burden of what it is going to have to do in order to make this program work.

So when the administration says it is not possible to legislate that we are going to be doing 100 percent scanning overseas, it reflects the reality that we don't own and control all of these overseas ports.

Mr. MARKEY. Our government has just placed a restriction on the Mexicans, the Canadians, the Caribbeans, that they now must present passports in order to gain entry into our country. I am sure they don't like it, but we imposed it upon them. When we want to and when our security is at stake, we have the capacity to ensure that the security of the United States takes a higher priority.

My concern here is that, when the EU refuses, for example, to share passenger data, we press them to guarantee that we get access to that information. You have conceded that it is better to screen for a nuclear bomb overseas before it reaches a port of the United States. Obviously, if the bomb is in a ship at Long Beach

or New York or Boston and it is detonated by remote control, they are not going to take that container off the ship. That city has already had a catastrophic event.

I think the Bush administration's continued opposition to the language which has now passed the House, it has passed the House of Representatives mandating the screening for nuclear bombs overseas, and if I was an employee at DHS, I would say that makes no sense. Why would we wait for the bomb to get here to have the DHS people look for it when we could have a law that is screening for the bomb overseas as they are trying to load it onto the ship.

I think it is a series of events with the Bush administration saying we don't have enough money to give you. OMB has to nickel and dime your agency. We won't be able to fund something which is so clearly in the security interest of our country.

Secretary CHERTOFF. I don't think this is a money issue. I guess if one were to legislate and say that, if by a certain date a foreign port does not allow us to do the radiation scanning, its goods are not going to come into the United States, I will predict with a high degree of confidence there are going to be an awful lot of unemployed longshoremen in the port of Boston and New York because what will happen is all of those goods will move up to Canada or down to Mexico.

Mr. MARKEY. The same argument was made about the screening of bags onto planes. The Bush administration said it will be a mile long line outside every airport every day. We mandated it from Congress, and 2 years later, every airport was putting every passenger bag through screening, and they got it done.

I think if we put the same mandate on, we will make sure that nuclear bomb, which we know that al-Qa'ida wants to bring into the United States, will be detected overseas and not when it is in a port in our country.

I thank you, Mr. Chairman.

Chairman THOMPSON. Thank you.

I recognize the gentlewoman from California, Ms. Lofgren.

Ms. LOFGREN. Thank you, Mr. Chairman. I want to focus in on the immigration needs on the U.S. function. The US-VISIT program was originally mandated by Congress in 1996, and since then, we have reiterated that mandate several times: In the 106th Congress, in the INS Data Management Improvement Act and in the Visa Waiver Permanent Program Act; in the U.S. PATRIOT Act in the 107th Congress, in the Enhanced Border Security and Visa Entry Reform Act also in the 107th Congress; and in the 108th Congress within the Intelligence Reform and Terrorism Prevention Act.

The 9/11 Commission specifically recommended that the Department should complete as quickly as possible a biometric entry-exit screening system. We do not actually have that system today, as you have mentioned earlier in your remarks. I just finished reading the GAO report on the US-VISIT program, and there are certainly a lot of problems.

I want to explore why we have not received the report that Congress was due in June 2005 on this entry-exit program. I have so many questions from the report. The RFID tags that are being pur-

sued for the I-94 documents, is that to be instead of the exit biometric data that the Congress has mandated? And has that diverted money and attention from the effort to have the biometric exit plan fully implemented?

I agree that the full-10 fingerprint proposal is what we should have. We should have had that always. I have questions on whether the system that is being developed for exit is interoperable with the IDENT system and with the FBI system. We should have been told that in this report due in June 2005.

I also wonder whether the e-passport biometrics that we are now requiring are going to be interoperable with the US-VISIT. I don't understand why, what technological issue has prevented the implementation of this system.

We don't have a lot of time to get all of these reports. Can you tell me when this report that was due in June 2005 will be delivered to Congress?

Secretary CHERTOFF. I have to say, I don't remember a specific report in June 2005.

Ms. LOFGREN. Well, it wasn't done. That is why you may not remember it.

Secretary CHERTOFF. I know we have generated a lot of information on this. I will find out what there is. I can tell you the bottom line answer, we do have US-VISIT at entry for two-print at all of our ports of entry.

We are deploying US-VISIT ten-print for entrance which should be deployed overseas and at our major ports of entry by the end of 2008.

The RFID test proved, as GAO indicated, unsuccessful. This is the real world.

Ms. LOFGREN. Has that been dropped then?

Secretary CHERTOFF. Yes, I think we are abandoning it. That is not going to be a solution.

Ms. LOFGREN. Okay.

Secretary CHERTOFF. In the real world, when something fails, we drop it and move to a new system. We are looking at a plan for doing exit at the airport which I think is technologically possible. Once we have fully specked it out, we can tell you.

The long pole of the tent as GAO recognized, and I am trying to be completely forthright in telling you, is the land border. The volume of people is such that having long lines of people trying to get from, say, Detroit into Windsor, Canada, is going to be—

Ms. LOFGREN. I got that in your original testimony. I only have a minute left.

We all know that the information technology systems and the immigration status database do not mesh. I am wondering if you can tell us, with respect to this budget, where we will get in terms of not just identifying but also implementing workable secure information technology systems and immigration status and employment verification databases which will be available across the DHS components and accessible also by other interested agencies, including the State Department as well as employers.

Can you tell us where we are going to get with this request for funds?

Secretary CHERTOFF. I can tell you, I can't point to the particular line item here, but we have a plan under our chief information officer to compress, reduce the number of individual IT systems and bridge them and allow them to speak to each other.

We have begun to roll out interoperable IDENT and IAFIS. We have it in a couple of cities now, and we intend to continue that. So we are moving forward on the interoperability issue.

Ms. LOFGREN. Perhaps I can follow up with you off-campus and spend some time looking at the questions.

One quick question, on the Department of Homeland Security budget request from OMB on page 6, I just don't understand this. It says Citizen and Immigration Services, 2006, actual \$14 million; 2007, \$182 million; estimate for 2008, \$30 million. How can that be?

Secretary CHERTOFF. It is moved down to a different line item. I don't have it in front of me, but if you look down the table, there is another entry for USCIS that reflects the fee increase that we intend to put in.

Ms. LOFGREN. This is reflecting the fee, the fee, and we are having a hearing in the immigration subcommittee in Judiciary next week on the whole fee issue and where it is being allocated. If that fee plan doesn't work, you would be prepared to proceed with an appropriation for things that are appropriate?

Secretary CHERTOFF. I think that would be a problem. My understanding is Congress has always mandated this.

Ms. LOFGREN. That is incorrect.

Secretary CHERTOFF. If the fee were blocked, then we would have a big hole in the budget. That would be a big problem for this Congress because you would have to find a significant chunk of money. Either we would have to go back to the days of backlog or decide to hire fewer Border Patrol or have less technology.

Ms. LOFGREN. The rule has always been that we don't use the fees for enforcement. Enforcement is the taxpayers' responsibility.

Secretary CHERTOFF. This is to build an IT system. We are now very heavily in a paper-based system, and it is a headache for us and people who want to get citizenship.

In order to maintain what we have now done, which is to eliminate the backlog except for the background checks, and to finally do the IT structure, we have to build that structure. So this is not an enforcement issue, this is an issue of having the tools to provide the service to the beneficiaries who are paying for it.

Ms. LOFGREN. We will get all of those details next week. I have gone over my time.

Thank you, Mr. Secretary.

Chairman THOMPSON. Thank you very much. We now recognize the gentlewoman from Texas, Ms. Jackson Lee.

Ms. JACKSON LEE. Mr. Chairman, thank you.

Mr. Secretary, let me do somewhat of a mea culpa. We have had some rough times in this committee. Either it has been DHS planes following Texas legislators or the huge debacle of Hurricane Katrina and certainly recently the ongoing episode with Border Patrol agents.

I do want you to glean a sense that we, and I, want to have an opportunity to work with you. We have seen decided improvement.

I think collectively we want to see the tragic conditions in the gulf coast cured. Frankly, I think as we look at it long term, DHS is carrying much of the weight unfairly. So I hope you will view this committee as a collaborator. And as I mentioned to you privately, publicly FEMA certainly has gotten its act together and at least has shown a sensitivity to people in need. I say that so maybe we can plot through some of these concerns that I have from the perspective that we all want to move this agency in the right direction.

Might I counter maybe the thoughts of DHS employees and the recent study of their morale and thank them for their service. It is very difficult, and I hope that you will continue to press the envelope on the transformation of the agency so they are DHS employees and that they are respected by all of us and maybe they will get that sense and we can pull together and be able to work together and salute their efforts.

With that in mind, I hope with Chairman Thompson that we can work with the Budget Committee because, frankly, many of us shop in the fine stores of what we call the bargain basement, and I think DHS is in the bargain basement. I think the President has put this budget in the bargain basement. I want to quickly cite my concerns:

Local law enforcement terrorism prevention grants zeroed out.

State homeland security grants, 52 percent cut; and firefighter grant, 50 percent cut.

I think collectively you can answer and say these are somewhere else, and that might be helpful, but I don't think so.

The aviation security budget I would like to pursue later, and I don't want to dwell on that because you have \$53 million for the secure flight.

Mass transit, a mere 1 percent increase. I might associate myself with a number of remarks, particularly the ranking member, on saying we have spoken about the need and necessity for having security matters, as the 9/11 Commission said, under this committee unified, FEMA and otherwise. But a 1 percent increase in mass transit after the Madrid bombings and after the recognition that it is a system that is much in need of enormous security, and I yield to you, how are we going to function even as we authorize new rail security legislation, and a lot of these I believe the way the system works, the rail companies are supposed to be part of their own security, but mass transit burdens the local jurisdictions. It is an enormous burden, and we are not players in this with 1 percent increase.

CONGRESSWOMAN SHEILA JACKSON LEE, OF TEXAS

STATEMENT BEFORE COMMITTEE ON HOMELAND SECURITY

*AN EXAMINATION OF THE PRESIDENT'S FY 2008 BUDGET REQUEST FOR THE
DEPARTMENT OF HOMELAND SECURITY"*

FEBRUARY 9, 2007

Thank you Mr. Chairman. I thank Chairman Thompson for convening this important hearing to examine President Bush's FY 2008 budget request for the Department of Homeland Security. I welcome the Honorable Michael Chertoff, Secretary of the Department of Homeland Security, and thank him for testifying today for the first time before the 110th Congress.

September 11, 2001, is a day that is indelibly etched in the psyche of every American and most of the world. Much like the unprovoked attack on Pearl Harbor on December 7, 1941, September 11, is a day that will live in infamy. And as much as Pearl Harbor changed the course of world history by precipitating the global struggle between totalitarian fascism and representative democracy, the transformative impact of September 11 was not only the beginning of the Global War on Terror, but moreover, it was the day of innocence lost for a new generation of Americans.

Jud like my fellow Americans, I remember September 11 as vividly as if it was yesterday. In my mind's eye, I can still remember being mesmerized by the television as the two airlineers crashed into the Twin Towers of the World Trade Center, and I remember the sense of terror we experienced when we realized that this was no accident, that we had been attacked, and that the world as we know it had changed forever. The moment in which the Twin Towers collapsed and the nearly 3,000 innocent Americans died haunts me until this day.

At this moment, I decided that the protection of our homeland would be a the forefront of my legislative agenda. I knew that all of our collective efforts as Americans would all be in vain if we did not achieve our most important priority: the security of our nation. Accordingly, I became then and continue to this day to be an active and engaged Member of the Committee on Homeland Security who considers our national security paramount.

Our nation's collective response to the tragedy of September 11 exemplified what has been true of the American people since the inception of our Republic—in times of crisis, we come together and always persevere. Despite the depths of our anguish on the preceding day, on September 12, the American people demonstrated their compassion and solidarity for one another as we began the process of response, recovery, and rebuilding. We transcended our differences and came together to honor the sacrifices and losses sustained by the countless victims of September 11. Secretary Chertoff, let us honor their sacrifices by adequately funding not only DHS, but also the first responders who so bravely sacrificed their lives on 9/11 and who work tirelessly every day to ensure that the tragedy of 9/11 is never repeated. Let us learn from the lessons offered by our history so that we are not destined to repeat them.

After the events of September 11, 2001 the American people became painfully aware of the difference between feeling secure and actually being secure. As we examine the DHS's FY 2008 budget, we must take decisive steps to ensure that adequate funds are available so that the trust that the American people have placed in our hands is fully protected and guarded and that we take strategic steps to ensure their future safety from terrorist attacks.

Although the President has proposed \$2.9 trillion for the FY 2008 budget, the budget request for the Department of Homeland Security is \$46.4 billion. While this may sound like an exorbitant amount of money, it only represents approximately 2%, 1.6% to be exact, of the overall FY 2008 budget request. Mr. Chertoff, in his statement before us today, identified 5 major goals that should be achieved over the next two-year period:

- 1) Protect our Nation from Dangerous People;
- 2) Protect our Nation from Dangerous Goods;
- 3) Protect Critical Infrastructure;
- 4) Build a Nimble, Effective Emergency Response System and a Culture of Preparedness; and
- 5) Strengthen and Unify DHS Operations and Management.

The first goal brings to mind the controversial case with the border agents who allegedly shot after an unarmed man who was crossing our borders from Mexico. In his recent State of the Union Address, President Bush reiterated his commitment to doubling the size of the Border Patrol, and the administration has requested funding for an additional 3,000 agents in FY 2008. However, it appears that the Border Patrol is not actually recruiting and retaining a sufficient number of agents to fulfill this promise.

Heated debated has gone on with both sides over this case and many questions remain to be answered. In reviewing the budget, I am pleased to see that the FY 2008 budget request for U.S. Custom and Border Protect (CBP) is \$10,174,113,000, an increase in \$829.3 million over the enacted FY 2007 level. However, I do wonder if this increase is enough. Our utmost priority is ensuring the safety of all Americans and I want the House Homeland Security Committee on which I serve to examine whether the incident was caused in part because the Border Patrol did not have enough personnel and mangers on duty. We must make sure that another incident such as this does not reoccur and take the necessary steps for prevention. If indeed one of our goals is to foster a culture of preparedness, then it is imperative that

we examine our DHS budget and allocate the necessary resources to hire an adequate amount of personnel so that our borders are protected and our goal of protecting our nation from dangerous people can also be met without violating any one's civil liberties while.

Accordingly, this hearing is crucial in highlighting the Department's ongoing failure on a wide range of issues including its inability to cogently articulate the distribution of its Homeland Security dollars. Moreover, the Department's ineptitude in the grants allocation process is emblematic of its handling of issues vital to our nation's security, such as disaster response, FEMA assistance, port and rail security, and contracting.

Although the FY budget request proposes \$8 billion for FEMA and an increase of \$101.9 million to the operations, planning, and support activities for FEMA, I am appalled to see that the budget increases the National Pre-Disaster Mitigation fund by a mere \$53,000 and cuts emergency food and shelter funding by \$11.47.

This flagrantly goes against our goal of building a nimbler, effective emergency response system and a culture of preparedness. In addition to a lack of resources, lack of accountability has been a recurring theme in DHS. The preparation and response to Hurricane Katrina is the only obvious example for the lack of accountability within DHS. An estimated 11% of the \$19 billion that has been spent by FEMA, which is \$2 billion, has been waste, fraud, and abuse, clearly illustrating how DHS' poor management practices can directly translate into waste, fraud, and abuse.*

I eagerly look forward to your testimony and discussion today of these issues. I thank you Mr. Chairman, and I yield back the balance of my time.

Secretary CHERTOFF. Let me say, I appreciate your comments regarding the Department. I look forward to working collaboratively with this committee. We all want, at the end of the day, to have been joint founders of a Department that people will say really did the job that the American people expect. I know that the employees and my colleagues will appreciate your remarks and the recognition.

On the issue of mass transit, let me again put this in a larger framework. We do slightly increase what we had last year with respect to rail transit grants, and again, we are focused on the high-risk systems. In addition, we have \$41 million in the budget directly for TSA to provide services for rail security, including things like teams that we send in when there are threats, additional canine teams which are part of the model.

And also, we are looking at what we need to require the railroads to do by way of training so they can more fully live up to their responsibility.

The challenge with respect to mass transit is this: We do not employ most of the people who do security in mass transit. They are local people like port authority police or transit police. One of the reasons there is always a disparity between the amount we spend on aviation and the amount we spend on rail is because most of our aviation costs are personnel costs. Those personnel costs are really run by the local transit authorities.

Where we do add value, and it is sometimes not in a direct grant, is by doing things like the bio watch program where we put bio sensors in the terminals in order to detect biological events.

Our direct surge capabilities and our funding through these programs for certain kinds of things like video cameras and countermeasures. An additional way we help is through the science and technology budget. We look for new tools in order to raise the level of protection that these transit systems can build themselves.

I think obviously the grants are a significant part of what we do, we actually add a lot of other elements to this mix.

Ms. JACKSON LEE. Let me, if I might, and my time is over, but I want to pursue this. I won't pursue TSA on training. I will submit my question as to whether the training is embedded because I think there is a great need for professional development and career pattern.

But I want to get to the fence and SBInet of \$1 billion. I think we have collectively, and I have heard the Department comment that a fence is of minimal value, a concrete wired fence. I would like you to explain the \$1 billion SBInet, and as you explain it, would you be kind enough to indicate whether or not the Department's MWEB program, whether or not you will do oversight over the prime contract? In fact, I would like a report back on what minority contractors are engaged in this SBInet. Is that the fence? Are we wasting money on the fence, or have we gotten smarter to use money that will effectively be able to address this question?

I will put in the record to get information about the Hutto center, which I am very concerned about, and the Border Patrol agent. If you would just comment on that, and I thank the Chairman for his indulgence.

Secretary CHERTOFF. First of all, the \$1 billion includes money for fencing where we feel fencing is appropriate. Sometimes that is pedestrian fencing, and sometimes it is vehicle barriers. And, of course, a significant amount of money is for technology.

The deputy was just out there last week looking at the first lay down of technology. If you take the sensors and the ground radar between two hills and you deploy it, you can cover a huge amount of ground virtually and detect who comes across. And then if the Border Patrol has aviation assets, they can pick them up.

In many parts along the border, that is the preferred method to building a wall. There are other parts of the border where fencing makes sense. The Barry Goldwater range, for example, where we are building a fence, even a small incursion interrupts our training operations and causes a risk to the migrants. There we are actually building poles and wire. We are going to do this based on the professional judgment of the Border Patrol.

In terms of what we are doing to supervise this contract, we will get you a list of the subcontractors who are part of the contract. We have built into this something that was not part of Deepwater, which is the ability to designate portions of the contract where we will either separately compete them, or we will just decide, if we can get the equipment more quickly, we will buy the equipment and tell the contractor to put it in.

Just recently, with respect to some of this traditional fencing, we told the contractor, you can bid to do the fencing, but we are going to have other bids, too. And if we decide we can actually buy the material more cheaply ourselves, we will buy the material and pay the labor. We are not going to give them the blank check. They will be a tool we can use, but they will be a tool that we can also put down and pick up another tool.

As part of that process, we will work aggressively to make sure that we have outreach for MWEB contractors.

Ms. JACKSON LEE. Thank you.

Chairman THOMPSON. Thank you very much.

I recognize the gentlelady from the Virgin Islands, Mrs. Christensen.

Mrs. CHRISTENSEN. Thank you, Mr. Chairman.

Welcome again, Mr. Secretary.

Before I get to my question, I share the concern of one of my colleagues about the inability to recruit and retain Border Patrol. I heard your response, and I look forward to meeting the President's goal by 2008. As you know, I am awaiting a Border Patrol unit in the Virgin Islands, but we will discuss that directly with the relevant people in the Department at another time.

In your budget, there is funding set aside for contracting. We heard testimony from the comptroller general earlier this week about what seems to be a greater use of contracting in the Department of Homeland Security and concerns about the contracting itself, the process, the management of those contracts, and the products from the contractors. It raises concerns about the lack of continuity and institutional memory within the Department. I wonder if you would respond to those concerns.

Secretary CHERTOFF. I think the need for professional procurement and acquisition management is a government-wide issue. As you get into these very complicated acquisitions, it is a skill that is very much different from the garden-variety acquisition.

This Department, until it was stood up, never did the kinds of major procurements, except the Coast Guard doing it in Deepwater, that are more routine in DOD. So we have put in the 2008 budget requests for almost \$10 million that would be directed at acquisition workforce development, that is the recruiting and training program, so we can begin to build a cadre in the Department who can supervise.

Mrs. CHRISTENSEN. I am concerned about using contracts to replace what would otherwise be employees.

Secretary CHERTOFF. The model we try to use is to use contractors where there is a surge capability or where there is an immediate shortfall and we can't fill something otherwise.

Ideally on the things that are kind of recurrent duties, you have to do all of the time, you want to build a workforce to do that work. Sometimes as we get into emergency situations, there is a little bit of unevenness, so we try to fill the gap with contractors.

Mrs. CHRISTENSEN. Thank you for your response.

As one of the members that sought to have an amendment last year to fully fund the Deepwater project for the Coast Guard, I am disappointed to see there is a decrease of \$356 million in 2008 compared to 2007 for Deepwater. Given the recent findings of the inspector general concerning the cutters, can you explain, given this cut and other cuts, how you are still satisfied with your budget?

Secretary CHERTOFF. Admiral Allen, when we sat down to do this budget, we looked at both things that have to be addressed in terms of, for example, the problem with the 123-foot cutters, which we are addressing partly through extended use of Navy vessels and some adjustments with respect to the way we handle the crews. And this caused a kind of reconfiguration of the forward-looking plan with respect to accelerating certain portions and moving certain portions back so that the mix of cutters coming online is best

suitied for what our current gaps are and what our current mission is.

Having consulted with the Coast Guard, I am satisfied that this keeps us on track to do what we have to do, recognizing that there have been some problems with the program and that Admiral Allen is going to spend some time really kind of beating the contractors a little bit.

Mrs. CHRISTENSEN. I also have some concern about what seem to be large increases in the fees in Citizen and Immigration Services because, at least in my experience, at home, many of the people who are legitimately seeking to immigrate are poor. I guess I would be less concerned if I knew it was going to result in greater efficiency and shorten the time that people have to wait on their documents. Can you tell us what is being done? What is in your plan to shorten the waiting time? I have people who have been waiting years.

Secretary CHERTOFF. There are a couple of elements. Director Gonzalez when he testifies will probably be much more specific.

There are two parts. The money here is directed to upgrading for the first time our IT system and getting away from a paper-based system to an electronic system. That is going to help in a significant, maybe the significant majority of cases in cutting the processing time and making it quicker.

There is a separate issue we have to deal with separately, and it is partly dealt with money, but it is also a process issue, and that has to do with the background checks.

For the vast majority of people, a background check is pretty straightforward. There are some people who, because of issues that arise with their name, wind up requiring a background check that goes further into the files. The FBI does that. And sometimes you are dealing with legacy files that are scattered in different parts of the country.

Some of this is cured by money, the fee money we are going to use to pay for the cost of processing more of these more quickly at the FBI. Some of them are going to require us sitting down with the FBI and seeing if we can configure this system to make it work more quickly.

One thing that we have done to indicate how we are trying to be more sensitive, there was a story in the paper about people who lose their Social Security benefits because, you have to be a citizen within 7 years, or they lapse. So I talked with Director Gonzalez, and he is now serving all of the people in the queue to see who is in jeopardy of losing benefits, and we are moving them to the front of the queue. We are trying to identify those problems that we can fix right now in order to deal with these issues.

Chairman THOMPSON. Thank you very much. I recognize the gentleman from North Carolina, Mr. Etheridge.

Mr. ETHERIDGE. Mr. Chairman, thank you.

Mr. Secretary, thank you for being here, and thank you to the people of your agency who work so hard every day.

As you indicated earlier, we would not be here nor would this committee exist had it not been for 9/11. It was the first responders that we were so proud of that day. Every American was proud of the job that they did and continue to do. And many stood with

them and put their arms around them, the firefighters, the police, the medical teams, who really stood up for America. They saved lives. Many gave their lives in order to protect us and assist in the recovery. They faced the same thing in Hurricane Katrina, and in every other manmade or natural disaster. We are grateful for these people's efforts.

And yet the budget the President has submitted to Congress gives little priority to the resources they need to continue to do their fine work. You alluded to it earlier, but I want to get some specifics and get your response because it goes from a cut of a third in the funding to as much as 63 percent. It eliminates funding for the Local Law Enforcement Terrorism Prevention Program, which plays a key role in assisting local law enforcement agencies in information sharing, target hardening, threat recognition, mapping, things that are critical across this country in identifying, as you say, bad people who want to do bad things to us.

It cuts by 52 percent the State Homeland Security grants which provide for first responders in all 50 States, reduces funding for the Assistance of Firefighters Act program, nearly 50 percent.

It denies funding for training for first responders to improve their capability to prevent, deter and respond safely and effectively to instances of terrorism involving weapons of mass destruction.

You said earlier you were happy with your budget, and I would like to know how do you justify these shifts in priorities away from these very critical areas to the people who serve us every day? I-95 is a critical artery, as are all of our interstates in this country; and 30 percent of the traffic on that road is commercial. A lot of dangerous stuff moves up and down it. I put that in as context for your response.

Secretary CHERTOFF. First of all, again, there is a lot of money that goes to first responders. The LAPP money, for example, we have traditionally taken the position that it is important to fund law enforcement, but it ought to be done as 25 percent of the money that goes to the Homeland Security grants or the urban area grants. That is money that is supposed to go to police in part and to other first responders. So the fact that it is not separately categorized as a law enforcement grant simply means it is money that ought to be coming to first responders through the other categories.

The big addition here—

Mr. ETHERIDGE. Can you identify those other categories?

Secretary CHERTOFF. State Homeland Security grants, UASI, and the billion dollars in interoperability. I mean, interoperability money is directly money to let first responders talk to each other. That is \$1 billion for them to use to get their systems to work, which everybody has acknowledged is a huge priority.

So while it may be configured differently than it was, I think the net-net amount of money that actually gets in the hands of first responders is substantially the same as it was as was appropriated last year.

Again, I remind the committee that there is \$5 billion in the pipeline. So simply putting money in the pipeline that is not being spent—and this is not a criticism because you don't want to fling

the money at a problem—but it is not that people are starving. There is money en route, and we are keeping the flow steady.

Mr. ETHERIDGE. Mr. Secretary, having served at the local and at the State level, you and I know that, in a lot of cases, before the money can get there, number one, they need to have a plan; and number two, in a lot of cases, they need to spend the money first and then apply for the reimbursement of the funds. So just because there is money in the pipeline does not necessarily mean things are not happening at the local level.

Secretary CHERTOFF. I know that.

Mr. ETHERIDGE. Saying there is money in the pipeline, I hope people don't misunderstand that there are not continuing needs. If we don't meet the basic needs, you have to have basic operability before you can have interoperability. In a lot of cases, I can assure you, there are local fire and rescue units that do not have the basic operabilities to apply to basic interoperability.

We don't want the billion dollars to come here and then cut it on the other side so that we still don't have the resources to meet the needs, because if we have a major disaster, wherever it is in this country, the last time I checked, I never did see a Washington, D.C., fire truck or a Washington, D.C., U.S. Government fire truck unless it is on a Federal installation. We are depending on these locals. I hope you keep that in mind because this is a team effort. We continue to put the responsibility on them, and I think it is incumbent upon this committee to continue to ask the tough questions. It is important that we put the resources to help.

Secretary CHERTOFF. Thank you.

Chairman THOMPSON. I recognize the gentleman from Rhode Island, Mr. Langevin.

Mr. LANGEVIN. Thank you, Mr. Chairman.

Mr. Secretary, thank you for being here. I appreciate the tough job you have.

I serve right now as the chairman of the Subcommittee on Emerging Threats, Cybersecurity, Science and Technology. It is my intention that, in that subcommittee, we will focus on those areas that serve as glaring vulnerabilities with the most catastrophic consequences should an attack, a terrorist attack, occur. So on that front, I have three questions that I will try to address. What we don't address hopefully you can respond for the record in writing.

I want to focus on Bioshield as well as the SAFE Ports Act, particularly with respect to radiation portal monitors. With respect to Bioshield, yesterday I had an opportunity to discuss some of the strengths and weaknesses of this program with Comptroller General Walker, GAO, as well as Inspector General Skinner. I have to say I am very concerned with some of the recent problems that have come to light with respect to the Bioshield program.

For example, we all recently heard about the cancellation of VaxGen's contract for next-generation anthrax vaccine. At the time, this was the only major procurement contract under Bioshield. This is one example of the many problems with Bioshield. As I have said in the past, this program is far too important to fail, and we absolutely have to do everything we can to ensure its success.

As chairman of the Subcommittee on Emerging Threats, I plan to hold several hearings to explore how to fix the major problems

with the Bioshield's operations, and in order to get a full understanding of the program's failures, we may very well need to hold joint hearings with other committees tasked with oversight of human services, and I am fully prepared to do so. In fact, there is already a hearing on this issue in the works right now with that subcommittee.

But, Mr. Secretary, on this topic, what do you see as Bioshield's greatest weaknesses? And what do you think led to the cancellation of VaxGen's contract? And how would you work with Secretary Leavitt of HHS to close some of gaps that exist with this program? Lastly, what specific steps can DHS take to ensure Bioshield's success?

On SAFE Ports, the SAFE Ports Act that was passed last year was a very important bipartisan measure. The SAFE Ports Act was authorized at \$200 million for the newly created program, yet the President's budget would only fund this crucial program at \$210 million, nearly half of what the law actually called for. Do you think that \$210 million will be sufficient funding to carry the missions of this program, and could you clarify why the proposed funding is nearly 50 percent below what the law actually called for?

My final question, I am concerned that some of the deadlines with respect to the SAFE Ports Act have not yet been met. This law calls for DHS to deploy a strategy for deploying the radiation portal monitors at our 22 busiest seaports within 3 months of the law's enactment. The SAFE Ports Act was signed into law on October 13, 2006; 3 months would put us at January 13, 2007. Today is February 9, and we have not seen the strategy for deploying this important technology. The fact that the strategy for the deployment is late worries me in terms of when we can actually expect to see the technology deployed.

My question is, why has DHS not provided Congress with a deployment strategy, and when can we expect to see that strategy? And finally, how can we be ensured that actual deployment of radiation portable monitors will commence on time. Are you still confident that the radiation detection equipment will be fully deployed at our Nation's 22 busiest seaports by December 31st of this year?

Secretary CHERTOFF. Let me answer all of these as quickly as I can.

With respect to Bioshield, I have worked closely with Secretary Leavitt to streamline the process from the government's standpoint. We have completed a number of material threat determinations which puts it in the hands of HHS to actually identify the people who are to benefit from the money in terms of developing the particular countermeasures. I am going to leave it to them to get into the science and what the best way for them to make that determination is.

I don't feel I am scientifically sufficiently well versed to give you an explanation why VaxGen was unable to generate the vaccine that was hoped for.

I think it is important that, at some point, HHS faces up to the fact that it is not happening; it is not working, and you have to pull the plug and move to something else. I think that is an important spirit.

So I think this is probably an issue that is best addressed comprehensively with HHS on the medical element, the medical research element. They are really the principals in terms of making the judgments that have to be made.

With respect to the SAFE Ports Act, first of all, let me observe that money for some of the radiation detection equipment also comes out of the DNDO budget. It is not entirely out of port security grants, so there is other money. If you look historically at what we have done with respect to ports and you consider the direct value of the Coast Guard and Customs, which actually provides the boots on the ground, I think we have had \$10 billion over the last several years.

In terms of the actual grants themselves, our recommended budget item for port security is exactly what Congress appropriated last year. Congress chose to appropriate only half of what was authorized which I gather is not uncommon when budget time comes around.

So looked at comprehensively, when you consider the value of the Coast Guard and Customs Border Patrol assets, plus the direct investments in radiation portal monitors, as well as the grants, there is a significant amount of investment that the Federal Government is making in SAFE Ports.

Finally, with respect to the RPMs, we are on track to have virtually all of the containers that come into the U.S. through the sea-ports going through radiation portal monitors by the end of this year. I was told yesterday that Long Beach is 100 percent now in terms of going through the radiation portal monitors. I think this may be a case where the actual deployment has proceeded well ahead of the document because we have actually been working on this deployment for a couple of years now.

Mr. LANGEVIN. I hope you can get that strategy to the Congress as soon as possible. Thank you.

Chairman THOMPSON. I now recognize Mr. Carney.

Mr. CARNEY. Thank you, Mr. Chairman.

Mr. Secretary, I am pleased to have you at least as a part-time constituent. I feel much safer because of that.

I want to echo Ms. Jackson Lee's sentiment that we are very proud of the work done by everybody at DHS. In fact, I will be offering a resolution regarding that next week.

Last week we met with Secretary Jackson and he said, "MAX^{HR} is dead." Is MAX^{HR} in fact dead? And if so, what is taking its place?

Some say it was an ill-conceived product to begin with, but the concept isn't, of bringing Homeland Security, all Departments into a unifying structure. What are we doing to replace that?

Secretary CHERTOFF. The unification and integration and the building of a performance-based system is very important. That is not dead. It is obvious that the court dismembered a significant part of the original plan, particularly as it related to collective bargaining and some of the grievance issues, so we are going to follow the court's guidance on that.

But we are moving forward with performance-based evaluation, which includes training supervisors on doing performance-based evaluations.

We may operate a small pilot in one component for nonbargaining unit people with respect to actually linking pay to performance, particularly in the area where there is a lot of knowledge and we are competing with private industry.

So we are trying to advance on those elements of MAX^{HR} which the court permits us to advance with. I think one of the points of the survey, one of the consistent low marks was the issue of people feeling that performance wasn't being adequately rewarded or lack of performance sanctioned. So we need to build that and train people to that, and our human capital officer is going to be doing that.

Mr. CARNEY. I want to follow up on Mr. Bilirakis' question from earlier. We talk in this committee about the OPM report and the performance. Why do you think there was so little progress made in the last 2 years, and what are you doing now to make things better?

Secretary CHERTOFF. That is the question I asked myself when I saw the report. The survey was taken in the summer of 2006. I am going to say, I think this is a little speculative on my part, but we are going to have some town meetings and try to get more into the depths.

I think part of it is in general the growing pains of a new department. There was a point in time last year in some of our components we didn't have enough desks for people. I can tell you the headquarters building we are in now is very, very difficult to operate in. People were working very hard operationally, and that was cutting down on training.

There were a whole series of issues like that that we are going to gradually build over time. That is one of the reasons why we want to put the money into St. Elizabeth's because we need a headquarters.

Second, we need to do a better job of communicating to employees. It is very hard to build a systematic way to reach out to everybody, and we are trying to look at our communications activities to see what we need to do internally as well as externally.

And then there are three things that happened last year that had an impact on morale. One was we were in the middle of kind of post-Katrina soul searching, which is not a morale builder by any stretch of the imagination.

MAX^{HR} was in limbo, and there was a lot of stress for employees not knowing which way it was going to go. I think having a resolution in itself is a very positive thing.

And then there was the whole issue of whether FEMA was going to get pulled out of the Department and reorganized. And I can tell you that reorganizations are extremely stressful for people.

Where I hope we are now is we can come to rest with the structure that we have, which I think is good; that we can start to build a communications capability internally, and that we can address the issues in terms of work life happiness, what your physical surroundings are.

Let me end with this plea. We got banged in the budget on a number of occasions in the last couple of years on things like management and stuff that isn't that glamorous, and it is hard to argue to the folks back home why we put money into management. But I know you know that, at the end of the day, if you don't attend

to that stuff, it really hurts. So this is a great opportunity for me to pitch to make sure that we pay for the nuts and bolts as well as the things that people look at that show up well on television.

I appreciate your thinking about doing a resolution and your concern about this. We ought to talk about it more.

Mr. CARNEY. Thank you for your time.

Chairman THOMPSON. I now recognize the gentleman from Texas, Mr. Green.

Mr. GREEN. Thank you, Mr. Chairman.

Thank you, Mr. Secretary. I am honored to be in your company and find you are doing a commendable job. However, given what the challenges are, I am not sure whether I should congratulate you or pray for you.

Secretary CHERTOFF. Pray for me.

Mr. GREEN. I assure you, I will do both.

Your goals are notable, laudable and achievable. However, the rhetorical question becomes: Are they efficaciously doable given that you do not have the plan that has been discussed by a number of my colleagues so as to avoid duplications and so as to have proper prioritization?

My next question has to do with Hurricane Katrina and your credentials indicate that you are a student of jurisprudence par excellence, and I commend you for your many areas of expertise.

But the people that we saw on television were literally on an island of desperation, and they were looking for some sort of lifeline of hope. And, unfortunately, many of them, instead of finding a safe harbor of hope, find themselves on an island of desperation in Houston, Texas. I am simply saying to you, as a student of jurisprudence, you understand the doctrine of last clear chance. I believe we may be their last clear chance at this point, notwithstanding all that has occurred. My suspicion is, if we don't act to develop an overall plan for them to reintegrate themselves into their hometowns, it may not happen.

And finally, with reference to the border, I find this to be an interesting situation because we put a lot of emphasis on the southern border. And my understanding of the empirical data—and you may correct me if I'm wrong—is that those known terrorists who have either come into the country or tried to get into the country, the known terrorists did not come across the southern border.

Before you answer any of the other questions, can you let me know whether I am correct on that question with reference to the empirical data?

Secretary CHERTOFF. Yes.

Mr. GREEN. If this is true—and we can cite some, the 9/11 hijackers; the millennium bomber; the Murrah Federal Building, those folks didn't come across the southern border—all of them were home grown or may have come in—

Secretary CHERTOFF. The millennium bomber came from Canada. The others came through our ports of entry or were from our country.

Mr. GREEN. If we overemphasize the utility of the fence, do we give a false sense of security because it would seem to me that we want people to understand that if a fence goes up, it will probably do a lot for impeding the ingress and egress of undocumented

workers? I am not sure that it is going to do as much as many might think that it will do to safeguard us from terrorists.

More specifically, we could have 100 percent effectiveness with this fence, but it could only be a 1 percent perhaps increase in safeguarding us from terrorism. Because we get 100 percent effectiveness doesn't mean that can be translated into 100 percent as it relates to terrorism? With these three things, I would beg that you would utilize the remainder of my time to respond.

Secretary CHERTOFF. With respect to the first question, we are putting a lot of emphasis now on joint planning. We are building capabilities to plan in a way that cuts across a number of agencies. We borrowed some of the model from DOD to do that. We have more trained people to do that. I think one of the areas where you see that is we have built a well integrated border strategy that comes across a number of elements. I think that is promising for the future.

We are also doing that with disaster relief. The Coast Guard is going to set up adaptive force packages so they can actually work with FEMA to move things in a way that is seamless and that they plan together how to do that.

On Katrina, I think this is one of the great heartaches that we have here, the inability to build a setting in New Orleans that will let people come back.

Part of what we will try to do is develop a housing plan for the people in Houston, for example, that gets HUD much more involved. I think in terms of the skill set and the tools available to the Federal Government, an agency like HUD is better adapted to long-term recovery. FEMA really is a short-term emergency operation.

There is a longer discussion to be had about what should be done to help out in New Orleans, which is longer than I can discuss in the time allotted.

On the last point, I think it is clear that there is a different set of concerns and threats between the southern border and the northern border. The talk about the southern border, a lot of it is focused between the ports of entry because there is a large volume of people coming between the ports of entry.

Up to this point in time, that has not been as serious an issue with Canada. However, we do have to worry about people coming in through our ports of entry. We consistently find people that we turn away that have linkages to terrorism.

The good news is that the Canadians have a good intelligence system, and we work together to identify people who are threats before they even get to the border. But I don't want you to think that we are not attentive to this. Not only are we putting more aerial assets and sensors between the ports of entry and the north, but the whole emphasis on our Western Hemisphere Travel Initiative is to give our inspectors the tools to make sure that we are turning people away who are going to come in, like Ressaam, the millennium bomber. So it is a slightly different strategy because of the different laydown of what we are facing. But I think you are dead right that we have to look at both borders and our coasts in this issue.

Mr. GREEN. Thank you.

I yield back, Mr. Chairman.

Chairman THOMPSON. Thank you very much. I would like to add that we will have a second round of questions. We do have the Secretary until 1 p.m.

I now recognize the gentleman from Colorado, Mr. Perlmutter.

Mr. PERLMUTTER. Thank you, Mr. Chairman.

Thank you, Mr. Secretary, for sitting with us and talking to us and really preparing for this hearing. You have a good knowledge of your budget. I am going to have some specific questions about the budget that I would like to ask.

First, I want to compliment you and the Department for focusing on securing the borders. That was a real emphasis of the Congress and the prior Congress. You have taken steps, and I congratulate you on that.

You mentioned the enforcement against employers. One of the things I did not see in the budget was some kind of work with Social Security or other agencies so that employers know quickly, accurately, whether or not somebody who is coming into their employ is legitimately here in this country.

I would like you to respond to that, please.

Secretary CHERTOFF. There are two ways we deal with that. The first is we have a basic pilot which we are putting increased funding in, which is a system that allows employers to get online and check to make sure there is a legitimate name and a legitimate social security number. That addresses most of the issues that employers face.

There is another problem, though, which is sometimes you get identity theft where a genuine name and number are stolen, and that system is not picked up through that. That requires a legislative change, and I think actually Senator Allard and Senator Grassley are either about to or have dropped a bill in the Senate on this. It requires the authorization, currently prohibited by law, for the Social Security Administration to be able to look at the filings that come in and see whether the same name and number are being forwarded to two different places. That ability to scan for the system for that, which is legally prohibitive, would give us a targeting capability; and, ultimately, also you could give employers that information so they could make further inquiry, but that requires congressional action.

Mr. PERLMUTTER. Thank you. You know, as we move from securing the border, dealing with the supply, dealing with the demand side, in my opinion, your Department is going to have to focus on the processing side, the processing side in terms of dealing with Social Security so that there is accurate information; and, hopefully, we are going to have—and I am confident we are going to have—some comprehensive legislation come out of here on immigration reform, which is going to give you some directives. But I am concerned, as was Representative Lofgren, that, on the processing side, you are relying on fees. There is really nothing in there, and that is going to be something that I see swamp a big, important part of your Department. That is Number one.

Number two, on the building—and you know, I am on this committee, and I used to pride myself as being kind of a budget hawk and privacy guy, and I am feeling a little bit out of place on this

committee, but here is a budget question. We have got about \$120 million for the move to the St. Elizabeth campus in this year's budget. Yet that building really is not slated for completion until 2014. Did you front-end the budget with \$120 million or is there going to be a lot more after this?

Secretary CHERTOFF. No, there is going to be a lot more. A significant amount of this is going to be GSA money, and we were hopeful we would get some GSA money in the 2007 budget. I do not think it came in, but the lion's share of this will be GSA money.

In addition, our leases are going to run out on a lot of our properties, in any event, in the next 5 years, so we are going to have to spend the money one way or the other, and we might as well spend it on what we want, as opposed to what we can get, but we were hoping with this money—and I have started with the Coast Guard—to begin a process that would get the Coast Guard in place by 2011 and then the rest of the headquarters' elements of the Department by 2014 or so.

Mr. PERLMUTTER. Okay. I guess I would ask that your Department prepare some kind of finer projection as to the ultimate cost of that building, especially when we have got, you know, our Visitors Center over here that has gone wild in terms of cost overruns. And, you know, even though I agree with Representative King that you are in a Department where we want to make sure that you are provided with resources, we still have to be smart about how that money is spent.

Secretary CHERTOFF. There is a plan, and there is a projection of what it is going to cost. The \$120 million is just the element to start. I do not have, frankly, off the tip of my tongue what the total cost is, but we can get that to you.

Mr. PERLMUTTER. Okay. Since we get to do another round, I will yield back the balance of my time and wait until you come around to me again.

Chairman THOMPSON. Well, since you have been so gracious, I will give you a little more time, if you would like.

Mr. PERLMUTTER. At this end, when you are at the end of a train, you learn a lot of patience, and I am at the very end here, and I am at the end in Financial Services, which brings me to my next question. As I was looking through your budget—and I will find it—on floodplain insurance and floodplain mapping, one of the issues that has come up in Financial Services is the fact that a number of people in New Orleans and in Mississippi were outside of floodplains when, you know, of course they were just swamped when that hurricane came through. And I see—and I will find it—but I see reductions in floodplain insurance and flood map modernization in this year's budget request, and so my question is, though I like—you know, usually I ask about increases to budgets and here I am going to ask you about decreases to budget. Why is that?

Secretary CHERTOFF. I do not have the actual figures on that in front of me. I do know that we have completed in the gulf area the advisory base flood elevations and are working under way on the other elements of this.

In terms of the specifics about why that has dropped, I think that is probably something I am better off getting back to you on.

Mr. PERLMUTTER. Okay. Thank you. Because it really has become a major topic of conversation on the Financial Services Committee, and I think it is something that we really have got to look at closely.

Mr. PERLMUTTER. I yield back, and I have more questions, so whenever you want to get back to me.

Chairman THOMPSON. Well, if you are patient, we will get back to you.

Mr. PERLMUTTER. I am learning patience, Mr. Chairman. Thank you.

Chairman THOMPSON. Thank you very much, and we will begin the next round of questioning.

You will keep hearing this name over and over, Mr. Secretary, about this \$1 billion interoperability issue, and I cannot impress upon you my and the ranking member's concern about that whole issue. Can you explain for the committee in clear terms the reason for the delay in working out this memorandum of understanding with the Department?

Secretary CHERTOFF. I do not think it is a matter of principle. I think everything in Government always takes a little bit longer than you think it should.

About a week ago, I said, let us just get this done. You know, sometimes you get the sense that everybody feels they have got to touch every piece of paper or it is not, you know, properly blessed, but we will get—this is just a matter of getting the paperwork done. I think they are meeting either today or the early part of next week to figure out whatever wording issues are left. Within 10 days, if I do not have the piece of paper to sign, I will be on the phone with Secretary Gutierrez; and we will just figure out what we have to do to get it done.

There is an agreement we are going to go forward with this, and I know both agencies and OMB are determined to get moving very quickly on the guidance because we want to get this out there as fast as possible. We all have the same objective here.

Chairman THOMPSON. Ten days?

Secretary CHERTOFF. Yes.

Chairman THOMPSON. Thank you very much.

Another issue that we see from time to time is, you know, we have a number of tunnels that have been constructed along the southern border specifically, and some of us are having difficulty seeing whether or not the Department is moving with enough dispatch to fill the tunnels in. Can you give the committee your assurance, even though the budget does not reflect resources to complete the destruction or the filling in of the tunnels that have been used to smuggle individuals and/or drugs into this country, that we will, in fact, do that?

Secretary CHERTOFF. Yes. Most of the tunnels have been filled and capped. I think seven have not been. It is costing about \$3 million, and the budget for CBP—although there is not a separate line item—includes the money to get those filled.

Chairman THOMPSON. So will that be within the present budget year or the future?

Secretary CHERTOFF. I think we can do it this year, actually. I think there is money to get it done. In the meantime, we do monitor them. The one thing that sometimes slows us up is sometimes the tunnels go under private property, and care has to be taken in the way that you fill it so you do not impact the private property and the buildings on top of it.

Chairman THOMPSON. Well, if you would provide the committee with the Department's timetable—

Secretary CHERTOFF. Sure.

Chairman THOMPSON. —in accomplishing that, we would really appreciate it.

We had testimony earlier in the week from GAO and the Inspector General that there were times that the General Counsel injected himself into the process of getting information. Is that something that you put in place or have you reviewed it and see that as a hindrance in allowing the Comptroller General and the Inspector General to do their jobs; and, if so, what is your latest position on that?

Secretary CHERTOFF. We certainly do not mean it to be a hindrance. I saw some of the IG's testimony, and I thought yesterday he was, you know, pretty satisfied with the General Counsel's Office. I guess GAO was not. I have told the General Counsel we want to be cooperative. We want to be expeditious. Obviously, he has to assure himself that, when we are producing things or interviews are being done, we are not compromising any legal positions that we have to maintain. And I know, having spent a lot of years as an investigator, that, you know, sometimes investigators believe the mere presence of a lawyer is a bad thing, but I do not happen to think that is right.

Chairman THOMPSON. Because you are a lawyer?

Secretary CHERTOFF. Because I am a lawyer, because I have been on all different sides of this. I have investigated, and I have represented those being investigated, but the bottom line is, consistent with their professional obligations, I have asked them to be as cooperative as possible with investigators.

Chairman THOMPSON. Well, one of our problems is you are now, by virtue of having a General Counsel, getting blamed for the delay in congressional mandated reports being received in a timely manner; and if this process is delaying the submission of congressionally mandated reports, I think you need to review it.

Secretary CHERTOFF. I agree with that.

Chairman THOMPSON. Thank you.

I now yield to the ranking member.

Mr. KING. Thank you, Mr. Chairman.

Again, I want to thank the Secretary for his testimony this morning.

Three quick points, one on the issue of port funding, where we authorized \$400 million and \$210 million is in the year's budget. I think we have become part of the circular reasoning in that you are saying the \$210 million is in the budget this year because that is what Congress appropriated last year, and we must have felt that was the right number. My understanding from talking with the Appropriations Committee is the reason they put \$210 million in last year, only \$210 million, is that the budget was not big

enough to go beyond that. So that, again, goes to my point, you know, as to how would you look upon the budget as to what we need or just keep basing it off the previous year?

Now I have two questions. One, when do you expect the UWASI grants to be announced; and, secondly, as to Charles Allen and the intelligence operation in DHS, how mature do you think that is becoming as being part of the intelligence apparatus of the Federal Government, and is it establishing the position you think that it should have for the Department of Homeland Security?

Secretary CHERTOFF. As to the first, the guidance is out. I cannot tell you off the top of my head when the first submissions are supposed to come in.

What we agreed to do this year was to have enough time to allow one round of back and forth so that, if we got something, you could help yourself by retooling. We can do that. I will give you the deadlines on that. I do not remember.

Secretary CHERTOFF. I think Charlie Allen has led intelligence analysis, I think, very significantly to a new level. First of all, he sits with the other senior intelligence agency heads and the DNI's kind of major intelligence counsel. I have given him substantial authority, including budget review authority, over the intelligence components. He is undertaking a significant number of initiatives, including researching and analyzing homegrown terrorism; and we work closely, literally on a daily basis, taking intelligence and operationalizing it with our operational components.

When the President was up yesterday, we took him into the National Operations Center, and I had Admiral Rufe there, who is the head of our operations coordination. I had Charlie Allen there, and they both said to the President, you know, this is a partnership that takes intelligence and turns it into action. So this is a dynamic task, but we have made huge progress.

Mr. KING. Are you satisfied there is sufficient cooperation coming from the CIA, the FBI and the DIA as far as giving the level of intelligence to Mr. Allen that he needs to be able to, you know, make intelligent decisions and also to share that with local governments?

Secretary CHERTOFF. Yes, I am and, you know, continuing to work to refine our share and make it quicker. We are also working with State and local governments to support financially their creation of fusion centers and then to embed analysts in fusion centers.

Then the other thing Charlie has done is set up a fellowship program to bring local officials into information analysis so, A, we can get the benefit of their perspective and, also, then they can go back and go back. He has a very good vision for the future, which is having a much more vertically integrated intelligence capability so that we are really using the intelligence-gathering abilities of the police to pick up things.

And I do not want to filibuster, but let me just highlight one thing.

One thing we did with the grant guidance this year, frankly, because I talked to Rick Kelly about it, was create a space to use some of the money for personnel costs if they are dedicated 100 percent to counterterrorism—we are going to do that in L.A., too—

and the reason we did it was we recognized, for the next wave of homegrown terrorism, a lot of our intelligence is going to come from police in the community who are going to see things that we do not pick up in satellites and with spies. So we really have a vision for how we want to go forward with this for the next decade.

Mr. KING. Thank you very much.

Chairman THOMPSON. Thank you, Mr. Ranking Member.

We now recognize the gentlelady from Texas, Ms. Jackson Lee.

Ms. JACKSON LEE. Mr. Secretary, I mentioned before that I had some aviation questions, and I did not ask them. One in particular comes to mind, and I welcome your thoughts on this question. That is that we have discovered individuals who have been testing our security in what we call "general aviation airports;" and, frankly, it is shocking—individuals without identification, without purpose and without reason being able to simply drive onto the tarmac.

Interestingly enough, the subcommittee that I chair has responsibility for critical infrastructures, and those are chemical plants, refineries, and you can imagine a general aviation plane in the vicinity of such refineries leaving a general aviation airport, not under legal piloting, and simply hitting those facilities.

What can we do—and I know, again, we have a jurisdictional question that goes back to my association with Mr. King's remarks that we really need to cohesively have DHS have control over a number of these security issues. I believe that we need to explore how we can be more stringent on the security measures of these airports, and I would welcome your thoughts on this.

My second question is, I mentioned the Hutto facility, and I look forward to visiting it. I am hearing some distressing thoughts which say that some of the children with families have been separated and to be defined as "unaccompanied minors" so that they can be put in another facility because there is not enough room, and frankly, I think we owe an obligation to those centers for people under civil issues to not be treated as criminals.

But I would be interested on the general aviation. I have great concerns about that and will be looking forward to the opportunity for some hearing before this committee.

Secretary CHERTOFF. I saw that report. I kind of think it was the media that actually went in and did that. You know, TSA does have authority and does lay rules in place for general aviation.

As we have progressed on the front of commercial aviation—and one of the things I have asked TSA to do this year is to go back and look at the general aviation sector and see where do we need to tighten up. You know, we have been post 9/11 for over 5 years; and now I think we have an opportunity to stand back and look at areas where perhaps progress is not what it should be or maybe where the private sector has gotten a little lax. We need to start to figure out how do we turn the temperature up a little bit. To be honest, after a while, I start to lose patience, and I am prepared to do a little kicking. So I am going to have Administrator Hoyer look at that and see.

Now, if we have a lack of authority, we may come back and say we need more authority, but if we just need to be a little tougher, we are going to be a little tougher.

Ms. JACKSON LEE. And the detention facility and separating children when they should not be separated?

Secretary CHERTOFF. I have not heard about separating children. I do not know if there has been some particular circumstance where that has occurred.

I do know that a lot of effort was placed into making it, to the extent any facility can, be family friendly so we would not have to separate children. I know you are going down, I think, in the next week or two; and, obviously, if we need to make an adjustment to procedures there, we will do that.

Ms. JACKSON LEE. Quickly, I have mentioned to you the border patrol agents. We understand that they still do not have bargaining rights. I would like you to comment on that but also comment on what I think is a severe need for professional training and career path. These are law enforcement officers, and how can we begin to turn the corner on those issues?

Secretary CHERTOFF. I do not know exactly what their union rights are at this point. I mean, they are a police agency, so there may be some limits.

With respect to career development, I think in general

Ms. JACKSON LEE. And training.

Secretary CHERTOFF. And training.

I think in general in the Department, particularly as people progress, we do need to come up not only with a better career development path but one that emphasizes the unity of the Department. You know, one of the things we have seen are some border patrol and border inspectors now applying to become ICE agents because they want to do investigative work. That is not a bad thing, and I do not want to discourage that. We need to find ways to allow them also to grow within their own agency as well as going out. So this is part of our whole human capital effort to try to build this 21st Century organization.

Ms. JACKSON LEE. I thank the chairman.

Chairman THOMPSON. Thank you very much.

Ms. JACKSON LEE. Thank you.

Chairman THOMPSON. Now I recognize the gentleman from California, Mr. Lungren.

Mr. LUNGREN. Thank you very much, Mr. Chairman.

Mr. Secretary, first of all, let me just say that, several months ago, a particular cybersecurity concern came to my attention. We alerted Mr. Foresman of your Department, and his reaction was immediate. The Interagency Task Force was established. He understood the severity of the concern, and I understand we will be briefed at some point in time in the near future, and I think that is reflective of the kind of relationship that develops between this committee as the main committee of jurisdiction on Homeland Security—your Department—and I appreciate that, and I look forward to that kind of work in the future.

You know, we hear a lot of things from a lot of people. Some appear to be serious, some not. This did appear to be serious; and while I do not discuss it publicly, I just want to publicly thank you for that and the professionalism.

The other thing that was of interest was the credibility that your Department has that, when you went to establish an Interagency

Task Force on this matter involving a number of different agencies, including some that have been around a long time, the response to that was immediate, and that is a good sign, as far as I am concerned, for whether this system is being broken. You do not get the headlines on that. You get headlines about what you are not doing.

Perhaps the reason why the tenor of this hearing is, I think, a little bit better than what I saw in the newspapers is this committee has a better understanding on an ongoing basis of what you are doing and what you are doing to improve.

Secondly, I would like to ask you this. I mean, there were some questions about the housing and tents that we are putting the non-Mexican illegal aliens in. I have a friend who is in Tikrit right now, and he is an Army officer, and he is living in the remains of what was a shower. How does the tent city that you have got compare to what our troops are living in in places around the world right now?

Secretary CHERTOFF. Well, first, again, thank you for your comments. I think it is important for the morale of the agency to have the quiet things recognized sometimes, and I appreciate that.

I visited the particular tent city that was depicted in the Post before it opened. They are not like tents like Army tents. They are large structures with almost rigid but not quite rigid sides. They are air-conditioned, and they have rows of bunks like dormitories, like in an Army barracks. My recollection, although, you know, it is not that clear, is that there are partitions, contrary to what the reports said, in between the various stalls and the showers. There is an eating area and a recreational area. I think there is a television.

So, in terms of the physical structure, I would have to say it is one which I think our troops would be delighted to occupy in places, you know, all over the world. Now, it is never fun to be locked up, but these are designed, hopefully, to have relatively quick turnover, and so they are not meant to be places of permanent habitation.

Mr. LUNGREN. And there is a difference, in my mind, between what is inhumane and what is uncomfortable. I would suppose these are uncomfortable, and people would like to get out of them as I would.

Let me ask you about something that Mr. Pierce has brought up on a number of occasions, and that is the effectiveness of K-9 units. I noticed that, in the surface transportation budget, you increased the explosives detection K-9 program by \$3.5 million. Do you know how many K-9s are currently deployed and to which systems and how many more K-9 units will be allocated as a result of this \$3.5 million?

There has been some suggestion that sometimes, even better than some of these technological fixes that we are always chasing, K-9 units have tremendous capacity for examining cargo, whether it is a fixed rail, whether it is passenger, whether it is air, and so forth.

Secretary CHERTOFF. The money reflects 45 additional K-9 teams, and I agree. I think the dogs in almost every case—there are a couple of exceptions—are superior to technology. We cannot make them fast enough. We cannot get the dogs produced fast

enough, and not all the dogs—you know, some of them flunk out of the K-9 school, but they are actually a great detection tool.

Mr. LUNGREN. There was some question about whether we have the capacity to have the training that is necessary. That is, do we have the facilities such that, if we indicated that we needed to double or triple this, is the training capacity out there? Are we limited by the training facilities that are currently available?

Secretary CHERTOFF. I am not sure I can answer that. I know we are currently training a lot of dogs. I was down at the facility in Front Royal. I do not know what the limiting factor is—suitable dogs being born and put into the program, suitable trainers or suitable facilities—but, I mean, we can handle the 45 additional K-9 teams. You know, the dogs are somewhat expensive, too, and their useful period of work is not their entire life. I mean, at some point they kind of wear out. But if we need to put more into the training, we will put more into the training.

Mr. LUNGREN. Thank you.

Thank you, Mr. Chairman.

Chairman THOMPSON. Thank you very much.

Mr. Secretary, earlier you mentioned your support for the Information Sharing Fellows Program, and I am glad to see the bipartisanship on that. Because you know that was a Democratic idea that we kind of put forth last year, so I am glad to see you picking it up and moving it forward.

We will now hear from the gentleman from Texas, Mr. Green.

Mr. GREEN. Thank you again, Mr. Chairman.

Mr. Secretary, if you would, share with us as briefly as you can your vision for security within the country as opposed to ingress and egress but within as it relates to a facility comparable to Union Station as we look to the future.

Secretary CHERTOFF. Most of the infrastructure in the country is either owned and operated by local authorities or by the private sector, so I do not envision us—the question I always have to ask is, what is the Federal contribution? Where does it make the most sense?

One area is technology. So, for example, with our BioWatch Program and moving to the next generation of biowatch, that is something you cannot reasonably expect localities or private parties to do. We have got to do that kind of research work. We have got to deploy that. Funding for things like cameras and systems of that sort I think are, again, where we can value add with respect to a place like Union Station.

When it comes to the private sector, you know, I think we need to help them survey and understand what security measures they need and how to best go about providing security. But I honestly do not know that the Federal Government would pay for, let us say, Exxon Mobil to secure its own assets. We want to tell them what they need to do, which is lay down performance standards like the chemical facilities, give them assistance, but, at the end of the day, they have a responsibility as well to protect not only their own assets but the communities in which their assets are situated from being turned into a weapon.

This is really a partnership, and that means it has got to be a network relationship, as opposed to a government owns everything and operates everything relationship.

Mr. GREEN. I thank you, and I do look forward to working with you. Again, I commend you. Thank you very much.

I yield back.

Chairman THOMPSON. Thank you.

And, Mr. Green, we will take that question forward during the next month as we look at rail security as a broader issue for this country. So we will be working with the Department and industry itself in coming up with a model that makes the traveling public more secure.

We will now get back to our patient member, Mr. Perlmutter from Colorado.

Mr. PERLMUTTER. Thank you, Mr. Chairman; and Mr. Secretary, again, thank you for, sir, your generous time today.

I have a few more questions, and I want to start with interdicting, you know, contraband, drugs. Again, I am going to be asking you about cuts, as opposed to increases, but I noticed in a couple of your line items we have got cuts to drug interdiction, \$56 million. Can you explain that?

Secretary CHERTOFF. I need to get the particular line item so I can look at what we are talking about. Do you have the line item?

Mr. PERLMUTTER. It goes from—

Secretary CHERTOFF. Oh, thanks.

Well, I guess what I would say is, on that particular item, we are going from—it is off of a base of \$1.3 billion, so I think some of this reflects adjustments in the budget with respect to Coast Guard, which are reflected as part of the border program, and then it has to be allocated against the various categories of the program which are covered under the border and associated programs.

When we get into very small cuts and adjustments, I mean, this is part of what is a tough budget process where we are trying to fund new initiatives. We are trying to see can we tighten the belt a little bit without sacrificing the mission in a significant way. It is a fairly small cut relative to the \$1.3 billion; and it just reflects, I think, a judgment that we could afford to cut a little bit there to put something somewhere else.

Mr. PERLMUTTER. Okay. Thank you.

In terms of the conversation we are having with a couple of the representatives on working with local police and law enforcement and first responders, as I understand the way the Department has worked it has been primarily on a grant type of basis to develop, you know, some expertise in the local law enforcement in terms of sharing intelligence and things like that.

I guess my question is—and again, you know, wanting local control and develop local expertise is a good thing. Grants, however, run out; and I can tell you in Colorado there is particular concern that the grants have run out. It was sort of 2003 to 2006 or 2004 to 2007, and it is gone, and they are really concerned about how it maintains, how it sustains because you do not want it to just run out. Can you respond?

Secretary CHERTOFF. First of all, let me preface it by saying we do work with locals directly in the sense we have a Joint Terrorism

Task Force and we have fusion centers. Let us say, in the ports, we have, you know, the Coast Guard integrated with local police. So there are many ways we work with the locals on an ongoing basis operationally.

You know, what you say about grants is true, and that is because grants, I think, in the main are meant to be capacity building. What we are trying to do is build capital investment and build training that will then allow the localities to do the work themselves.

Frankly, a lot of the times when we get into tussles over grant funding is because localities understandably are interested in having a portion of their sustainment budget covered by the Federal Government. I mean, they used to have a COPS program and block grants. I mean, those are revenue-sharing programs.

I have to say the general philosophy we have had, with some exceptions like we have done with Stonegarden at the border or what we have done with the police in the major cities, has been not to have this be revenue sharing but to have it be capacity building and investment that will ultimately yield to sustainment by the localities.

Mr. PERLMUTTER. I guess my response is that you built the capacity, but you are then shifting—well, States or the local governments then have to pick up the cost to maintain the program. And you know, in Colorado and, I think, in other States, one of the complaints you are seeing is that they are not in a place where they can pick up the program. Then what you have built for 3 years is just going to sort of die on the vine, and that is just my caution to you.

Secretary CHERTOFF. Well, that is one of the reasons—when we evaluate grant proposals, part of what we are looking to see is, has the applicant thought of a proposal that they are capable of sustaining themselves? Have they looked at their own budget and are they able to say, you know, if you give us this, we then have the ability to carry it forward? That really will address that issue.

Mr. PERLMUTTER. A last question, Mr. Chair, if it is okay.

In terms of the—I think your testimony was that we had 18,500 beds. It has gone to 27,500. You want to add another 1,000 beds. Do you have any sense of—I mean, how do you work with, say, for instance, prisons and training the guards at these things, and how much does it cost you per bed on an annual basis?

Secretary CHERTOFF. Well, let me say we do not own all of the beds. When we say “beds,” a lot of these beds we lease, and we do that exactly because of the surge back and forth. There is a figure per bed. I do not have it in my head.

But one of the things we do use—it is almost like a hotel reservation system. We do run a system where we scale up and scale down in different parts of the country depending on what the flow and the capacity needs are. I am sure I can get you the dollars per bed. Not all but most of them are on a contract basis. Like we use local law enforcement jails and stuff like that.

Mr. PERLMUTTER. Okay.

Chairman THOMPSON. Thank you very much.

Mr. Secretary, if you would, on that subject, if you can get us the cost per Department bed as well as the cost per contracted bed, I

think we could then kind of look at the numbers and kind of see where we are.

Secretary CHERTOFF. Yes.

One thing I should say is this is actually an area where contracting makes sense. Because if we built a large facility in, let us say, Arizona, and then over time the need for bed space—and they are contracted—was that we have got more need in Florida—we would be stuck. So it is this kind of fluctuation where we actually do like to contract.

Chairman THOMPSON. And we have staff going to visit over the next 3 weeks several of these sites to kind of give the committee more information on it, also.

I would like to thank the Secretary for his valuable testimony.

Ms. JACKSON LEE. Chairman.

Chairman THOMPSON. Yes.

Ms. JACKSON LEE. Would you just yield for just a moment?

Chairman THOMPSON. Yes.

Ms. JACKSON LEE. Mr. Secretary, would you put this under your contemplation?

The chairman indicated that this committee and several other committees will be looking at comprehensive immigration reform. We do not want to suggest that law enforcement agencies should not be enforcing the rules, but you have some humanitarian issues with mothers, children, fathers in the pipeline of deportation who are under your jurisdiction, and I just will explore with you the consideration of some moratorium, some mandatory moratorium, as this comprehensive immigration process is about to unfold.

We had to deal with a situation of a mother of two young children—and I know there may be many like this, but I do think it is worthy of consideration in the light of the President's charge and our charge to get a bill out in the next 6 months. I think it is an important question to consider, and that is a humanitarian response to some who are in the pipeline of deportation.

I yield back.

Chairman THOMPSON. Thank you.

Again, Mr. Secretary, we want to thank you for your testimony. The members of the committee may have additional questions for you, and we ask you to respond expeditiously in writing to these questions.

Hearing no further business, the committee stands adjourned.

[Whereupon, at 11:43 a.m., the committee was adjourned.]

APPENDIX: ADDITIONAL QUESTIONS AND RESPONSES

QUESTIONS FROM HON. BENNIE G. THOMPSON

RESPONSES FROM HON. MICHAEL CHERTOFF

Question 1: Mr. Secretary, as you know, the Committee on Armed Services produces an authorization bill each year for the Department of Defense. I believe this bill provides much needed Congressional support and resources for DOD.

Do you believe that the Department of Homeland Security could also benefit from the passage this year by the House and Senate of a bipartisan bill that authorizes key programs at DHS and makes moderate management reforms that you and this Committee are seeking?

Answer: The Department of Homeland Security (DHS) has undergone significant restructuring since its inception. As part of this restructuring, we have instituted several management reforms. I believe it is prudent to institute the reforms we have underway, stabilize our operation, assess our performance, and then determine what additional management reform is required.

Towards that end, in addition to implementing the organizational restructuring directed by the Department's FY 2007 Appropriations Act, I am issuing management directives that strengthen and centralize the authorities of our Chief Acquisition Officer, the Chief Procurement Officer and our Chief Information Officer. These directives will provide the Department's headquarters leadership with greater visibility and control over our most significant investments in new tools and capabilities to fulfill our mission.

Question 2: Mr. Secretary, the GAO has said that if there was a merger between private sector companies on par with the creation of the Department of Homeland Security, it would take five to seven years for the companies to integrate fully. The Department is now four years old.

Do you think it has made four years of progress?

In other words, where is the Department on this five-to-seven year progression?

Is it at year four, year three, year two?

Answer: The GAO may have said that if there was a merger between private sector companies on a par with the creation of the Department, it would take five to seven years for the companies to integrate fully. However, the merger and restructuring of government agencies is dramatically more complicated than mergers in the private sector. We certainly believe that we have made four years of progress and are well on the way to becoming a more effective Department.

Question 3: Mr. Secretary, as you know, the Department remains on GAO's high risk list. In May of 2005, GAO issued a report that identified your Business Transformation Office as having a potentially important role in facilitating the integration and development of the Department. Yet in the almost 2 years since, we have had a difficult time figuring out just what the Business Transformation Office does. In fact, it seems like an empty shell of an office. This year you have requested no direct funding for it.

Do you have a vision for this office?

What role do you see it playing in the development of the Department, and how it can it fulfill this role without funding?

Answer: The Business Transformation Office was eliminated from the Office of the Under Secretary for Management in Senate Report 109-273—Department of Homeland Security Appropriations bill, 2007. Under Committee Recommendations for the Office of the Under Secretary for Management, the bill states the following:

Business Transformation Office—The Committee does not provide funding for the Business Transformation Office (BTO). While the Committee values the integration that BTO sought to provide, the Committee finds such integration can be coordinated directly out of the Immediate Office of the Under Secretary for Management, eliminating the need for an independent office.

The House agreed with the Senate in the conference report and the Homeland Security Appropriations Act of 2007 (Public Law 109–295) eliminated funding for the BTO from the Office of the Under Secretary for Management.

Question 4: Mr. Secretary as you know, the Department ranked at the bottom of the just-released OPM survey of job satisfaction among federal employees. This abysmal ranking was little changed from OPM's previous survey, 2 years ago.

Why do you think the Department made so little progress in two years, and what are you doing now to assure substantial improvement 2 years from now?

Answer: I take these results seriously and am disappointed by the Department's low survey rankings. Immediately after the report was issued, I asked Deputy Secretary Jackson to immediately send out a message to all employees communicating our results and letting them know that we were very disappointed with our scores and would be taking immediate steps to try to effect changes which would lead to improved morale. We anticipate impacting scores through the performance management system we began implementing in 2005 as well as the leadership training initiatives which we started to implement last year.

We are developing a two-pronged approach—Department-wide and Component level activities. These activities include:

- Ongoing data analysis for actionable conclusions;
- Focus groups (Department-wide on leadership and communication issues);
- Action plans to address top 2 to 3 areas of weakness; and
- Sharing Component best practices across the Department.

There are three areas where we did not do well:

Performance Management: In 2006 when the survey was administered we had just begun the roll-out of the performance management system (PMS) for all managers and supervisors. In addition, we continue to revamp and reissue performance management tools which we believe will contribute to changing the negative employee perception of performance management within the Department. These initiatives include:

- Holding managers accountable for addressing FHCS issues as a corporate requirement;
- Ensuring all employees in the new performance system are on performance plans

Leadership: From 2004 through 2006, we hired just under 200 senior executives to fill leadership positions within the Department. Also, in this time, we established the Chief Learning Officer position within the Office of the Chief Human Capital Officer, and produced several leadership courses now being offered as part of DHS' Leadership Institute. These courses include:

- Delivering new leadership training programs to focus on core skills identified in the survey (leveraging existing Component programs, where possible);
- Rolling-out existing leadership development programs, including the SES Candidate Development Program and the DHS Fellows Program; and
- Conducting 360 degree evaluations for SES/TSES supervisors to assess its use as a basis for improving communications, leadership and results.

Communications: We are improving our communications by having the Office of Public Affairs work in conjunction with the Office of the Chief Human Capital Officer to:

- Enhance DHS websites to include more messages from senior leaders on topics relevant to the workforce;
- Structure a series of all hands meetings in coordination with Components to address key issues;
- Prepare an abbreviated DHS 101 module that explains DHS, what it does, who is in it, the Secretary's priorities and how each organization relates to them; and
- Maintain a robust FHCS website to ensure employees have access to all information on the Department's activities.

Through these coordinated efforts, we aim to address the areas for improvement identified by the survey and put in place new accountability structures to help us implement, communicate and measure our effectiveness in doing so.

The Operational Plan Encompasses All MAX^{HR} Initiatives and More

Goal Areas	Outcomes	MAY^HR	HCOP
Hire and Retain a Talented and Diverse Workforce	<ul style="list-style-type: none"> • Workforce planning in HC operations ✓ • Competency-based qualifications for hiring, training and performance evaluations ✓ • Automated solution to assess and resolve mission critical and leadership competency gaps ✓ • DHS-wide recruitment and hiring practices improved ✓ • DHS-wide retention initiative with improved flexibilities ✓ • Career path program ✓ • Merit staffing and qualifications policy ✓ • Hiring targets met through recruitment strategies that address diversity ✓ • DHS-wide hiring and retention regulatory agenda ✓ 		
Create a DHS-wide Culture of Performance	<ul style="list-style-type: none"> • Team DHS culture ✓ • Robust communication plan for an expanded communication program ✓ • Action plans to address issues raised in the Federal Human Capital Survey ✓ • Contemporary and flexible personnel system based on competencies ✓ • DHS-wide organizational survey ✓ • Performance management program coverage expanded ✓ • Performance management program liaison support (Help Desk) ✓ • Employee training on performance management enhanced including initial and refresher performance leadership training ✓ • Change management training supports transition to results-focused organization ✓ • Appropriate ratings and recognition ✓ • Performance management program evaluated ✓ • Formal mentoring program pilot ✓ • Market-sensitive pay design/policies refined and system tested ✓ • Performance-based pay pilot ✓ • Employee and labor/management relations programs and flexibilities established resulting in enhanced DHS workforce responsiveness ✓ 		

The Operational Plan Encompasses All MAX^{HR} Initiatives and More

Goal Areas	Outcomes	MAX ^(HR)	HOOP
Create High-Quality Learning and Development Programs	<ul style="list-style-type: none"> ● An enhanced approach to develop policies and processes ● Learning Management System ● Academic outreach ● DHS Leadership Institute for leadership readiness training ● Leadership development courses incorporated into component supervisory training ● DHS Homeland Security Academy ● DHS-wide Preparedness Center ● DHS Fellows Program (in partnership with CEG) ● Change management/organizational transition training for all employees 	<div>✓</div> <div>✓</div> <div>✓</div> <div>✓</div> <div>✓</div> <div>✓</div> <div>✓</div> <div>✓</div> <div>✓</div>	<div>✓</div> <div>✓</div> <div>✓</div> <div>✓</div> <div>✓</div> <div>✓</div> <div>✓</div> <div>✓</div> <div>✓</div>
Implement DHS-wide Integrated Leadership Service	<ul style="list-style-type: none"> ● Leadership pipeline and readiness at all levels ● New leadership programs including rotational assignments and mentoring programs 	<div>✓</div> <div>✓</div>	<div>✓</div> <div>✓</div>
Be a Model of Human Capital Service Excellence	<ul style="list-style-type: none"> ● Culture of service excellence as DHS-wide value ● Execution and assessment of service level agreements ● Professional development of HR personnel ● DHS-wide accountability program ● Robust HRIT systems and internal websites support all initiatives 	<div>✓</div> <div>✓</div> <div>✓</div> <div>✓</div> <div>✓</div>	<div>✓</div> <div>✓</div> <div>✓</div> <div>✓</div> <div>✓</div>

Question 5: Mr. Secretary, when we met with Deputy Secretary Jackson last week, he said, and I quote “MAX^{HR} is dead.” **Is MAX^{HR} in fact dead, and if so what is taking its place?** While MAX^{HR} may have been ill-conceived from the beginning, the idea of unifying the Department’s human resources systems is not.

What are you doing towards this goal, how much will it cost, and what is the implementation plan?

Answer: The use of the term MAX^{HR} is no longer appropriate because our human resources programs encompass critical areas not identified in the MAX^{HR} initiative. Over the last two years, much work has gone into the MAX^{HR} program.

MAX^{HR} did not go far enough in addressing the broad range of needs for a 21st century human capital program across the Department. For this reason, we will no longer be using the term MAX^{HR} as we move to address broader initiatives that are essential for us to be successful in the future.

We are continuing our efforts to unify the Department's human capital programs. The Department (Chief Human Capital Officer), in collaboration with the Components, has developed a Human Capital Operational Plan to serve as a roadmap for further integration. This plan allows DHS to adjust to new priorities while focusing on five key goals, which are designed to improve DHS' capacity to build and sustain a high-performing workforce with the knowledge, tools and resources to achieve the Department's vital mission. They are:

- Hire and retain a talented and diverse workforce
- Create a DHS-wide culture of performance
- Establish high-quality learning and development programs
- Implement a DHS-wide integrated leadership service
- Be a model of human capital service excellence

Under these goals, we will continue the valuable work begun under the MAX^{HR} program, but broaden our focus to other areas, such as developing career paths to expand career opportunities and investing in learning and development programs to give employees the knowledge and tools they need to be successful. We will also modernize hiring and retention programs to make sure we can attract and retain the best talent. With respect to the programs initiated under MAX^{HR}, we will:

- Expand the implementation of the DHS Performance Management Program to allow us to work more effectively across Components and align the work we do with the strategy, vision, and values of the Department.
- Implement a pay-for-performance pilot program in a small Component or organization to validate, measure, and refine the pay band models and processes.
- Work with the Office of Personnel Management and collaborate with employee representatives to decide on next steps consistent with recent court rulings.

By proceeding in this deliberate manner, we will ensure that performance management is well-established in the Department, and that we have adequate time to properly train the workforce. These actions will also support our efforts in addressing the issues raised by the Federal Human Capital Survey.

The FY 2007 budget includes funding to initiate these efforts and additional funding will be sought, as needed, in FY 2008 and beyond to sustain robust human capital programs throughout DHS. The chart below reflects the differences between MAX^{HR} and the newly adopted Human Capital Operational Plan (HCOP).

Question 6: Mr. Secretary the Nation's transportation systems are inherently "open" environments and in the Department's own budget justifications it says "There is a very real ongoing threat to transportation security, particularly involving the mass transit mode, as evidenced by the Bombings in Madrid during the summer of 2004 and London in July 2005" But the President's FY08 budget only requests an additional \$4 million for TSA's surface transportation security.

If TSA is responsible for all modes of transportation, when is TSA's budget going to reflect this fact?

What percentage of your overall budget is dedicated specifically to rail and public security?

Answer: Budgets seen as specifically dedicated to surface transportation security are not reflective of the overall effort of TSA or the Federal Government in these areas.

Since 9/11, the Federal Government has dedicated an estimated \$900 million to transit security alone. This figure encompasses grant programs administered by the Department of Transportation (DOT), Federal Transit Administration (FTA), DHS, and TSA.

Additionally, FTA annually awards more than \$3.5 billion in capital improvement grants. These funds may be used for capital security enhancement. Under the Safe, Affordable, Flexible, Efficient Transportation Equity Act—A Legacy for Users, up to two percent of these grants may be dedicated to security training and exercises.

The \$900 million cited does not reflect the value of supporting services the Federal Government provides to transit security through funding of broader security efforts, such as the Transportation Security Operations Center, the Transportation Security Intelligence Service, and DOT's Crisis Management Center. Our Government's investments and improvements in terrorism watch lists, border security and intelligence networks significantly impact surface transportation security. Such efforts focus on preventing the terrorists from ever entering the United States and are part of a layered defense for surface transportation security.

These and other programs contribute to accomplishing the surface transportation security mission. The intelligence and information-sharing and alert capabilities maintained through these processes are other key components of the layered approach to transit and rail security.

Transportation Security Administration (TSA) focuses on information sharing, preparedness, domain awareness, training, and using a risk-based management approach to maximize the impact of available resources through random, visible security activities. We have employed wide-ranging strategies that engage our stakeholders and help ensure the security of mass transit and passenger rail systems. The TSA budget involves programs and funding that may seem to be specific to certain modes when, in fact, they impact security across all modes. TSA has learned much in aviation security that is being used in the surface transportation modes. Budgets allocated to aviation security actually provide real benefit throughout the entire transportation system.

For example, Federal Security Directors work closely with surface modes to make many aviation security measures available to surface transportation security. TSA Explosives Detection Canine Teams, Visible Intermodal Prevention and Response teams, portable screening equipment and the National Screening Force have been deployed to provide enhanced security to surface transportation.

Much of the Nation's aviation infrastructure is federally owned, which requires a Federal budget. The surface modes of transportation, many of which are privately owned and operated, receive security funding from multiple streams (i.e., State, local, private). The responsibility for mass transit security and passenger rail security is a shared responsibility among a variety of stakeholders, including State, local, and Federal agencies, and private owners and operators. To that end, TSA works in partnership with the DHS Office of Grants and Training and will award \$199 million in surface transportation security grants in FY 2007. These grants are awarded in direct relationship to a program's value in mitigating the greatest risk to surface transportation.

Question 7: Earlier this week, Administrator Hawley told us that the Transportation Sector specific Plan was still under review by the Administration. This plan was due over 2 years ago.

Why the long delay and when can the Committee expect the plan to be completed?

Answer: The National Strategy for Transportation Security (NSTS) was required under the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA) as the initial Department of Homeland Security (DHS) mechanism for the development of a broad-based transportation strategy. The NSTS was the document due two years ago, which was delivered to Congress in October 2005. Per IRTPA, an updated NSTS was provided to Congress in August 2006.

On December 5, 2006, the President issued Executive Order 13416 which builds upon the improvements made in surface transportation security since September 11, 2001, specifically actions taken under Homeland Security Presidential Directive 7, "Critical Infrastructure Identification, Prioritization, and Protection" (HSPD-7). Executive Order 13416 requires the strengthening of our Nation's surface transportation systems by the facilitation and implementation of a comprehensive, coordinated, and efficient security program. In doing so, we continue to build upon current security initiatives to develop a comprehensive transportation systems sector specific plan, as defined in the National Infrastructure Protection Plan (NIPP), as well as modal plans for surface modes as defined in the Executive Order.

In June 2006, DHS signed the NIPP as the comprehensive Critical Infrastructure and Key Resources (CI/KR) planning framework supporting the tenets outlined in HSPD-7. Each of the 17 CI/KR sectors was required by the NIPP to develop a sector-specific plan in collaboration with various security partners across government and private industry. December 31, 2006. The Transportation Systems Sector Specific Plan (TSSP) was developed and reviewed within the Department. HSC cleared the TSSP in early March.

Question 8: In the FY07 Homeland Security Appropriations Bill, Congress provided the Department with a specific timeline for grant distribution. We had to do this because your Department has consistently been late in distributing these substantial funds. Despite this clear guidance, however, the Department was once again 7 weeks late in distributing the FY07 grant guidance.

Please explain why there is such a long delay in distributing this funding

Answer: The Department of Homeland Security (DHS) places a premium on distributing grant funds to State and local jurisdictions in a timely manner. We realize that these funds are critical to building and sustaining capabilities at all levels. Prior to the grant guidance release for the fiscal year 2007 Homeland Security Grant Program and the Infrastructure Protection Program, we continued to seek stakeholder input on a variety of issues to ensure a strong programmatic application. In addition, we were committed to ensuring that we spent the time necessary

to strengthen the upfront analysis portion of the Urban Areas Security Initiative eligibility determination.

Further, the Department received specific requests from a number of State homeland security advisors on behalf of governors from their respective States asking that the Department delay releasing this grant guidance until January 2007. This extra time ensured that States and urban areas did not lose valuable days around the holiday season during the application period. The Department decided to grant this additional extension based on these requests.

Question 9: Mr. secretary at yesterday's "Update on Federal Rail and Public Transportation Security Efforts Hearing," Administrator Hawley was asked about Department training requirements for front-line rail workers, and he responded—incorrectly—that such requirements existed.

Were you also under the impression that this training was required? And if you were not, can you please explain why they are not required?

Can you explain to the Committee why you again missed an opportunity to impose training requirement for these workers?

Answer: The Federal Government currently has security training requirements in place in both passenger and freight rail. The Transportation Security Administration (TSA), through its various assessment programs conducted by the Surface Transportation Security Inspectors, monitors employee training information and efforts, which differ for passenger rail workers and freight rail workers.

Passenger Rail/Mass Transit

Under the current Transit Security Grant Program (TSGP), employee security training, drills and exercises, and public and employee awareness programs are considered fundamental to a comprehensive security program and are essential factors in evaluating eligibility and in awarding grants. The TSGP guidance emphasizes the implementation of effective and targeted training designed for front-line transit staff and public awareness. Additionally, TSA and the Federal Transit Administration's (FTA) Rail Fixed Guideway Systems: State Safety Oversight Rule, title 49, Code of Federal Regulations (49 CFR), section 659.19 (k)(7), requires that system safety plans include the process used by the rail transit agencies to develop an approved, coordinated schedule for employee emergency training activities.

With regard to passenger rail, the Federal Railroad Administration (FRA) regulation on passenger train emergency preparedness, 49 CFR Part 239.101 applicable to certain commuter or other short-haul passenger train services and intercity passenger train services, requires employee training as a component of the emergency preparedness plan. The regulation states that the plan shall address individual employee responsibilities and provide for initial training, as well as periodic training at least once every two calendar years thereafter, on the applicable plan provisions. At a minimum, the initial and periodic training shall include:

- (A) Rail equipment familiarization;
- (B) Situational awareness;
- (C) Passenger evacuation;
- (D) Coordination of functions; and
- (E) Hands-on instruction for location, function, and operation of on-board emergency equipment.

The requirement also applies to control center personnel and requires that they be provided with initial training, as well as periodic training at least once every two calendar years thereafter, on appropriate courses of action for each potential emergency situation. At a minimum, the initial and periodic training shall include:

- (A) Dispatch territory familiarization and
- (B) Protocols governing internal communications between appropriate control center personnel when an imminent potential emergency situation exists.

Freight Rail

Security training is already required for many workers in freight rail transportation and, as a matter of good business practice, has been extended to many operational employees by the railroad companies.

DOT's Pipeline and Hazardous Materials Administration currently requires security training of all hazardous materials (hazmat) employees in freight rail transportation (49 CFR 172.704). Title 49 CFR 171.8 defines a hazmat employee as a person who in the course of their employment directly affects transportation safety. The term hazmat employee specifically covers persons who "load, unload, or handle hazardous materials," "[prepare] hazardous materials for transportation," "are responsible for the safety of transporting hazardous materials," or "[operate] a vehicle used to transport hazardous materials."

Employers must provide hazmat employee training, which includes the following:

- General awareness/familiarization training;
- Function-specific training;
- Security awareness training, which must include a component covering how to recognize and respond to possible security threats;
- In-depth security training, which must include information concerning the company security plan and its implementation, company security objectives, specific security procedures, employee responsibilities, actions to take in the event of a security breach, and the organizational security structure; and
- Recurrent training every three years.

Question 10: Mr. Secretary I am troubled by recent problems with the Coast Guard's Deepwater Program. The DHS Office of the Inspector General just released a report highlighting structural deficiencies with the National Security Cutters. Last year, the Coast Guard had a drydock the entire class of 123-foot cutters because of these problems.

How much is it going to cost the American taxpayer to fix these structural deficiencies?

Answer: National Security Cutter (NSC)

Technical work characterized by the ability of the structural design to meet Coast Guard requirements has been completed. Design modifications to increase overall cutter fatigue tolerance will be completed this March and the Coast Guard NSC program office will begin detailed discussions with ICGS on potential design solutions at that time. Costs will not be fully developed until the design changes are decided.

To mitigate risk, the PEO, in concert with the Deepwater Program's Technical Authority (Assistant Commandant for Engineering & Logistics) and working with ICGS, is developing a full technical solution that will be incorporated into production of hulls three through eight. With regard to hulls one and two, the USCG intends to implement similar enhancements during normal post-delivery availabilities that will be well before any projected fatigue service-life limitations are reached.

123' Patrol Boats (WPB)

Due to ongoing engineering and structural degradations of the 123' WPB Fleet, operations of the eight cutters was suspended on November 30, 2006. In order to safely operate in seas less than 5 feet deep would require such operational restrictions that the 123' WPBs would no longer be operationally effective.

To date, industry has incurred approximately \$200K in structural upgrade costs and the Coast Guard has expended about \$1.7M in AC&I funds in analysis and repair. With suspension of 123' WPB operations, the Coast Guard Technical Authority has engaged well-known engineering experts to review the types of problems the Coast Guard and ICGS have experienced with the 123' WPB in order to provide an independent assessment of the status and future viability of the 123' WPB. The Coast Guard Technical Authority reviewed information from the independent assessment regarding the future of the 123' WPB. The Coast Guard has announced its decision to competitively bid the project with a potential large savings to the taxpayer.

Question 11: Mr. Secretary, the adequacy of data privacy protection for the Department's programs involving the collection of passenger information, such as TSA's Secure Flight Program and CBP's Automated Targeting System, continues to be a major concern for Members of Congress and the public at large.

What progress has the Department made in assuring Americans that personal information they must submit to make a plane reservation or board a flight will be adequately protected and used exclusively for screening purposes?

Answer: The Transportation Security Administration (TSA) has developed a comprehensive privacy program to ensure compliance with the Fair Information Practices codified in the Privacy Act of 1974, the E-Government Act of 2002, Department of Homeland Security (DHS) and TSA privacy policies, and Office of Management and Budget (OMB) privacy guidance. Extensive privacy requirements are being included in the program requirements to ensure that privacy issues and risks are identified at each phase of the program and that privacy principles are implemented throughout Secure Flight systems and operations. The privacy program integrates administrative, technical and physical security safeguards to ensure that limitations are placed on the collection of personal information and, once collected, information is protected against unauthorized disclosure, use, modification or destruction. Audit information will be generated and reviewed for each process or activity that involves the use of personal information to ensure that the Fair Information Practices and Secure Flight privacy policies are followed.

Additionally, as part of the Notice of Proposed Rulemaking (NPRM) process, TSA will publish a Privacy Impact Assessment (PIA) and SORN (System of Records Notice). The PIA and SORN will describe TSA's statutory authority to collect data and conduct a test of Secure Flight and will explain in detail the handling and flow of personal information and the protocols and privacy protections built into Secure Flight to protect passengers.

Question 12: Mr. Secretary, many believe that a critical security gap remains in air travel, the request for an increase of nearly \$40 million in the Secure Flight Program for further Program development is curious following the GAO finding of multiple problems in the TSA life cycle approach.

When do you realistically believe that TSA will assume passenger pre-screening duties, coordinating with key stakeholders critical to Program operations, while at the same time minimizing adverse impacts on passenger privacy and other rights?

Answer: The Transportation Security Administration (TSA) has developed a comprehensive privacy program to ensure compliance with the Fair Information Practices codified in the Privacy Act of 1974, the E-Government Act of 2002, Department of Homeland Security (DHS) and TSA privacy policies, and Office of Management and Budget (OMB) privacy guidance. Extensive privacy requirements are being included in the program requirements to ensure that privacy issues and risks are identified at each phase of the program and that privacy principles are implemented throughout Secure Flight systems and operations. The privacy program integrates administrative, technical, and physical security safeguards to ensure that limitations are placed on the collection of personal information. Once collected, that information will be protected against unauthorized disclosure, use, modification, or destruction. Audit information will be generated and reviewed for each process or activity that involves the use of personal information to ensure that the Fair Information Practices and Secure Flight privacy policies are followed.

Additionally, along with a Notice of Proposed Rulemaking, TSA will publish a Privacy Impact Assessment (PIA) and SORN (System of Records Notice). The PIA and SORN will describe TSA's statutory authority to collect data and will explain in detail the handling and flow of personal information and the protocols and privacy protections that are built into Secure Flight to protect passengers.

The Secure Flight program office plans to begin parallel operations with the first groups of domestic aircraft operators in the first quarter of fiscal year FY 2009, and plans to take over full responsibility for watch list matching in FY 2010. Secure Flight is one of the Department's top priorities, and TSA is continually investigating ways to accelerate the program schedule to allow for an expedited implementation of the system, as appropriate, and within established lifecycle cost estimates.

Question 13: Mr. Secretary, the President's FY 2008 budget has an unrealistic estimate of \$35.1 million in fees to be collected from the Registered traveler (RT) Program, currently operating out of only five airports. Although other airports have shown an interest, the fee estimation is considerably higher than warranted by anticipated participation. Yet again, the Administration is relying on glossy proposals and questionable forecasts to generate the false prospect of enhanced aviation security.

Can you explain why you believe that over 1 million people will join this program even though it is only in five airports and the only real advantage is that Members will get to cut the line?

Answer: The Registered Traveler (RT) population projections were based upon conservative estimates including frequent-flyer program participants, business travelers, as well as the number and category of participating airports. An estimated RT population of over one million is based upon a national program including more than 150 participating airports by FY 2012. Since being launched in November 2006, five sponsoring entities (airports/air carriers) have begun operating an RT program. TSA is currently working with an additional seven airports that anticipate launching the RT interoperable pilot program by the end of this calendar year.

In this public-private partnership, the individual, airport-specific service providers are responsible for the development and marketing of their RT programs. Possible program partnerships with local businesses and parking and airport vendors are expected to enhance the attractiveness of the RT program. Participating airports/air carriers also plan on offering amenities currently available only to elite frequent flyer club members, such as restricted lounge areas.

The fiscal year 2008 fee estimate of \$35.1 million for the Registered Traveler program presumed that 234,000 applicants would remit \$150 to TSA. Since the time the budget estimate was developed, the structure of the program and the remittance

amount has changed. TSA will receive \$28 of the applicant fee to cover TSA's costs for program oversight and operations.

Question 14: Mr. Secretary, your Deputy, Michael Jackson, has informed the Committee that the Department intends to move the US-VISIT office into the new National Protection and Programs Directorate. All of the other offices in this new directorate deal primarily with domestic security programs, not border security programs, and many Members on this committee are concerned that this move will further separate US-VISIT from the operational border security programs it is designed to support.

Can you tell us how you plan to insure that US-VISIT will be integrated and coordinated with the various border security initiatives DHS is responsible for implementing?

Answer: US-VISIT provides not only biometric identity services at the border, but also services for interior enforcement (U.S. Immigration and Customs Enforcement), for immigration benefits (Citizenship and Immigration Services), during the visa application process beyond our borders (State Department), and to the FBI for law enforcement purposes.

The Department has recognized US-VISIT's far reaching mission by re-aligning the program into the National Protection and Programs (NPPD) Directorate, effective March 31, 2007.

US-VISIT is being placed in the NPPD to support coordination for the program's protection mission and to strengthen DHS management oversight. The placement of US-VISIT into this new directorate recognizes that US-VISIT has evolved from a border control program created to address specific congressional mandates to an organization that is now an asset for the entire Department, providing identity services for almost all the operational Components of DHS.

Currently, CBP is a member of an integrated project team that helps govern US-VISIT. Coordination between CBP and US-VISIT has existed since the program's creation in 2003. Additionally, CBP has on-site staff assigned to US-VISIT to assist with day-to-day activities. This arrangement will continue under the new NPPD. US-VISIT also works closely with ICE to identify potential visa overstays through its Data Integrity Group.

Question 15: Mr. Secretary, the REAL ID Act of 2005 requires the states to issue secure identification documents by May 11, 2008, either driver's licenses or an identification cards, that must be used for federal purposes such as boarding an airplane, entering a federal building or applying for federal benefits. The REAL ID Act set forth minimum standards for these secure identification documents, but mandated that the Department issue regulations informing the states of the specific requirements for these cards. Nearly two years have passed since REAL ID was enacted, yet to date the Department has not even issued a notice of proposed rule-making.

Can you tell me when we might expect to see those proposed rules, and how you intend to facilitate the states' ability to meet the May 11, 2008 deadline? What is DHS doing to minimize the cost to the states of complying with the REAL ID Act?

Answer: DHS publicly released the NPRM on March 1, 2007, and it was published in the *Federal Register* on March 9, 2007, commencing the 60-day comment period. The NPRM describes how States can meet the May 11, 2008 effective date of the Act, as well as what steps States can take to seek an extension of the compliance date from the Secretary.

DHS sought to minimize costs to the States when implementing the language of the Real ID Act. For example, to establish a common-machine readable technology, required by section 202(b)(9), DHS proposed that States employ the 2D PDF-417 bar code standard already in use by 45 States rather than employ a different technology. Similarly, DHS did not specify which issuance process a State could use (central, over-the-counter, or hybrid) in order to permit States as much flexibility as possible in complying with the proposed regulations.

Question 16: In his recent State of the Union address, President Bush reiterated his commitment to doubling the size of the Border Patrol, and the administration has requested funding for an additional 3,000 agents in FY 2008. However, it appears that the Border Patrol is not actually recruiting and retaining a sufficient number of agents to fulfill this promise.

Can you explain to us why this is the case, and share with the committee what DHS is doing to improve recruitment and retention at levels that will permit the Administration to keep its commitment?

Answer: CBP recognizes the need to balance recruiting and filling the training slots at the Academy in Artesia. At this point, we are recruiting and hiring qualified applicants at a pace that maintains the Academy classrooms at their capacity. As the Academy increases the availability of training slots, we will fill them to keep on track. Additionally, CBP is now recruiting at the GS-9 entry level and is on pace to meet our target goals.

Attrition and the 30:1 applicant-to-hiring ratio are two proven reasons for the slower pace in filling these positions. However, CBP continues to aggressively pursue qualified candidates across the country to fill Border Patrol Agent positions. We have set up 18 compressed testing sites, up from the previous 6 and are conducting compressed recruiting events simultaneously to increase the number of applicants. In Tucson, CBP recently tested 104 applicants in one day and screened another 118 walk-in applicants. Last month in San Antonio, another 190 applicants were tested in one day and an additional 200 walk-in applicants were screened. The agency recruiting team continues to conduct similar recruiting events across the country where we have compressed testing scheduled. Contingent upon the availability of appropriations for such purpose, CBP is also exploring scholarships for two-year college students who want to pursue a career as a Border Patrol Agent. Additionally, the Border Patrol is benefiting from Operation Jump Start as it has exposed National Guard personnel from around the country to the work the Border Patrol performs, and many among the National Guard have expressed interest in joining CBP.

Regarding retention, CBP is evaluating proposals, again contingent upon funding, to offer retention bonuses to new BPAs as a means of reducing attrition. Normally, the Border Patrol experiences a low attrition rate after completion of the agent's first two years. Retention efforts would target new agents who are adjusting to a new career and often times a new environment for both living and working as well. Despite these limitations, CBP has maintained sufficient candidates in the pipeline to keep pace with the Academy class requirements and we expect to continue on that pace throughout the fiscal year.

Question 17: Mr. Secretary, in FY 2006, Immigration and Customs Enforcement removed 185,3431 illegal aliens from the U.S., a 10% increase from FY 2005. The Department's budget requests \$31 million for an additional 600 detention bed spaces and requests funding for an additional 3,000 agents.

Mr. Secretary have you considered that an increase in border patrol agents will increase apprehensions, which will also increase the need for bed space?

Is this enough to completely end catch and release?

Answer:

By adding the 600 beds, plus an additional 350 beds specifically associated with the 287(g) program, DHS will have a total bed count of 28,450 for FY 2008. Given the significantly increased deterrence effect seen with the implementation of Operation Jump Start, increased Border Patrol deployment, ICE interior enforcement and the new practice of catch and return, the Department believes that the total bed level is sufficient to maintain the end of "catch and release" at the border.

DRO continues to work with all apprehending entities and ICE field offices to ensure that detention bed space is properly managed. DRO utilizes the Detention Operations Coordination Center (DOCC) to promote optimum utilization of detention capacity by monitoring detained dockets across the country and shifting detainees from field offices with limited detention space to those with available detention space. For FY 2007, ICE is funded for 27,500 detention beds. As of February 19, 2007, the total ICE-funded population was 27,245. DRO continues to add detention capacity and to manage the detained population.

Question 18: The funding requested for immigration and Customs Enforcement may be insufficient to meet the anticipated demand for its services. The proposed Basic Pilot Program, however, may be excessively expensive, as GAO has estimated that a nationwide employment verification system would cost at least \$11.7 billion annually.

Can you respond to these concerns?

Answer: The Employment Eligibility Verification (EEV) program, formerly known as Basic Pilot, is actually a current program administered and funded by the U.S. Citizenship and Immigration Service (USCIS). The Basic Pilot provides free information to participating employers about the work eligibility of their newly hired workers. In planning for the expansion of the program, the President's FY 2007 budget request approved by Congress appropriated \$110 million to begin expanding and improving the Basic Pilot, including conducting outreach, instituting systems monitoring, and compliance functions. EEV is a voluntary program providing em-

employers an electronic system to verify employment eligibility of all newly hired employees. EEV now has over 14,000 employers participating in the program. USCIS is continuing to strengthen the capacities of EEV including adding technology that for the first time allows participating employers to use a paperless online filing system. The President's FY 08 budget requests a total of \$30 million in discretionary funding to continue expanding the EEV Program.

When the GAO was first calculating the overall costs of the Basic Pilot, they were citing an older report that was written prior to the Basic Pilot becoming web-based and it factored in all the costs, not only to the government, but the "costs to the public" as well. USCIS' budget estimates look at actual expenditures for the cost of running the Basic Pilot. The GAO number is looking at costs such as lost wages and opportunity costs for employers. The employer costs are the opportunity costs (cost of time) for learning how to use the EEV system and running queries on the system for all new hires.

Employee costs during the initial verification phase are minimal. In cases where an employee's Social Security Number (SSN) or immigration information does not immediately match a database at the Social Security Administration (SSA) or the Department of Homeland Security (DHS), the EEV system issues a "tentative non-confirmation." When a tentative non-confirmation is issued, employers must take the time to inform the employee of the tentative non-confirmation and allow the employee to continue working while they resolve the issue with either SSA or DHS. For tentative non-confirmations with SSA, an employee must take time off from work and travel to a local SSA office. For DHS tentative non-confirmations, employees are able to contact DHS by telephone to resolve the tentative non-confirmation. In cases where the non-confirmations are resolved, an employer must spend time running a second query to verify that the records have been updated. In cases where it is determined that the employee is not work authorized, then the cost to the employer are investments in recruiting and training for an employee that they have to terminate.

Question 19: The Administration's budget includes no funding for the Southwest Border Prosecutors Initiative. This program provides funding for local prosecutor offices in the four States along the Southwest Border—California, Texas, Arizona and New Mexico—for the costs of processing, detaining, and prosecuting drug and other cases referred from federal arrests or federal investigations.

What is the likely effect of this action if Congress adopts it?

Answer: The Southwest Border Prosecutors Initiative is fully funded by the United States Department of Justice. As such, inquiries related to this program's funding should be directed to the Department of Justice.

Question 20: Mr. Chertoff it is my understanding that FEMA is currently in the process of trying to recoup over \$300 million in assistance improperly provided to over 70,000 Louisiana households in the wake of Hurricanes Katrina and Rita. Additionally, an Associated Press analysis has revealed that at least 162,750 fictitious homes—that did not exist before the storms—may have received a total of more than \$1 billion in improper or illegal payments.

Why was the system that FEMA had in place unable to verify the identities and homes for those who applied for assistance? What processes are you putting in place to prevent this level of fraud in the next large disaster?

How far along is the Department in recouping these funds, and what action is the Department taking against the individuals who stole the funds?

Answer: At the time of Hurricanes Katrina and Rita, FEMA's traditional system for verifying the identity of disaster assistance applicants was dependent on an on-site, in-person verification of applicants and their respective residences. Given the massive and unprecedented displacement of residents and the inability to enter many areas due to the degree of devastation, FEMA's principal assistance verification method was not feasible. FEMA officials agree that more stringent controls on the front end are always preferable; however, the sheer magnitude of the event dictated that the agency proceed in the manner it did because there simply was not time to develop and test any additional front end controls.

In the face of tremendous need and suffering, and absent any efficient way to thoroughly vet every request for Federal aid, FEMA erred on the side of compassion and gave applicants the benefit of the doubt when processing their claims. While most applicants were honest, many were not, resulting in significant fraud against the U.S. taxpayer.

FEMA has taken steps to implement new controls to improve its ability to serve disaster victims during a large-scale event while also limiting fraud and abuse. Most

notably, FEMA has implemented an automated identity and occupancy verification system to confirm the identity and residency of applicants who register with FEMA for assistance. Fraud prevention controls that have been implemented include:

- Deployment in October 2005 of a new Internet application that disallows any duplicate registrations;
- Identity proofing to detect potentially fraudulent applications taken through call centers in August 2005 through February 2006. This work is performed by FEMA's data contractor. Potentially fraudulent applications are then routed to DHS-OIG and/or FEMA for recoupment processing as appropriate.
- Added identity proofing to the call center registration application beginning in February 2006, so that all Individual and Household Program (IHP) registrations are subject to the same stringent criteria, including verification of social security numbers and occupancy requirements;
- Amended automated scripts to ensure no scripted payments are sent to applicants who fail identity proofing;
- Data-marking any applications in FEMA's database that fail identity proofing so they are flagged for manual review and denied automated payment;
- Real-time interaction between the FEMA service representative and the applicant during registration to ensure that the data entered that caused a failed identity check is correct before accepting the application;
- Adding verification of occupancy and ownership to the registration process for every disaster victim starting in June 2006. This allows FEMA to ensure that an applicant lives at the address that they claimed before automating any payments to that address;
- Working with FEMA's data contractor to flag any addresses that are not residential addresses to prevent automated payments without an on-site inspection verification of address and residency; and
- Flagging at-risk social security numbers to identify potential fraud.

Recoupment efforts are ongoing. To date, FEMA has instituted recoupment on 98,731 applicants for Hurricane Katrina and Rita for a total of \$405 million. As they are identified, FEMA refers potential fraudulent activity to OIG. Additionally, we are working with the IRS to enable FEMA to recoup improper assistance payments by garnishing future Federal tax refunds.

Question 21: A letter from DHS' Inspector General to Chairman Thompson dated January 12, 2007 indicated that problems exist with the automated payment system FEMA uses to make payments to small businesses. This letter further mentions that the automated payment system included out-dated technology.

What steps are being taken to fix this problem?

What steps are being taken to insure that technology is being improved?

Answer: The issue is not that FEMA has difficulty making payments to small or any businesses. To provide disaster assistance, FEMA may award a contract to a bona fide contractor. While the contractor may choose to use sub-contractors, payment to the sub-contractors is the contractor's responsibility, not FEMA's responsibility.

We have awarded a contract to Grant Thornton, who is performing a financial systems requirements analysis to determine the best solution for replacing the current aged financial system. The deadline for submitting the independent analysis to the FEMA CFO is no later than April 30, 2007 and will provide recommended actions for FEMA management to consider and/or implement. As part of the analysis, the independent contractor will evaluate the DHS designated Centers of Excellence (COE) which are Coast Guard, FLETC, Secret Service or CBP, to determine if one of the COEs can provide a financial system platform, or if FEMA should have an independent system to support the unique and surge requirements needed to meet disaster response and recovery needs.

Question 22: A report on FEMA controls for funding administrative costs under state management grants was done by the DHS Inspector General on January 9, 2007. It pointed out that FEMA approved state management grants without a comprehensive grant plan or written internal procedures for assessing the need for grant assistance.

What steps is FEMA taking to insure that procedures are properly formed when managing these administrative cost grant proposals?

Answer: The Office of Inspector General Audit Report OIG-07-21, *Review of FEMA Internal Controls for Funding Administrative Costs under State Management Grants Audit*, was specific to the Public Assistance (PA) Program. Per 44 CFR 206.207, Administrative and Audit requirements, the PA program requires that a

PA State Administrative Plan (PA SAP) must be in place and approved by FEMA prior to grant funding approval for disaster assistance.

The report recommended that FEMA develop additional procedures to review State management administrative cost proposals to ensure that funding is approved only to meet essential and reasonable grant management needs. FEMA concurred with the Inspector General's recommendation.

Currently, FEMA's Regional PA Program staff determines if the State's submitted management costs are consistent with the functions outlined in the PA SAP. After review, the staff forwards the reimbursement request with a recommendation to the Disaster Finance Center (DFC) who is then responsible for the final review and approval of individual cost item eligibility per OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*. In addition to this process, FEMA has taken the following steps to improve the quality of the PA SAPs:

- Revising the PA SAP template to clearly define the basic legal and procedural responsibilities of the grantee in administering the PA program;
- Developing a detailed checklist for FEMA Regional offices to review PA State Administrative Plans.
- Issuing FEMA Recovery Policy RP 9525.14, Public Assistance Grantee Administrative Costs, issued November 7, 2006. The policy specifies the allowable uses of the Statutory Administrative Allowance and State Management Administrative Costs and requires States to document and report the use of the Statutory Administrative Allowance; and
- Updating Recovery Policy RP 9525.11, Payment of Contractors for Grant Management Tasks, which specifically addresses PA reimbursement for contractors performing grants management functions on behalf of grantees and sub-grantees.

Question 23: Secretary Chertoff, as you know, last October President Bush signed into law the Post Katrina Emergency Management Reform Act to strengthen and reform FEMA. Unfortunately, we have already begun to see the Department miss deadlines and reporting requirements mandated in the bill. These include: quarterly FEMA vacancy reports; creation of a National Advisory Council; development of guidelines to accommodate individuals with disabilities; and implementation of a public assistance pilot program.

Mr. Secretary, can you explain all these missed deadlines and can you insure the Committee that the Department is implementing the reforms Congress mandated?

Answer: The Department of Homeland Security is committed to implementing the activities required by the Post-Katrina Emergency Management Reform Act of 2006, in a thoughtful and effective manner. The Federal Emergency Management Agency (FEMA) is moving forward to determine how best to carry out the provisions of the 2007 Appropriations Act. Following is an update on the status of each of the specific legislative provisions referenced in your question.

Quarterly Vacancy Report:

- The original due date of January 4, 2007 appears based on 90 days after the date of enactment of the legislation. It was not possible to pull together data that cover the period through the end of the first quarter, December 31st, and submit it to Congress on January 4th.
- A new reporting system is being developed and the permanent full time (PFT) data population is currently being uploaded. The initial report will be forwarded in early April, 2007.
- DHS expects to have quarterly vacancy reports to Congress by the end of the month following the end of each quarter. This will allow the Department to properly assemble, analyze, and interpret the data for each quarter in a way that addresses the specific issues identified by Congress.
- We look forward to continuing to work with Congress to ensure the Department has the workforce necessary to fulfill its responsibilities.

National Advisory Council Creation:

- Secretary Chertoff announced the creation of the National Advisory Council which was formally established by a *Federal Register* notice on February 7, 2007.
- The Council is being established to advise the Administrator of the Federal Emergency Management Agency (FEMA) on all aspects of emergency management in an effort to ensure close coordination with all involved.
- FEMA set a March 9, 2007, deadline for applications to serve on the Council; over 600 resumes were submitted for 27 available positions.

- The resumes are currently being reviewed and the selection of Council members will be completed by the FEMA Administrator by March 31, 2007.
- The Council members will represent both geographic diversity as well as a significant cross section of officials from emergency management and law enforcement backgrounds, and include homeland security directors, adjutants general, emergency response providers from State, local, and tribal governments, the private sector, and nongovernmental organizations.

Individuals with Disabilities Guidelines:

- In collaboration with the Interagency Coordinating Council on Emergency Preparedness for Individuals with Disabilities, a compendium of laws, regulations, and guidance is being produced. The compendium will address laws applicable to all levels of government in the provision of and access to benefits and services for persons with disabilities. The working group developing the compendium met on February 1, 2007, to comment and revise the most recent version of this job aid for final review, coordination and comment prior to publication. The Office of Equal Rights, FEMA and the Office of Civil Rights and Civil Liberties, as well as DHS have completed their adjustments to the guidelines. Efforts to meet with other members of the Interagency Coordinating Council on Preparedness and Individuals with Disabilities to get their final comments have been challenging. It appears now that the earliest the other members can meet collectively is April 5, 2007. Work on the guidelines will move as expeditiously as possible following that meeting.
- The final product will be used as a source document to develop in-depth and topic-specific guidance which crosscuts the Agency's programs in the provision of assistance to disabled disaster survivors.
- We are assessing the scope of the implementation effort by determining which Agency programs are impacted by these guidelines, how the guidelines apply to those programs, and what the guidelines require from those specific programs.

Public Assistance Pilot Program:

- FEMA has initiated implementation of a public assistance pilot program to reduce the costs of providing various types of disaster assistance and to increase the flexibility to expedite delivery of such assistance.
- This effort started by establishing a public assistance pilot program work group including members from representative States, FEMA headquarters and regions, and the FCO cadre.
- The initial public assistance workgroup conference call took place on January 16, 2007, and generated great enthusiasm for creative solutions within the group. A second call took place on January 30, and a work group meeting took place on February 21–23 to determine new procedures, start developing the PA pilot implementation strategy, and design methods to evaluate the success of the pilot program. A local representative from the International Association of Emergency Managers will attend the next meeting, scheduled for March 27–28, 2007. During this time, the Pilot Team will finalize the program description, identify training requirements and fine tune the PA Pilot Program guidance.
- This initial work group is focused on improvements in the key areas of debris removal, improved cost estimating, and more effective communications/outreach to States and local governments.
- Full roll out of the PA Pilot Program is planned for June 1, 2007.

Question 24: Mr. Secretary, Congress created the Assistance to Firefighters Grant Program because it recognized the critical role America's fire service plays in protecting our communities, and that basic training and equipment form the foundation of a robust homeland security strategy. Since the creation of the program, thousands of fire departments all over the nation have increased their level of readiness to potential threats. Annually, the Department receives in excess over \$2 billion in applications for the Assistance to Firefighters Grant, yet the Administration's FY 2008 budget proposal only funds the program at \$300 million and eliminates the SAFER hiring program.

How can you justify these draconian cuts to critical all-hazards programs needed by our nation's fire services?

Answer: The Administration provides billions of dollars in annual support to train, exercise, and equip State and local public-safety personnel, including firefighters, so that they are adequately prepared to respond to a terrorist attack or other major incident. Federal support has been directed to better focus scarce resources on enhancing target capabilities, and to avoid supplanting basic public-safety investments at the State and local level. A federally funded hiring program for firefighters risks replacing State and local funding for general-purpose public-safety

staffing with Federal resources, and, therefore, does not forward the Federal goal of enhancing local preparedness capabilities.

For fiscal year 2008, grantees will again be invited to submit an application for assistance in the following two program areas most critical to enhancing the all-hazards response capabilities of the fire and emergency medical services:

- The Operations and Safety Area, which includes training, equipment, and personal protective equipment
- The Vehicles Acquisition Area, which includes pumpers, brush trucks, tankers/tenders, rescue vehicles, ambulances, quints, aeriels, foam units, and fireboats

The amount requested for the Assistance for Firefighters Grant program (AFG) will allow the Department to continue to award thousands of grants to local fire departments. Since its establishment, the AFG has provided more than \$3 billion in grants to local fire departments. The Administration believes that within this context, and within the framework of awards that \$300M would provide, that the requested amount for the AFG is sufficient.

Assistance for Firefighter Program

(\$\$\$ in millions)	FY05	FY06	FY07	FY08
Request	\$500.00	\$500.00	\$293.45	\$300.00
Enacted*	\$715.00	\$655.00	\$662.00	

Note: AFG Enacted levels include the SAFER Program and Fire Prevention and Safety

Question 25: Mr. Secretary, I have concerns about the Department's prioritization of cybersecurity research and development within the Science and Technology Directorate. The cybersecurity program handles key research on Domain Name System security, routing infrastructure protocols, and large scale datasets. These areas are valuable to the security of our national infrastructure. Last year, the President's budget contained a \$6 million increase for cybersecurity research and development at the Department. This year, after Under Secretary Cohen's reorganization of the Directorate, cybersecurity falls into a larger program area called "Command Control and Interoperability." Though that budget is \$63 million, it is impossible to tell exactly how much money will go towards cybersecurity research and development. In fact, I've heard that this budget will actually receive a cut in funding from last year. That would seem to contradict every Presidential Advisory Report that has been issued in the last 2 years on the subject of cybersecurity research and development—including the President's Information Technology Advisory Council report from February 2005 and the Interagency Working Group on Cyber Security and Information Assurance report in April 2006—which have all called for a greater investment in cybersecurity research and development within the Federal Government.

Why is cybersecurity research and development such a low priority for the President?

Why doesn't your budget reflect the need for increased Federal investment in this area?

Answer: Cybersecurity research and development (R&D) has been and will continue to be a priority in the President's budget, the Department of Homeland Security and in the newly formed Command, Control and Interoperability Division within the S&T Directorate. The FY 2008 cybersecurity R&D request is \$14.88 million, a 32-percent increase from FY 2007 levels. Based on the capability gaps that have been generated by the Department and other Federal agencies, the S&T Directorate, in coordination with the DHS Assistant Secretary for Cyber Security and Communications, has developed a focused budget that addresses the Nation's critical cybersecurity needs where the government can have the greatest impact.

Question 26: Mr. Secretary, this is the second consecutive year that the S&T Directorate suffers cuts in its budget. Last fiscal year, the 109th Congress significantly curtailed the S&T budget due to concerns about a lack of transparent strategic planning, inadequate detail in the budget justifications, systemic deficiencies in financial and accounting controls, poor response to the needs of the Department's customers and end-users, and failures to more rapidly develop and adopt technologies for homeland security purposes. Since then, the S&T Directorate underwent an organizational change, beginning with the appointment of Admiral Jay Cohen to lead the organization. Some of us on the Committee are encouraged by Under Secretary

Cohen's willingness to address these issues. But I am still concerned that funding for research, development, testing and evaluation within the Department of Homeland Security—particularly within critically important research and development programs—is falling as the overall budget is rising.

Are you concerned that the budget for homeland security research and development, testing and evaluation is being cut because of the mismanagement that existed prior to Under Secretary Cohen's arrival? Are you confident that the Department's RDT&E budget will continue to grow in the upcoming years?

Answer: I continue to view the S&T Directorate as a priority and vital to the Department of Homeland Security. The FY 2008 reductions are a reflection of the transition or transfer of mature technologies to other DHS Components, the completion of programs, reduction of funding needs for construction and laboratory operations, and better alignment of some programs and leveraging of others.

Specifically, in FY 2008, the S&T Directorate will transfer the operational portions of BioWatch, Biological Warning and Incident Characterization, and the Rapidly Deployable Chemical Detection System to the Office of Health Affairs (OHA) and SAFECOM operations to the National Protection and Programs Directorate (NPPD). These transfers account for approximately \$90 million of the approximate \$180 million reduction from FY 2007 to FY 2008. The reduction is also due to the completion of programs, reduced funding needs for construction and laboratory operations, and better alignment of some programs and leveraging of others.

The Department will continue to balance research and development needs and funding resources so that the S&T Directorate's budget reflects the priorities of the Department. The development of new technologies and measuring the potential impact they have on our operations and acquisitions are more critical now than ever as budget reductions across the government require us to operate more efficiently and accomplish more with fewer resources.

Question 27: Mr. Secretary, the President's FY 08 Budget request for the Domestic Nuclear Detection Office (DNDO) is \$561.9 million. That's \$26.1 million more than your FY07 request of \$535.8 million and \$80.9 million more than the FY 2007 enacted amount of \$481 million. While we support the mission of DNDO, we have heard some troubling news lately. Last October GAO sent a letter titled Combating Nuclear Smuggling: DHS's Cost-Benefit Analysis to Support the Purchase of New Radiation Detection Portal Monitors Was Not Based on Available Performance Data and Did Not Fully Evaluate All the Monitors' Costs and Benefits to the chairmen of both the House and Senate appropriations committees. **Have you read that report and have you gone through DNDO's cost-benefit analysis?** There are some real anomalies such as assuming the false negative rates of the Advanced Spectroscopic Portals (ASP) to be 5 percent when none of the ASP's performed even close to that well when tested at the Nevada Test Site. Most had false negative rates near 50 percent, meaning that half the time highly enriched uranium was not picked up by the detectors.

How confident are you that DNDO will wisely spend these funds? We are worried that in the rush to deploy these detection systems we might be buying and fielding sub-par technology.

Answer: I am absolutely confident that DNDO will wisely spend these funds. Per language included in the FY 2007 Homeland Security Appropriations Bill, full rate production of Advanced Spectroscopic Portal (ASP) systems is contingent on my certification through a report to the Committees on Appropriations that a significant increase in operational effectiveness will be achieved.

While I understand that the false negative rates cited in the GAO letter could be worrisome, it is important to realize that the test series from which these data were taken was not intended to measure systems performance of fieldable units. Instead, this test series was intended to examine initial capability of performance test units to aid the Department in making the initial award decision in what may ultimately, if successful, be a much larger investment. The Domestic Nuclear Detection Office (DNDO) is currently conducting a second round of testing at both the Nevada Test Site (utilizing actual threat materials) and at the New York Container Terminal (against actual streams of commerce). The intent of the testing is to use the results to evaluate the performance of systems that have now benefited from an additional year of development. Based on these test results, I am confident that if the decision is made to proceed to full rate production, it will be based on a clear set of performance data and not a rush to deploy detection systems.

Question 28: The idea of the Securing the Cities Initiative—a radiological and nuclear detection architecture for urban areas—was floated last year and then never

really spoken of again. Now you are requesting \$30 million for the implementation in the New York City region.

What is your implementation schedule and how will the funds be used?

Answer: Announced in July 2006, the Securing the Cities (STC) initiative is aimed at developing regional preventive radiological and nuclear detection programs in major metropolitan areas, beginning with the New York City urban area. Since that time, the DNDO has been working closely with State and local officials in the region, and in particular with the New York Police Department (NYPD). At a high level, efforts in FY 2007 will focus on developing regional concepts of operations, and developing and deploying in limited numbers systems to begin to evaluate these concepts. By FY 2008, based on the results of these initial deployments, the DNDO will work with the regional partners to expand capabilities more broadly, utilizing the \$30 million included in the President's Budget.

More specifically, FY 2007 activities include:

- Assessment of current capabilities;
- Identification of requirements;
- Testing of existing systems' ability to discriminate isotopes in realistic urban conditions;
- Research and development, as needed, of sensor systems capable of isotopic discrimination in realistic urban conditions;
- Development of implementation and acquisition plans;
- Development of a long range training plan;
- Conduct of initial training; and
- Development and execution of a regional deployment strategy.

In FY 2008, activities include:

- Acquisition and enhancement of regional equipment;
- Planning and conduct of routine operations;
- Fielding of new systems developed in 2007;
- Development of a long term sustainment plan; and
- Continuation of a long range training plan; and
- Contingent upon the successful implementation in the New York City urban area, the Department will likely seek additional funding in future years to implement the Securing the Cities framework in other major urban areas.

Question 29: Last year the combined budget request for chemical and biological countermeasures was \$420 million. there has been a lot of reorganizing of these programs, and the operational elements have been moved from the Science and Technology Directorate to the Office of Health affairs. The S&t budget request for FY08 is \$229 million and \$94.3 within the Office of Health Affairs. This seems to only add up to \$323.3 million, a 23% cut. For example, improving the BioWatch program by moving to generation 3 bio detectors would be a significant improvement.

Why are you de-funding these programs?

Answer: Funding for Chemical and Biological Countermeasures R&D is of great concern and a high priority to the S&T Directorate, the Department, and the Administration. As part of the FY 2007 realignment of the S&T Directorate budget to match the new S&T Directorate organizational structure, the S&T Directorate realigned funds that were in the Chemical and Biological R&D line that were not truly R&D to budget lines that more appropriately reflected the work to be done. Of the \$410 million, \$88.6 million of Chemical and Biological countermeasures funds were realigned to the Laboratory Facilities budget, which funds the operations of the labs that support the Chemical and Biological programs in the S&T Directorate.

This funding realignment covers the operations, upgrade site selection, architectural and engineering services, and/or construction costs associated with facilities including the Plum Island Animal Disease Center (PIADC), the National Bio and Agro Defense Facility (NBAF), the proposed National Biodefense Analysis and Countermeasures Center (NBACC), and the Chemical Security Analysis Center (CSAC). In addition, the transfer in FY 2008 of \$84.1 million to OHA signals the successful transition of an operational program. The transfer of the Operations and Maintenance (O&M) of Generation 1 and 2 BioWatch and the Rapidly Deployable Chemical Detection System further clarifies the funding for true R&D activities within the S&T Directorate. The FY 2007 realignment also provided a small amount of funding to those activities that support the entire Directorate's R&D program. Two examples are Transition and Testing and Evaluation that require independent oversight to ensure testing is conducted appropriately and programs are transitioned to our customers and operational end-users when they reach the appropriate level of maturity.

Of the programmatic mission in the purview of the Chemical and Biological Division, funding has been delayed for some important projects as a result of the FY 2007 Appropriations Act that rescinded \$125 million of prior year un-obligated balances and the realignment of funds to cover other critical core S&T Directorate activities. These include: detection capabilities for engineered threats, unknowns, and low volatility chemical agents; work on characterizing selected biological threats; and the development of prototype detection systems for monitoring food processing facilities.

Question 30: In its budget, the Department states the following: "In FY 2008, University Programs plans to develop a far-reaching and multi-faceted MSI program that will incorporate MSIs into the Centers of Excellence and develop homeland security research and training capabilities as the MSIs."

By merging the MSI scholarship and fellows program with the primary scholarship and fellows program, won't the Department's efforts largely go unnoticed by the institutions, students, and faculty of MSIs?

Answer: The S&T Directorate's Minority Serving Institution (MSI) program is a separate program from the Scholars and Fellows program. The Department's intention is to better connect these educational programs. In this way, pathways are made for students pursuing undergraduate degrees at DHS-affiliated institutions (MSIs or Center of Excellence [COE]) to then pursue graduate and advanced degrees at other DHS-affiliated institutions and/or a career at DHS, a National Laboratory, or a COE.

In addition, the Department wants to enhance the role of MSIs within the COEs by increasing both the number and extent of institutional partnerships between MSIs and the COEs; either through new COEs, for which MSIs could be lead institutions, or by expanding the university network at existing COEs to include more MSIs.

Question 31: Last year, Congress passed the SAFE Port Act (P.L. 109-347) which made specific recommendations to expedite the development of standards to seal and secure containers being shipped to the U.S. Can you tell the Committee when we can expect to see standards for container security devices?

Answer: A technical team composed of representatives from Customs and Border Protection (CBP) and the Science and Technology Directorate of the Department of Homeland Security (DHS), is generating the technical and administrative requirements for container security devices (CSD) based upon the operational needs of CBP and commerce. The concept of a CSD is to increase container security by using technology to detect unauthorized door openings and/or removal. To accomplish this, the technical team must consider not only the technical requirements that will be used to develop a CSD but also the potential impact the use of CSDs may have on trade and port operations.

The tentative goal is to publish the requirements by Summer 2007.

Question 32: The Container Security Initiative (CSI), which places CBP Officers in foreign ports to target high risk containers before they are loaded on ships for the U.S., is proposed to receive a \$16.8 million increase, most of which (\$15 million) is marked for the Secure Freight Initiative. **How do you expect Secure Freight to interact with and impact CSI?**

Answer: The Secure Freight Initiative (SFI) represents the next phase of the Container Security Initiative (CSI). SFI is intended to build upon and enhance existing security programs such as CSI and the Department of Energy's Megaports Initiative to improve our ability to assess risks in the global supply chain prior to cargo being laden on vessels overseas. Initially, the United States will partner with six foreign ports to test the SFI concept, with the intent of expanding the program once the concept of operations is tested. An integrated suite of technology will be deployed to the SFI ports, which will provide enhanced scanning imagery and alarm data. These data will be transmitted in near real-time to host government customs officials, the in-country CSI team, and the U.S. Customs & Border Protection (CBP) National Targeting Center (NTC). The assessment of this additional imagery and data will greatly increase CBP's ability to identify, inspect and mitigate high-risk cargo, thereby augmenting CBP's overall risk management system.

Question 33: In the SAFE Port Act, Congress carefully considered the issue of 100% maritime container scanning and concluded that the responsible action was to require a pilot with very specific evaluation standards. We want to know whether or not 100% scanning is feasible, effective, necessary, and disruptive to the global supply chain. I am very concerned about proposals to force 100% scanning before these pilots have even begun. **Can you provide any insight into the impact 100% scanning language again being considered by Congress would have**

on DHS's current plans with Secure Freight and negotiations with foreign governments?

Answer: Phase 1 of the Secure Freight Initiative was announced on December 7, 2006. Under Phase 1, six foreign ports will begin scanning U.S.-bound containers for radiation and nuclear detection with an integrated suite of radiation portal monitors, optical character readers, and non-intrusive inspection equipment. While the SAFE Port Act called for a pilot to perform 100 percent scanning in three foreign ports, the Secretary chose to expand Secure Freight Phase 1 to six ports, specifically selected for their unique and varied traffic (such as limited space or high-transshipment traffic) posing different challenges for the suite of scanning equipment. The first three ports Qasim (Pakistan), Port Cortes (Honduras), and Southampton, (UK) will endeavor to scan 100 percent of U.S.-bound containers transiting their ports to meet the SAFE Port pilot mandate. However, in Singapore, the Gamman Terminal in Port Busan (Korea), and Salalah (Oman), the unique layouts of the ports, space considerations, logistics, and high transshipment traffic necessitate a more limited deployment of scanning equipment. Lessons learned from this Phase 1 deployment, and reported back to Congress per the Safe Port Act requirement, will offer a realistic vision of the practicality, feasibility, and challenges of scanning shipping containers for rad/nuc in the more than 700 ports that ship to the United States.

Representatives from the industry and foreign governments have expressed grave concern over the impact that scanning 100 percent of U.S.-bound containers would have on port operations and the flow of commerce. Phase 1 is designed to address these concerns as explained:

- Enacting the 100 percent scanning language before conclusions could be drawn from Phase 1 poses technical concerns because the suite of scanning technology, including the transportation of data to the host country and back to the United States, has never been tested and technical challenges remain;
- The efficient placement of scanning equipment is complex because of logistics such as the size and space constraints of many ports, especially ones with high transshipment traffic; and
- Since equipment must be placed in foreign ports outside U.S. jurisdiction, alarms must be resolved by local law-enforcement, and foreign governments must agree to share data and information with the United States. This factor is essential to make scans useful for targeting, and could make foreign governments less likely to cooperate voluntarily.

Question 34: The Customs Trade Partnership Against Terrorism (C-TPAT) is designated to receive \$55.5 million, which after subtracting for salary inflation results in a program increase of \$343,000. The SAFE Port Act directs several changes to be made in the current program, including a pilot for 3rd party validators, requiring validations be completed program, including a pilot for 3rd party validators, requiring validations be completed within one year of certification, 4-year revalidations, and minimum standards for each of the CTPAT tiers. **How will such a slight program increase and no increase in FTEs enable the C-TPAT program to meet the SAFE Port Act mandates?**

Answer: Most of the C-TPAT requirements under the SAFE Port Act were programmatic changes that have already been completed by CBP. This included strengthening the minimum security criteria for several of the eligible participants (importers, brokers, vessel carriers, etc.), moving to a tiered benefits system and requiring certification of C-TPAT applicants within 90 days of application. A Third Party Validation Pilot Program has been developed and will be implemented shortly and the C-TPAT Annual Plan has been written. The remaining SAFE Port Act C-TPAT requirements will be completed within the established time frames established in the Act.

CBP has evaluated the C-TPAT workload for calendar year (CY) 2007 utilizing the C-TPAT Security Link Portal and has determined that current staffing levels will allow us to meet the requirements in the SAFE Port Act.

In CY 2006, over 2,800 validations were completed which now brings the overall number of validated C-TPAT certified partners to 67 percent. Utilizing the 157 supply chain security specialists that are currently on board and validation strategies such as blitz operations, it is expected that C-TPAT will conduct approximately 2,200 new validations and 670 revalidations in 2007, or almost 20 validations per SCSS per year. CBP will not only complete the validations required in CY 2007 under the SAFE Port Act, but will also be able to complete some validations that are technically not required until the beginning of CY 2008. Validation blitzes are conducted to optimize the utilization of SCSS resources and time by sending several teams of SCSS into countries for two or more weeks to conduct numerous valida-

tions. With the current SCSS CBP will be able to meet the requirements of validating all certified members within one year of certification and revalidating all members not less than once every four years.

Question 35: CBP also operates several border facilitation programs, including FAST, NEXUS (land, air, and maritime), and SENTRI. The FY08 budget proposes no increase for these programs and maintains a budget of \$11.2 million. In FY08, according to supporting budget documents, CBP will enhance the Global Enrollment System, which links the processes and security checks for all of the trusted traveler programs, establish joint enrollment centers for FAST and NEXUS, and add iris scan equipment to all NEXUS and some FAST enrollment centers.

The more robust these programs, the more people participate, and the more information we have on border crossers. It is very concerning that DHS has dedicated little funding to improving and increasing these programs for the past several years. **Do you see security value in these programs? Do you see facilitation value in these programs?**

Given the requirements that DHS enforce secure document requirements for all travelers crossing the border by June 2009 at the latest, don't you think that a push to increase membership in these trusted traveler programs would make the transition under the Western Hemisphere Travel Initiative (WHTI) easier?

Answer: FAST, NEXUS, and SENTRI are collectively referred to as the Consolidated Trusted Traveler Program (CTTP), which also includes the Global Enrollment System (GES). Membership in CBP's trusted traveler programs has been growing 20 percent per year. CBP continues to support increasing membership in its trusted traveler programs by:

- Extending membership periods;
- Making it easier to apply for membership;
- Increasing dedicated trusted traveler lanes; and,
- Increasing the number of enrollment centers.

2006

- CBP extended trusted traveler membership to 5 years plus the time until the member's next birthday
- CBP introduced a SENTRI online application process.
- CBP opened enrollment centers and dedicated lanes in Nogales, AZ; Laredo, TX; Brownsville, TX; and Hidalgo, TX.

2007

- In January, CBP and the Canada Border Services Agency (CBSA) began sharing application information to speed the vetting process.
- As of February, CBP partnered with CBSA in the opening of NEXUS enrollment centers in Seattle, WA; Vancouver, CA; Montreal, CN; and Toronto.
- By the end of the year, additional enrollment centers will open at all of the Canadian pre-clearance sites.
- By August 2007, CBP will introduce a NEXUS online application.
- In 2007, CBP is expanding the number of dedicated lanes in California.

2008

In 2008, CBP plans to introduce a FAST online application.

CBP has an aggressive campaign for increasing membership in all CBP trusted traveler programs. The FY08 WHTI budget request includes a portion for adding additional staff to its enrollment centers. This is to address the anticipated increase in enrollment activity brought about by WHTI. The trusted traveler programs do add a security value to the process in that the screening (vetting) process since obtaining membership is strenuous and thorough. Not everyone qualifies to be a participant. Although the trusted traveler programs will facilitate the implementation of WHTI, it is not practical to assume an overwhelming number (millions) of travelers needing WHTI-compliant travel documents will opt for a trusted traveler program.

Question 36: Mr. Secretary, I am deeply concerned about the sizeable cut in funding for the Center for Domestic Preparedness (CDP) as proposed in the President's Fiscal Year 2008 Budget Request.

As reflected in the budget, the Noble Training Center is transferred from the U.S. Fire Administration to CDP. The Noble Training Center is a unique Federal facility which provides training for medical and public health officials to prepare them to respond to incidents with mass casualties. The budget for the Center is \$5.5 million.

The FY 2007 enacted funding level for CDP, which provides live chemical agent training to first responders, is \$57 million. After the merger of these two agencies, the total budget in FY 2007 is \$62.5 million.

Yet, inexplicably, your proposed budget not only cuts CDP's funding by \$3 million, but further reduces funding by the total amount of the budget for the Noble Training Center. The result is an \$8.5 million cut—a 13.6% reduction—in critical DHS first responder training programs.

Please submit to the Committee on Homeland Security (1) the justification for why the proposed FY 08 budget does not reflect the Noble Training Center's budget when the Center has been transferred to CDP; and (2) the rationale for why the proposed budget slashes funding for this vital training program by over 13%.

Answer: In FY 2007, The Noble Training Center was transferred to the Center for Domestic Preparedness (CDP). The integration of Noble with CDP allows the Federal Emergency Management Agency (FEMA) to provide the full spectrum of terrorism preparedness and specialized first-responder training courses in a single location. The FY 2008 request reflects efficiencies gained by combining the two training centers.

Question 37: The Federal Law Enforcement Training Center (FLETC) is responsible for training Federal Air Marshals, Border Patrol agents, and many other Federal officers.

In a Full Committee hearing last year, you agreed that a number of standard courses—such as Spanish language class, physical fitness, and other non-law enforcement courses—could be taught by instructors who were not necessarily Federal employees.

Section 544 of the Department of Homeland Security Appropriations Act for Fiscal Year 2007 classified instructors at FLETC as “inherently governmental” under the Federal Activities Inventory Reform Act (FAIR Act) of 1998. The effect of this provision prevents FLETC from contracting out standard, non-law enforcement training courses.

This provision could prove detrimental to the Nation's ability to rapidly train Federal law enforcement officers to meet critical homeland security needs in the event of a national emergency.

Do you agree that the Federal Law Enforcement Training Center should have sufficient flexibility to acquire and utilize non-Federal trainers for non-law enforcement classes?

Will you work with the Office of Management and Budget to identify FLETC functions which are not inherently governmental to help restore FLETC's ability to acquire non-Federal training and other services?

Answer: In addition to serving as an interagency law enforcement training organization for more than 80 Federal agencies, the Federal Law Enforcement Training Center (FLETC) also provides services to State, local, and international law enforcement agencies. The FLETC has more than 400 available training programs and relies heavily upon an instructional staff with law enforcement experience from Federal, State, and local agencies, as well as civilian and military organizations. The instructional staff consists of many individuals on detail from agencies trained by FLETC, instructors from non-partner organizations, and rehired former Federal law enforcement personnel. In its specialized and advanced training areas, the FLETC instructional staff is occasionally augmented by personnel from the private sector whenever a particular expertise is not otherwise available from a law enforcement source. An example of this has been the utilization of a private individual with experience in the Arab culture to teach in FLETC's advanced counterterrorism training program. Further, FLETC currently is undergoing A-76 studies on contracting out physical training related to physical conditioning and CPR training for basic trainees. The FLETC management will continue to look at all phases of training to determine if additional subject areas can be studied or contracted out while maintaining the overall integrity of law enforcement training.

My office is already working with OMB and FLETC to determine if other training subjects can be presented at FLETC by non-Federal personnel. Because of the inter-agency nature of the training provided at the FLETC, we expect OMB and FLETC also will consult closely with all partner agencies in addition to DHS Components on the use of non-Federal and non-law enforcement personnel in training conducted through FLETC.

Question 38: The President's Budget includes a request for \$481.1 million for 3,000 new Border Patrol agents, which according to the budget justification would bring the total number of Border Patrol agents to 17,819.

The Homeland Security Subcommittee on Management, Integration, and Oversight conducted an extensive review of Border patrol training and the costs associated with each new Border Patrol agent. Numerous concerns were raised regarding current efforts to recruit new agents and retain existing agents; the lack of sufficient training facilities; the lack of facilities along the borders to accommodate a

surge of new agents; and the \$189,000 per agent cost to recruit, hire, train, equip, and deploy just one new agent.

How many Border Patrol agents currently are on board? How many additional new Border Patrol agents can be hired with the balance of unspent FY 06 and FY 07 funds?

Answer: As of February 17, 2007, on-board Border Patrol Agents total 12,812. The balance of FY 2006 and FY 2007 funds will be used to hire those agents required to meet the Border Patrol's goal of having 14,819 agents on board by the end of FY 2007. This target level includes increases by Congress of 1,000 new agents in FY 2006 and 1,500 new agents in FY 2007.

Question 39: How many new recruits currently are in the Border Patrol training program at the Federal Law Enforcement Training Center (FLETC) in Artesia, New Mexico?

Answer: As of March 1, 2007, the Border Patrol Academy has 699 students (17 classes) at the Border Patrol Academy in Artesia, New Mexico.

Question 40: Please provide for the past three quarters the number of trainees who (1) entered Border Patrol training in Artesia; (2) withdrew or were eliminated from the training program; and (3) the ultimate number successfully completing the training program. Does the FLETC training facility in Artesia, New Mexico, currently have the capacity to train the new 3,000 agents provided for in the FY 08 budget, in addition to the new agents funded in FY 07? If not, what facilities require expansion and what is the projected cost of this expansion? If expansion is required, please submit a cost-benefit analysis that compares those costs to projected costs for using existing training facilities, both Federal and on-Federal.

Answer:

(1) In the 3rd and 4th quarters of FY 2006 and the 1st quarter of FY 2007, there were 1,700 trainees who entered the Border Patrol Academy in Artesia, New Mexico.

(2) Out of 1,700 trainees, 368 withdrew or were eliminated from the training program. (Does not include those on continuation of pay (COPs) due to an injury.

(3) Out of 1,700 trainees, 1,246 were graduated or are still attending the Academy.

The FLETC Training Facility in Artesia has the capacity to meet our training needs for FY 2007 and FY 2008. FLETC is constructing a new dorm that will be usable in FY 2008. FLETC is also adding three modular classrooms and a modular housing unit at this time to assist in accommodating both 2007 and 2008 training needs. There is no need for additional non-Federal training facilities.

Question 41: How many Border Patrol agents are projected to retire in the next year? The five years? The next 10 years?

Answer: There are 426 Border Patrol Agents currently eligible to retire, with 35 more becoming eligible to retire in the next year. An additional 826 agents will become eligible to retire in the next five years, and an additional 1262 will become retirement-eligible within the next 10 years.

Question 42: What is the average annual attrition rate for Border Patrol agents?

Answer: The annual attrition rates for the last three years are as follows:

FY 2004 5.9%

FY 2005 3.7%

FY 2006 6.3%

Question 43: Please submit to the Committee a detailed break-out of all costs associated with recruiting, hiring, training, equipping, and deploying one Border Patrol agent.

Answer: CBP uses a position cost model to approximate the marginal costs of adding a Border Patrol agent to the workforce. The model is meant to identify and estimate all relevant costs that will be incurred by CBP. A detailed break-out of the scalable, incremental cost for hiring one Border Patrol Agent during FY 2008 follows.

**U.S. Customs and Border Protection
FY 2008 Border Patrol Position Costs Breakout
(in dollars)**

Salaries and Benefits - \$47,694

Salary (GS-7 Law Enforcement Special Base Rate, April 1st EOD)	\$18,617
Locality Pay	\$3,020
All Other Overtime	\$4,759
AUO	\$5,409
Awards	\$216
Social Security	\$1,985
Basic Life Insurance	\$65
Health Care Benefits	\$3,524
MEDICARE	\$464
FERS Basic TSP	\$318
FERS TSP Match	\$1,272
FERS Basic	\$7,570
Relocation	\$0
Workers Compensation	\$476
Subtotal	\$47,694

Travel and Transportation - \$7,401

Temporary Duty (TDY) Travel	\$1,798
Travel for Detailed Instructors TDY	\$3,375
Travel for Basic Training	\$1,558
Quality Recruitment/Recruitment Travel	\$359
Transportation/Freight - Vehicles (Prorated Share)	\$311
Subtotal	\$7,401

Infrastructures Cost Estimates - \$3,204

Rental Pmts. to GSA (Prorated Share for Agents in GSA Space)	\$1,104
GSA Overtime Utilities (Prorated Share for Agents in GSA Space)	\$36
Utilities (Prorated)	\$288
Local Telephone Access and Usage (Prorated)	\$409
Telephone Cross Connects (Prorated)	\$264
Cellular Phone Service	\$159
Pager Service/Blackberry/PDA activation (Prorated)	\$71
Calling Card Usage	\$55
FedEx	\$39
Express Shipping for Training	\$31
Gun Shipping	\$10
Body Armor Shipping	\$16
General Printing Needs	\$89
PC Installation and Cabling (Prorated)	\$633
Subtotal	\$3,204

Pre-employment Costs - \$23,509

Security Clearance/Background Investigations	\$14,184
Drug Test/Medical	\$3,894
Inoculations/Immunizations	\$727
Quality Recruitment	\$4,704
Subtotal	\$23,509

Training - \$3,771

Basic Border Patrol Agent	\$3,771
Subtotal	\$3,771

Other Equipment and Support Costs - \$14,991

Payroll Services	\$216
Work Station/Chair (Prorated)	\$2,379
PC and Software (Prorated)	\$1,024
LAN Printer (Prorated)	\$183
Laptop, Software, peripherals (Prorated)	\$795
Desktop Printer (Prorated)	\$316
Cellular Phone	\$234
Desk Phone Set (Prorated)	\$208
Radio, Mobile (Prorated)	\$4,153
Radio, Handheld	\$5,372
PDA/Blackberry (Prorated)	\$111
Subtotal	\$14,991

Personal Equipment and Supplies - \$19,402

Misc. Supplies	\$713
Ammo	\$370
Vehicle Fuel	\$1,380
Holsters	\$67
Holster/Gear	\$73
Belt--Duty	\$42
Belt--Underbelt	\$21
Plain Clothes Holster	\$36
Magazines	\$130
Belt Accessory--Magazine Pouch	\$21
Belt Accessory--Handcuff Pouch	\$21
Belt Accessory--Glove Pouch	\$10
Belt Accessory--Keepers Set of 4	\$16
Belt--Dress Leather	\$34
Eye and Hearing Protection	\$21
Baton with Scabbard	\$78
Firearms Training and Maintenance Supplies	\$42
Weapon Cleaning Kit	\$21
Handcuffs	\$21
Collapsible Baton/Holder	\$73
Camelback and Cleaning Kit	\$171
Training Academy Student Supplies	\$156
OC Spray & Holder	\$31
Safety Personal Protective Equipment	\$208
Uniforms Safety Shoes	\$208
Gun Case	\$26
Lockboxes	\$62
Gun Sling	\$16
Service Weapon (Handgun)	\$395
Other Weapon (Shoulder-Fired)	\$813
Protective Vest (Body Armor)	\$415
Enhanced Threat Body Armor Package	\$831
Night Vision Goggles/monocular (Prorated 1 3)	\$4,443
Handheld FLIR (Prorated 1 8)	\$8,437
Subtotal	\$19,402

Vehicles Costs - \$30,757

Motor Vehicle Maintenance (Prorated 2 3)	\$990
Auto (Prorated 2 3)	\$16,614
Law Enforc. Equip. for Car (Prorated 2 3)	\$13,153
Subtotal	\$30,757

Uniform Costs - \$1,615

Badge/I D	\$36
Credential/Case	\$21
Ceremonial Uniforms & Duty Uniforms	\$1,558
Subtotal	\$1,615

Pro-rated Supervisor Premium - \$3,665

Additional Funding Required to Create Supervisors at 1:7 Ratio	\$3,665
Subtotal	\$3,665

Total Border Patrol Position Cost	\$156,009
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Question 44: Please submit to the Committee a detailed timeline which reflects (1) when the new Border Patrol agents funded in Fiscal Years 06 and 07 will be recruited, hired, trained, and deployed; and (2) the projected timeline for when the 3,000 new agents funded by the FY 08 budget request will be recruited, hired, trained, and deployed.

Answer: It normally takes up to five months to recruit and hire a Border Patrol Agent. The Border Patrol Agents currently being recruited will fulfill the needs for FY 2007. The Border Patrol Agents to be recruited between April and May 2007 are expected to be on board by the beginning of FY 2008. Customs and Border Protection is currently keeping recruiting at a pace necessary to fill Academy classes and is on track to achieve the FY 2007 goal of hiring 3,000 additional Border Patrol Agents.

Trainee Agents that entered on duty in FY 2006 (some were graduated during FY 2007)

Arrived in Artesia for training: 1889

Deployed to the field (graduated): 1405

Trainee Agents that entered on duty in FY 2007 (through Session 658 that arrived on 2-22-07)

Arrived in Artesia for training: 953

Deployed to the field (graduated): 154

Question 45: When attrition, failed background checks, and other factors are taken into account, what is the total number of new Border Patrol agents which DHS will need to recruit in order to achieve the total number of 3,000 agents funded in the FY 08 budget? The total number to recruit to reach the projected total of 17,819?

Answer: U.S. Customs and Border Protection is aware of the recruitment challenges created by attrition and thus is working diligently to aggressively recruit Border Patrol Agents. It is expected to take approximately 90,000 applicants to get 3,000 agents hired based on a 30:1 applicant-to-hire ratio thus far. In light of this ratio, it will likely take at least 150,000 applicants to reach target hires through FY 2008.

Question 46: DHS Canine use

The breakdown showing numbers of canines and canine teams per agency employed by DHS is as follows:

USSS

The United States Secret Service (USSS) has 57 Explosive Detection Canines (w/ 57 handlers). The USSS has 14 Emergency Response Canines (w/14 handlers). USSS has a total of 71 Canine Teams.

ICE

The ICE Federal Protective Service (FPS) currently maintains 60 canine explosives detection dog teams strategically located across the country.

CBP

As of March 6, 2007 CBP employs 1,234 canines and canine teams.

USCG

The Coast Guard has 18 teams (one handler and one canine per team).

TSA

TSA's canine program deploys only explosives detection teams under the National Explosives Detection Canine Training Program (NEDCTP). It is operated cooperatively in partnership with local law enforcement agencies and transportation industry stakeholders. The canine handlers come from local law enforcement (airport/mass transit) agencies. Currently, TSA has 441 teams deployed in aviation and mass transit systems, with a target of 478 deployed teams by the end of FY 07.

Shown below are the funding levels in FY 07 and those requested for FY 08, for each DHS agency's canine program.

USSS

Overall Approved Budget for Canine Program FY 07: \$241,364

Overall Proposed Budget for Canine Program FY 08: \$371,029

ICE

The FPS Canine Program is approximately \$7.74 million in FY 2007, or \$129,000 per team. This includes the full cost of the FPS inspector and the cost of care, feeding and annual recertification training for the dog. The FY 2008 cost will be approximately \$8.05 million.

CBP

While there is no discrete budget for canine enforcement, CBP estimates a projected spending level for FY 2007 of \$130.7 million and a requested funding level for FY 2008 of \$176.3 million.

USCG

The Coast Guard's recurring annual budget for one Canine Detection Team (CDT) is \$9.6K per canine and \$73K per handler (handlers also perform other MLE/FP duties as needed). The total funding level for 18 teams is \$1.5M.

TSA

Fiscal year 07 funding, \$32M; fiscal year 08 funding is \$35.5M.

The DHS unmet need for canines—displayed by agency—in FY 08 is displayed below:

USSS: At this time the USSS is short three (3) Explosives Detection Canines.

ICE: The FPS will not require any additional canine teams for FY 08.

CBP: has no unmet needs for canines in FY 2008.

USCG: Coast Guard currently has a sufficient number of CDTs.

The number of service canines bred domestically, and the number acquired from overseas vendors is explained in the following text:

The USSS utilizes Belgian Malinois canines. All of the USSS canines are purchased from an American company, the Vohne Liche Kennels, Indiana. The Vohne Liche Kennels acquires its dogs from Germany. None of the canines are bred domestically.

The FPS explosives detection dog teams are trained at Auburn University. Auburn University provides the dog at the time team training begins. A check of the University records indicates that 19 of the FPS dogs were bred domestically and 41 were bred overseas.

None of CBP's dogs are purchased from overseas vendors; however most of the domestic vendors that supply dogs to CBP utilize and procure a portion of their dogs from overseas kennels.

The U.S. Coast Guard acquires all canines from CBP.

Below is listed the sources for service canines:

The USSS purchases all of its canines from the Vohne Liche Kennels Company in Indiana.

All other DHS Components:
Hill Country Dog Center
P.O. Box 64070
Pipe Creek, TX 78063
830-510-4700

Kasseburg Canine Training
767 Hillsboro Circle
New Market, AL 35761
256-379-5697

International Canine Exchange
837 Wapping Rd.
Portsmouth, RI 02871
401-640-0626

Jill Hoelle
DBA Von Der Hollenburg German Shepherds LLC
3435 State Rt. 121 S.
Greenville, OH 45331
937-547-9993

Beck's Canine Service
410 Sandman Dr.
Kure Beach, NC 28449
910-279-4343

Kevin Sheldahl DBA K-9 Svcs
13216 Skyview Ave. NE
Albuquerque, NM 87123
505-294-5092

Southern Police Canine Inc.
P.O. Box 902
Spring Hope, NC 27882

Not all agencies under DHS employ and fund canines in the same way. For example, the NEDCTP has deployed teams in accordance with current base funding levels. The NEDCTP is scheduled to increase the planned number of teams by approximately 45 as outlined in the FY 08 President's Budget Request. The NEDCTP has its own breeding program located at Lackland AFB, in San Antonio, TX. In addition, the NEDCTP partners with the Department of Defense to procure additional canines as part of the InterService Support Agreement (ISSA). The NEDCTP partners with the Department of Defense to procure additional canines as part of the InterService Support Agreement (ISSA).

FEMA does not "employ" canine search and rescue teams per se. Canine teams that deploy with Urban Search and Rescue Teams are owned and trained by either the volunteers or the organizations that contribute to the team from local fire de-

partments, EMS, or other first responder organizations. The deployment of search and rescue dogs in coordination with the 28 Urban Search and Rescue teams is dependent upon availability and need. As a norm, each Search and Rescue team is deployed with a 4-dog team (including handlers), but this may vary depending on the event. There are approximately 200 FEMA advanced-certified teams (dog and handler) in the Urban Search and Rescue system. Each team is required to recertify every three years.

FEMA allocates funds for certification and evaluation through the Urban Search and Rescue program but the funding varies depending on the number of dogs that need to be certified and evaluated in a given year. FEMA estimates that evaluation and certification costs between \$225K and \$300K per year. The reason these costs are fairly fluid is because the majority of costs associated with the deployment of canines are charged to the disaster to which they are deployed and funded through the Disaster Relief Fund. This requires Urban Search and Rescue teams to request reimbursement for canine costs which vary depending again in the length of deployment and the costs associated for each disaster. There is no steady state.

Question 47: Project Athena is a surveillance and reconnaissance system that has been successfully developed and tested to provide maritime domain awareness. Eight Great Lakes States pooled their resources to acquire the Athena technology and strengthen the security of Great Lakes ports and along the Northern border. The Department of Homeland Security has denied requests to use grant funds to support the use of Project Athena, stating that SBInet technologies will be forthcoming.

If proven technology exists and is in place today, why is the Department not supporting its use? Why is the Department waiting for new and untested SBInet technologies to be deployed, which may take years?

In recent years, the Department has encouraged States and localities to take a more regional approach to preparing for and responding to terrorist events or natural disasters. Project Athena is an example of regional cooperation, yet it is being stymied by the Department. **Do you support these efforts? If so, why?**

Answer: The Department of Homeland Security (DHS) recognizes the progress that projects, such as Project Athena Project Hawkeye, Command 2010, and Sea Hawk have made in technology and border security along the U.S. maritime borders. The Project Athena grant application was denied because the request proposed the Athena system, once deployed, would be manned by the Border Patrol or U.S. Coast Guard. This was contrary to the intent of the grants program.

DHS is focused on implementing the most effective and integrated mix of technology, tactical infrastructure, and personnel to secure the Nation's borders. The Secure Border Initiative (SBI) plan will include deployments sequenced through 6,000 miles of the U.S. border. Proven technologies implemented under SBInet will complement existing technology and infrastructure along the Northern border to give U.S. Customs and Border Protection (CBP) the ability to fulfill its commitment to strengthen control of the Nation's borders. It is the Department's goal to provide and implement the best available technology and resources. DHS is looking at a range of available technology for the maritime borders including maritime radars, cameras, and command and control systems, such as Athena, Hawkeye, Sea Hawk, and Command 2010.

The prioritization criteria for selecting which sector will be considered for the deployment of SBInet technology solutions are conducted on a threat-based approach. The criteria used would include traffic volume, threat likelihood, vulnerability, consequences, and intelligence. While the initial focus of SBInet will be on the Southwest border, CBP has taken and will continue to take many steps to improve security on the Northern border. These steps include the deployment of experienced Border Patrol agents from the Southern to the Northern border, as well as joint operations with JTF-N. In conjunction with these steps, the pilot maritime technology projects will incorporate ground-based radar and proof of concept multi-sensor systems, the establishment of new air branches, increased liaisons with our Canadian partners through Integrated Border Enforcement Teams (IBETS), and the deployment of radiation portal monitors (RPMs) at our ports of entry. The SBInet solution will provide the security necessary to significantly reduce illegal border crossings and greatly enhance the ability of DHS to accomplish its homeland security mission.

Question 48: How is the Department working with State and local governments to ensure that they have evacuation plans in place?

Do these evacuation plans extend to the impact on the communities that may serve as hosts to evacuees?

Does the Department encourage State and local agencies to communicate with surrounding areas that may host evacuees during the planning process?

I understand that some evacuation plans were evaluated last year through the Nationwide Plan Review. **Would you please discuss this review? What exactly did it cover in its evaluation of States plans?**

Answer: A particular lesson from the 2005 hurricane season is our need to be prepared to support large numbers of displaced persons—not only in the State that experienced the disaster but also in States that may host the displaced families and individuals. The Department of Homeland Security (DHS) has made great strides in 2006 to improve evacuation preparedness through the Nationwide Plan Review and ongoing Gulf Coast evacuation planning support. In 2006, the Federal Emergency Management Agency (FEMA) published Recovery Strategy RD-2006-1, which describes the assistance FEMA will provide to evacuees and States hosting evacuees. To continue and further enhance this work, DHS is currently developing guidance to further assist States in planning for evacuee-support operations and will provide technical assistance to help States write model evacuee-support plans. A DHS-Preparedness-National Preparedness Integration Program representative is assisting the Mass Evacuation Support Project Committee in this important undertaking: to plan for potential catastrophic disasters and enhance hurricane evacuation plans. Additionally, the Office of Grants and Training is working with FEMA to provide specific guidance to State and local partners to address their overall evacuation management and planning.

Question 49: How is the Department working to expand current first responder training programs?

Answer: The Office of Grants and Training, Training Division has undertaken several efforts to expand first responder training programs. Most notably, it is increasing the number of web-based course deliveries and train-the-trainer courses to the field at little or no cost to the training provider. At this time, it is estimated that the number of persons who will receive training through 16 new web-based courses will be over 100,000 per year. The Training Division is automating the collection of data on course participants through a Level 1 evaluation system and will be able to more accurately count the number of web-based course participants once the system is operational. Regarding indirect deliveries, as train-the-trainer deliveries are called, an average of 12,000 responders are trained per month. In addition, the Training Division has a program in place to approve courses at the State and local level so that States can use their Homeland Security grant funds for development, attendance, and overtime and backfill of students attending courses. One goal of the Training Division is to have States and other entities, including other Federal agencies, assume a greater role in training responders. Implementing a process through which they can get course approval increases the number of persons that are trained with State grant funds. So, it strongly encourages training entities to submit courses through their State Administrative Agencies (SAAs) for review and approval. To date, 105 State courses and 153 Federal courses (other than G&T developed) have been approved by the Training Division, offering training to 74,801 and 15,960 responders respectively.

Regarding expanding training efforts at the Center for Domestic Preparedness (CDP), CDP has been on a continuous growth initiative since 2001. This initiative has taken the CDP from six courses to its current course complement of 29 courses. This growth is budget dependent and projected to increase with the transfer of the Noble Training Center to the CDP on March 31, 2007, which requires that CDP establish a comprehensive healthcare preparedness training program within its curricular offerings. Evidence of this dramatic growth is that since 2001, the annual training load of the CDP has grown from 2,522 students in FY 2001 to 61,680 in FY 2006. The most growth has been realized in the non-resident (or mobile) training program with a 10% increase in the past year.

Another way the Training Division is expanding training programs is through the institutionalization of G&T training courses. This will provide access to training at levels unachievable by the use of training providers alone. Many of the G&T awareness-level courses can be provided to state and local training agencies and academies for inclusion in their basic or entry-level training programs. This will result in increased numbers of responders being trained. An example of this institutionalization is the National Capital Region training initiative now underway. The Metropolitan Washington Council of Governments (COG) and DHS G&T Training Division are working on an initiative to provide G&T courses to law enforcement personnel in the NCR. Training Division personnel have been working with the COG Police Training subcommittee to plan the delivery of selected awareness-level and

performance-level courses. The courses will be presented to the NCR law enforcement agencies' cadre of instructors in a train-the-trainer format. These NCR police instructors will then return to their agencies with a copy of all course materials and deliver the training courses to the appropriate staff. To date, 46 law enforcement agencies from the NCR have requested to send instructors to participate in this initiative.

The Training Division has also created a suite of technology support tools to assist in the development, delivery, and reporting of training. Web-Forms is an electronic form and data management system built to assist states with the reporting of non-G&T provided training (State or Federal sponsored courses) information. Web-Forms is also used by States and Federal agencies to submit training for review and approval. Approved courses are then placed in either the State-Sponsored Course Catalog or the Federal-Sponsored Course Catalog and States can use their grant funds to support training attendance. Another technology tool provided by the Training Division is the Responder Training Development Center (RTDC). The RTDC is an interactive site designed to assist training partners and States in the development of quality training products. The RTDC provides detailed information on instructional design considerations, as well as templates and checklists to assist in the development of a training program from concept through to finished course materials. Both Web-Forms and the RTDC are in use and available online to the States and Training Division training partners.

The Training Division maintains "common" catalogs as well as the catalog of G&T training courses. These common catalogs, the State-Sponsored Course Catalog and the Federal-Sponsored Course Catalog, provide a "one-stop" opportunity for responders, States and Federal agencies to see what training is already available and being delivered by States or Federal training partners. These catalogs provide detailed course descriptions and contact information. The Federal-Sponsored Course Catalog provides Federal training partners with a place to post their training that is being made available for State and local responders to attend. States use their grant funds to support training attendance at any course listed in the catalogs.

The Competitive Training Grant Program (CTGP) is a mechanism for expanding the training program based on current events and the immediate needs of the field. G&T's Training Division awarded approximately \$100 million in 15 different issue areas since FY04. Awardees include included colleges, universities, and non-profit organizations.

Question 50: Please discuss the efforts under way to increase the utilization of mobile training courses and web-based learning. **Do these efforts include expanding the utilization of existing first responder training courses beyond the National Domestic Preparedness Consortium and the Center for Domestic Preparedness?**

Answer: The Office of Grants and Training, Training Division, currently offers 104 courses to first responders through 45 training providers, including the Center for Domestic Preparedness (CDP) and the National Domestic Preparedness Consortium (NDPC). The majority of these courses are mobile training courses. The Training Division is dramatically increasing the number of web-based courses it offers in the coming months. The following courses have recently come on line or are scheduled to do so shortly. It is projected that more than 100,000 responders will receive courses in this manner:

1. American Red Cross is delivering 6 online courses providing training on WMD awareness, Introduction to NIMS, Incident Command System, and the NRP and other topics specific to non-government organizations. These courses are being delivered to 90,000 Red Cross volunteers and staff as well as other state and local responders.
2. American Medical Association is developing an online course designed for the medical communities and their participation in an incident of terrorism or catastrophic event. This course is scheduled to be delivered to 5,000 medical professionals and other responders.
3. University of Memphis is developing nine online courses on the topics of cybersecurity and the prevention of cyberterrorism. These courses will be delivered to 7,000 information technology professionals and law enforcement responders.
4. Florida State University is developing an online learning management system for the delivery of a suite of courses to port security personnel. These courses will be available to several thousand port security staff and other responders.
5. George Washington University's National Nurse Emergency Preparedness Initiative (NNEPI) is a web-based training initiative for nurses, focused on pro-

viding opportunities for dynamic and interactive application of both theory and practice through scenario-based learning.

6. Dartmouth University's Virtual Medical Incident Management Institute is developing a standardized, interactive multimedia "course" that can be used at any time or location to train. It will train senior public health and medical professionals to function effectively as critical participants in local and inter-jurisdictional incident command structures and maximize medical surge capacity and capability during WMD attacks.

7. Dartmouth University's Virtual Terrorism Response Academy's first course is "Ops-Plus for WMD Hazmat." This interactive course offers fire, EMS and law-enforcement personnel more than 16 hours of practical, engaging training about CBRNE (chemical, biological, radiological, nuclear, and explosive) threats. "Ops-Plus" features multiple videogame-style simulations that put responders in tactical terrorism-response scenarios.

8. Northwest Arkansas Community College is currently piloting Terrorism and WMD Awareness in the Workplace, Emergency Strengthening Cooperative Efforts Among Public and Private Sector), Business Continuity and Emergency Management to address rural preparedness challenges. These interactive courses address unmet training needs in both private security and public safety preparedness challenges in rural areas nationwide.

It is important to note that awareness level courses are most suitable for both mobile training and web-based delivery. While performance level courses often require the use of expensive equipment or staging areas found at training provider facilities like New Mexico Tech, CDP, and NTS, web based and mobile training are used as a precursor to performance level classes.

In addition, last year the CDP trained 30,802 students through mobile training efforts and 20,858 through train-the-trainer methods. These have been achieved through an aggressive outreach effort and satellite training operations in key Urban Areas in the U.S. This process is projected to continue, based on annual appropriations, as the scope of the CDP training programs broadens with G&Ts move into FEMA. In addition, the CDP will begin hosting online courses as well as web-supplemented courses designed as pre-qualification and/or sustainment training for the Nation's responders. The CDP currently is partnering with the Emergency Management Institute to deliver NIMS-compliant ICS training across the U.S. This surge, implemented to meet the national preparedness goal is a major undertaking to assist state and local agencies in achieving DHS-mandated preparedness objectives. With the transfer of the Noble Training Center to the CDP, further partnerships and collaboration are possible and anticipated with the DHS Chief Medical Office, DHHS, CDC, and selected academic/professional entities.

Question 51: Will you please describe the Competitive Training Grant Program and how it will strengthen and expand existing training programs?

What is the Competitive Training Grant Program:

The Competitive Training Grant Program (CTGP), in existence since FY 2004, is an initiative that seeks innovative solutions for emerging and unmet State and local first-responder training needs. It is conducted annually, based on a congressional appropriation, and accepts applications via grants.gov from State, local, tribal, and territorial governments; national associations and organizations; higher-education institutions; nonprofits, including community and faith-based organizations; and the private sector. A rigorous, competitive peer-review process is used to select proposals of the highest quality and integrity. Final awards are made through cooperative agreements for periods up to 36 months.

The Office of Grants and Training's (G&T) training division articulates specific focus areas for CTGP each year based on input from the field, training providers, and the Department of Homeland Security. These areas represent national priorities, training gaps, and emerging needs based on a dynamic threat environment. To enhance traditional delivery methods and to ensure that CTGP training courses are accessible to State and local responders throughout the Nation, applicants are encouraged to propose training that relies on a distributed and flexible training delivery model. This blended-learning approach supplements traditional classroom instruction with creative uses of Web-based and computer-based training, simulations, and video tele-training. Courses may also be offered locally or regionally to leverage expertise, share resources, and enhance training capacity.

How will it strengthen and expand existing training programs?

The Competitive Training Grant Program (CTGP) represents an important part of the Administration's larger, coordinated effort to strengthen homeland security preparedness. Because the CTGP addresses training gaps and can respond to na-

tional priorities and emerging threats, it builds on its core training program in a way that complements existing training. Since fiscal year 2004, the CTGP has yielded 40 awards in more than 15 different issue areas. Typically, multiple, mobile courses are developed under each award, providing accessible training to a large number of responders across the Nation. A large number of training programs under CTGP are train-the-trainer courses that provide the States with the capability to train an increased number of participants. In addition, proposed training programs must be innovative and distinct in comparison with current training offered by the National Domestic Preparedness Consortium, other Department of Homeland Security Office of Grants and Training training partners, other Federal agencies, and State and local training academies.

Question 52: How does the Department of Homeland Security communicate with individuals and households to ensure that they are aware of their responsibility to prepare for events, particularly natural disasters for which we have warning?

Do you believe that the Department should do more to educate U.S. residents of what they should do to prepare for events?

What is the focus of the Ready Campaign? How does this program support the Nation's preparedness and response capabilities?

Part one of the question: **How does the Department of Homeland Security communicate with individuals and households to ensure that they are aware of their responsibility to prepare for events, particularly natural disasters for which we have warning?**

Answer: The Department of Homeland Security promotes individual, family, and business emergency preparedness through the *Ready* Campaign. Launched in February 2003, *Ready* is a national campaign designed to educate and empower Americans to prepare for and respond to emergencies including natural disasters and potential terrorist attacks.

The campaign includes an effort to reach the Nation's individuals and families through *Ready America*, as well as has extensions for specific audiences. *Ready Business* helps owners and managers of small—to medium-sized businesses prepare their employees, operations and assets. *Ready Kids* is a tool to help parents and teachers educate children ages 8—12 about emergencies and how they can help get their family prepared. *Listo America*, *Listo Negocios* and *Listo Ninos* are Spanish language versions of these *Ready* programs.

The Department spreads the *Ready* Campaign's messages through media such as television, radio, print, outdoor and Internet public service advertisements (PSAs) developed and produced by the Advertising Council; more than a dozen brochures; the www.ready.gov and www.listo.gov Web sites; two toll-free phone lines, 1-800-BE READY and 1-888-SE LIST; media outreach efforts; and partnerships with a wide variety of public and private sector organizations.

We have been pleased with the campaign's ability to deliver its message and encourage Americans to take action. Since 2003, the campaign's Web sites have received more than 2 billion hits and more than 10 million *Ready* materials have been distributed. In addition, there have been indications of progress in changing the public's behavior on emergency preparedness. A national survey conducted in June 2006 found 91 percent of Americans feel individual preparedness is important and 55 percent have taken steps to prepare.

The *Ready* Campaign is currently funded (FY 2007) by Homeland Security's Office of Public Affairs and Office of Infrastructure Protection. For fiscal years 2004 through 2006, the *Ready* Campaign, including its extensions, *Ready Business* and *Ready Kids* and its Spanish language version, *Listo* have received \$9.6 million in Federal funding. The campaign currently has a staff of two full-time Federal employees.

Part two of the question: **Do you believe that the Department should do more to educate U.S. residents about what they should do to prepare for events?**

Answer: The Department is pleased with the strides the *Ready* Campaign has made during the four years since it was created. The campaign's PSAs have received more than \$618 million in donated media support; www.ready.gov has received more than 2 billion hits and 25.5 million unique visitors; *Ready's* toll-free phone lines have received over 285,000 calls; and more than 10 million *Ready* materials have been distributed. In addition, a national survey conducted in June 2006 found that from 2005 to 2006, the proportion of Americans who said they have taken any steps to prepare rose 10 points, from 45 percent to 55 percent.

While we are pleased with *Ready's* progress it is important to note that social change takes time. Other government social marketing efforts, like those conducted

by the Department of Transportation to promote seat belt use and prevent drunk driving have taken decades to achieve their goals. Homeland Security knows that *Ready* still has a long way to go before it can meet all of its goals. That said, there is more all of us can do to encourage Americans to prepare for emergencies. In addition to building upon the *Ready* Campaign's success, the Department is also encouraging the public and private sectors to play key roles in helping to create a culture of preparedness in this country.

Ready's message needs to be focused and re-emphasized on the state and local level to highlight local threats and plans. Over the past four years, we have seen major progress in this area. When *Ready* was created, only a handful of state and local efforts existed. Now nearly every state and major city is doing something to get their residents prepared for emergencies. To build on these initiatives, Homeland Security funding can now be used by state and local governments to create their own citizen preparedness campaigns. In addition, the Department is working to use *Ready's* resources and experience to assist these governments with their own focused message. For example, the campaign is the model for cities and states to tailor and localize their own Ready advertisements to direct viewers to specific local preparedness resources.

The Department has also established joint efforts with a wide variety of private sector organizations to help spread the *Ready* message. For example, since 2003, Minor League Baseball and the Boy Scouts of America have supported the campaign by distributing *Ready* brochures at ball parks across the Nation.

Homeland Security places a special emphasis on the issue and our public and private sector partners during National Preparedness Month. National Preparedness Month is a nationwide effort held each September to encourage Americans to take simple steps to prepare for emergencies in their homes, businesses and schools. During 2006, more than 1,370 national, regional, state and local organizations took part in the designated month by distributing information, hosting more than 900 events and sponsoring activities across the country to promote emergency preparedness. We hope the 2007 effort will be even more successful.

Part three of the question: **What is the focus of the Ready Campaign? How does this program support the Nation's preparedness and response capabilities?**

Answer: Launched in February 2003, *Ready* is a national campaign designed to educate and empower Americans to prepare for and respond to emergencies including natural disasters and potential terrorist attacks. The goal of the campaign is to get the public involved and ultimately to increase the level of basic preparedness across the Nation. The philosophy behind *Ready* is that if we get our citizens who can prepare to do so, it will free up valuable response resources for those who cannot help themselves or are in dire straits during an emergency. The Department feels that by building the preparedness level of individuals, families, businesses and communities we make our Nation more secure, strong and resilient.

The *Ready* Campaign supports the Nation's preparedness and response by encouraging Americans to prepare and providing individuals, families and businesses with tools to assist them in their preparedness efforts. The campaign's Web sites at www.ready.gov and www.listo.gov and brochures contain information and templates that help families get an emergency supply kit, make a family emergency plan and be informed about the different types of emergencies that could occur and how to respond. These resources also have tools that can assist owners and managers of small- to medium-sized businesses in developing a business continuity plan, talking to their employees about preparedness and protecting their assets.

