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THE OFFICE FOR DOMESTIC PREPAREDNESS FIRST RESPONDER ASSISTANCE PROGRAM

HEARING

OF THE

SUBCOMMITTEE ON EMERGENCY PREPAREDNESS AND RESPONSE

BEFORE THE

SELECT COMMITTEE ON HOMELAND SECURITY
HOUSE OF REPRESENTATIVES

ONE HUNDRED EIGHTH CONGRESS

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HEARING ON THE OFFICE FOR DOMESTIC PREPAREDNESS FIRST RESPONDER ASSISTANCE PROGRAM

Wednesday, April 28, 2004

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON EMERGENCY PREPAREDNESS AND RESPONSE,
SELECT COMMITTEE ON HOMELAND SECURITY,
Washington, DC.

The subcommittee met, pursuant to call, at 10:30 a.m., in Room 2212, Rayburn House Office Building, Hon. John Shadegg [chairman of the subcommittee] presiding.

Present: Representatives Shadegg, Weldon, Camp, Diaz–Balart, King, Dunn, Cox, Thompson, DeFazio, Norton, Pascrell, Christensen, Etheridge, Lucas, Turner, and Souder.

Mr. SHADEGG. [Presiding.] Good morning. The committee will come to order. And I will begin by asking unanimous consent that the opening statements be limited to those of the chairman and ranking members of the subcommittee and of the full committee.

Without objection, so ordered.

Today's hearing continues our ongoing effort at first responder funding. That issue is extremely important to the American people.

And I would begin by noting that yesterday we released this report. And I want to begin by thanking my own personal staff, as well as the committee staff, for its thorough examination of this issue, which is of primary concern to the American people with regard to the work of the Department of Homeland Security and our efforts to support first homeland responders all over the country.

As a result of the tragic events of September 11, 2001, Congress responded by appropriating over $6 billion in funding for first responders through the State Homeland Security Grant Program and the Urban Areas Security Initiative. By comparison, the 2001 funding for these kinds of activities was roughly $121 million.

That is the equivalent of moving from a drip out of a faucet to a blast from a fire hose. In spending terms, it is an increase of over 2,000 percent.

Right or wrong, this funding has become the most tangible measuring stick for Congress when discussing progress on homeland security. That being the case, we need to figure out how and where this money is being used and to make sure that it is indeed the appropriate evaluation of whether our homeland is secure because we may commit an additional $2.5 billion this year in this current budget cycle without knowing what the previous money has gotten

us—in essence, to figure out where we have been, so that we know where to go.

Toward that end, the Select Committee staff, under the direction of Chairman Cox, and this subcommittee has examined where those funds have gone and produced the report that I just showed you. What we learned is that while much of the homeland security grant money and urban area grant money has been allocated—meaning that they have been directed to the counties, cities and towns—very little money has actually been drawn down or spent.

Let us take, for example, fiscal year 2003. In fiscal year 2003, Congress had a regular and supplemental appropriation for homeland security totaling over $2.6 billion.

As of last week, only $246 million of that money had been spent or roughly 15 percent. That is a pretty amazing number.

To the extent, however, that cities are taking their time to figure out what to purchase and how to spend this money and to ensure that it enhances the protection of critical assets and the public at large, that is not a bad thing. It means they are doing their jobs thoughtfully and carefully.

And we have heard that that is one of the reasons for the delay in spending the money; that is, that is that they are going slowly at the actual spending level. But to the extent that this delay is because of bureaucracy within the city councils or county boards or at the state level or is a result of bureaucracy within the Department of Homeland Security, not only am I concerned, but we should all be concerned.

I also continue to be concerned about misappropriation of homeland security funding. Anecdotes from public officials in our report—again, the report I just showed you—like the one from the State of Washington noting that "specialized equipment will go to waste, sitting on a shelf collecting dust, because we are not in a high-threat area," are very disturbing.

And they point out the important work of this subcommittee and the full committee in moving toward a risk-based allocation of funds. There is plenty of blame to go around. But I hope we are not in the blame business.

I hope we are in the business of looking forward to improve upon the system to better protect the people of America. Congress is responsible for coming up with a grant formula that does not take into account risk, nor does it provide guidance to the states as to what the appropriate level of preparedness is.

We are fixing that through the legislation we have passed through this subcommittee, the Faster and Smarter Funding for First Responders Act. In addition, ODP can do a better job.

It is new to the scene, in terms of being responsible for our nation's preparedness for terrorism. And one could argue that FEMA has vastly more experience in emergency management, which now seems to be devoted solely to natural disasters.

Nevertheless, decisonmaking can be improved. And communication and guidance can be more crisp.

I will not go into the computer glitches which we have experienced. But I believe that problem has been corrected.

States and counties all need to do a better job in terms of planning and coordinating and ensuring that these essential funds are

spent appropriately and quickly to best enhance the security of our nation. I have been astounded by the confusion and misinformation as to how the homeland security grant process works and why the money has not been spent.

My hope is that, through our committee report and through the testimony we will receive today from our witnesses, we can clear the air and focus on the actual problems facing us as we go forward.

I appreciate the presence of our witnesses. And I would now like to call on the ranking member of the subcommittee, the gentleman from Mississippi, Mr. Thompson.

Mr. THOMPSON. Thank you, Mr. Chairman. Director Mercer, welcome and thank you for appearing before the subcommittee today to provide details on your budget request for fiscal year 2005.

As you are aware, the full Select Committee recently passed legislation that would significantly reform the Terrorism Preparedness Grant Program administered by your office. We passed this legislation because we believe that our current system for funding first responders does not work.

We spend an arbitrary amount of money each year. These funds are not distributed where they are needed the most. And they have no idea whether we are building an effective nationwide capability to respond to acts of terror.

And unfortunately, your budget proposal for 2005 simply continues the broken practices of the past. Once again, your budget is not based on any true assessment of the preparedness needs of our states, cities and rural communities.

Once again, your budget seeks to limit the use of fire grant funds to programs related to terrorism preparedness. And once again, you ignore the most critical need of our emergency management community by severely limiting the amount of emergency management performance grant funds that can be used for personnel.

Most disturbing, however, is the fact that your budget cuts first responder grant programs by almost $700 million. If DHS has no way of measuring the nation's progress toward closing the security gaps, either as a whole or by a state by state basis, then what is your basis for the proposed reduction?

We cannot fight and win the war on terrorism if our first responders lack the equipment, training and planning that they need to ensure the safety of their communities. Let me highlight some examples from the President's budget that demonstrate the misguided approach of this administration.

First, the budget reduces the Emergency Management Performance Grant Program by $10 million from the fiscal year 2004 level. In addition, the administration proposes that only 25 percent of these grant funds will be available to support state and local emergency management personnel salaries.

This program is the principal source of funding for state and local emergency management agencies, your partners in all hazardous preparedness. A March 2002 survey by the National Emergency Management Association found that an additional 5,212 local emergency management positions are needed, with 3,960 of those positions being full-time directors needed to manage the program.

How do you propose to respond to and recover from major disasters or even conduct additional training and exercise when your budget will eliminate many of your state and local partners?

I have a number of other questions that I will go, but I want you to listen to a couple of the others I have for you.

How does the administration expect the fire community to prepare for and respond to terrorism when it is abundantly clear that many fire departments lack the training and equipment to respond to even the most basic emergency situation?

How does the administration expect our communities to prepare for and respond to acts of terrorism when they cannot even afford to pay for a full-time emergency manager?

And I want you to think about rural areas as you deal with the answers. Some of us represent significant rural areas. And there is a real concern being voiced by our constituents that they are being left out.

So I look forward to your testimony. Thank you.

Mr. SHADEGG. Thank the gentleman.

The chair would now recognize the chairman of the full committee, the gentleman from California, Mr. Cox, for an opening statement.

Mr. COX. Thank you, Mr. Chairman. I want to welcome our witnesses today and thank you very much for the hard work that you are doing on the important mission of preparing us for what might happen in our future that has already happened to us in our past.

I want to thank Chairman Shadegg and all the members of this subcommittee for the leadership that each of you has shown in helping this vital community of first responders build new capabilities.

Our objective, on behalf of the American people, is to bring about a fundamental change in the way that we allocate first responder monies to fight the war on terrorism. The commitment by President Bush and the

Congress to our first responders is unshakably strong and will remain so.

We have increased funding to assist first responder terrorism preparedness by an astounding 2,000 percent since 2001. The federal government-wide commitment has totaled over $28 billion since 2001.

That includes the President's Fiscal Year 2005 budget. And the Department of Homeland Security and its predecessor agencies have committed almost $14.6 billion since 2001.

Our concerns—and I believe the department's as well—are that federal dollars appropriated by Congress and granted by DHS are nonetheless not reaching our local first responders quickly enough. In fact, of $6.3 billion granted since 2001, roughly $5.2 billion in DHS grant money remains in the administrative pipeline, waiting to be used by first responders.

A separate distinct problem is that federal dollars are not necessarily going to those first responders who need it the most and not nearly often enough are the allocations based upon risk. Over the past several months, as the chairman and ranking member have mentioned, committee staff obtained and examined grant allo-

cation expenditure data from ODP and from all 50 states for the largest ODP first responder terrorism grant programs in 2003.

State formula grants in 2003 were a little over $2 billion. The high-threat, urban area grants were $596 million.

What we found is that ODP has done a good job of obligating the grant funds quickly. In 2003, ODP announced awards to states within 15 days of enactment of its appropriations. And it sent out obligation letters within 3 months.

Our concerns at the federal level, therefore, are essentially the basis for allocating these monies; that the basis is not, with some exceptions, risk or need. Rather, these dollars are being allocated in accordance with a congressionally mandated, arbitrary political formula that, among other things, gave every political jurisdiction in America with two senators a minimum of $17.5 million in fiscal year 2003.

To your credit, you, Secretary Ridge and President Bush have requested this formula be changed. In both the fiscal year 2005 budget request and through your testimony here today, you have asked that the secretary be provided increased flexibility. And it has been the Homeland Security Department's longstanding position that the Patriot Act formula, of which I have just complained, be changed.

H.R. 3266, the Faster and Smarter Funding for First Responders Act, which passed this committee unanimously last month, gives the secretary a clear mandate to prioritize risk in the grant distribution process and to make sure that there are clear and measurable federal preparedness goals.

It will ensure that we have minimum essential capabilities established to guide communities, as Mr. Thompson has explained, so that as we use our funds, we know what we are building. H.R. 3266 continues a theme that has been the focus of this committee since its inception: we must strengthen DHS' information analysis and risk assessment efforts. And we must use this information to allocate our resources more effectively.

We also must do a better job of sharing this threat and vulnerability information with state and local officials so that they too can do a better job in allocating these resources. Our staff analysis found that almost one-third of the states simply followed the flawed federal model when distributing fiscal year 2003 ODP grant funds to their localities, resulting in more than $600 million being distributed, regardless of risk or need, in that one year alone.

And most of the States that considered some elements of risk or need did not do so in any standard or significant way. By improving the flow of threat and risk-based information to our first responders, we will materially improve their ability to prevent, prepare for and respond to a terrorist attack.

By setting clear federal preparedness goals, we will begin to build measurable and sustainable capabilities. Our investment in the first responder community must be strategic. And our priorities must be guided by a comprehensive threat assessment.

The time is now to develop and implement a clear national strategy for homeland security that will allow us to stop wasteful and unfocused spending and to permit the measurement of progress to-

ward concrete goals that truly make this country safer. H.R. 3266 will help get us there.

And I hope that this bill will be brought to the floor of the House for a vote soon. We expect that will be in either June or July because there are time-limited referrals to other committees that expire on June 7.

I also hope that, under Ms. Mencer's inspired leadership, ODP will not wait for such legislation, but will move to adopt administratively, to the fullest extent legally possible, the reforms that this committee has been calling for.

I look forward to hearing from our state partners and from the department on their ongoing efforts to effectively manage the grant funding process. The committee and the American people are grateful for the work that each of you does to support the men and women on the front lines of our war on terrorism.

I yield back, Mr. Chairman.

Mr. SHADEGG. I thank the gentleman.

The chair would now recognize the ranking member of the full committee, the gentleman from Texas, Mr. Turner, for an opening statement.

Mr. TURNER. Thank you, Mr. Chairman.

Director Mencer and Mr. Schrader, thank you for being here with us today. As you can tell, we have numerous concerns about the operation of the grant programs, and how they relate to our states and local governments.

As the chairman mentioned, we have legislation that we believe will improve that process. But frankly, we also believe that the department could do much on its own to move these suggestions forward.

We know our current system of funding first responders does not work. One reason that we describe in our legislation is that we do not have any determination as to what the essential capabilities for terrorism preparedness should be.

We have no basis for determining these capabilities because we do not have a clear national assessment of threat and vulnerability to know what level of preparedness, what kind of training, what kind of equipment should really be purchased.

So we are very concerned that we need to move forward much quicker than we have been in trying to build an effective nationwide capability. We have proposed, in our legislation, that these changes be made. And as I said, I think it is important for the department to heed those suggestions in advance of the passage of the bill.

It is frustrating to many of us to see that we are spending millions of dollars and yet we are not sure whether those dollars are being spent building the right capabilities and infrastructure. In testimony earlier this year, Secretary Ridge made a comment that the department was having difficulty moving funds through the pipeline, and that this fact justified cutting back on funding for our first responders.

And as Ranking Member Thompson suggested, that is a concern that many of us have, that you have cut back on the funding in the budget request that you have submitted. We do not believe it is justified.

We believe the needs out there are great. But we do believe that the money needs to be spent much more wisely and much smarter.

I would also like to express some concern in the President's budget request on some other issues. There is obviously a continuing problem out there in achieving communications interoperability.

The department's statement of requirements, which was announced Monday, is a critical first step. But clearly, it is only a beginning, and not the end of the process.

It comes 8 years after the final report of the Public Safety Wireless Advisory Committee and 2 years after the initiation of Project SAFECOM. I look forward to hearing how ODP is incorporating the guidance from Project SAFECOM into its grant programs, as well as receiving explanation as to why the administration has requested no funds for interoperability grants in fiscal year 2005, either within DHS or in any other federal agency.

Additionally, the administration's budget request is unclear on how other programs, some of which are new to ODP, will be administered. The budget includes $46 million for port security grants, which is about $500 million short of what the Coast Guard says they need for initial security improvements at our ports.

Our country's commercial transportation systems, such as commuter rail, clearly are vulnerable, which was underscored, I think, by the recent attack in Madrid. And despite those vulnerabilities, the department has provided only $115 million in grants from the Urban Area Security Initiative Program since September 11 to secure transit systems, the majority of which have gone to five metropolitan areas.

There is no specific funding in your budget this year to improve security for rail and other public transportation systems. That is somewhat surprising, in light of the fact that the American Public Transportation Association estimates that there are $6 billion in unmet security needs nationwide for public transportation.

So we are interested in hearing any details that you may have about your plans to improve the security of commercial transportation systems. And finally, as Ranking Member Thompson mentioned, there are cuts in funding for the fire grant program and the emergency management performance grants.

Both requests also contain language that would limit the ability of the states to use these funds to meet a full range of preparedness needs. In the case of the emergency management performance grant, the proposed budget would, by one estimate, lead to a 60 percent cut of state and local emergency personnel, exactly at a time when we are asking our state and local governments to take a more active role in emergency planning and response activities.

These are just a few of our concerns. We look forward to hearing comments from both of you about these issues and any others that you may choose to bring before us.

Thank you very much, Mr. Chairman.

Mr. SHADEGG. I thank the gentleman. As members of the committee are aware, we are in essence a homeless committee. We have to borrow committee rooms.

We were just advised yesterday that the Armed Services Committee, whose room we are borrowing today, needs this room this

afternoon. So we will be required to vacate no later than roughly 12:30 so that they can occupy it. So we will need to move crisply through our questioning.

With that, let me move forward to introduce our first witness, the Honorable Suzanne Mencer, the executive director of the newly formed Office of State and Local Government Coordination and Response. Ms. Mencer is formerly the executive director of public safety for the State of Colorado.

Amongst many of her qualifications, she is a member of the National Task Force on Interoperability and a member of the Society of Former Special Agents of the Federal Bureau of Investigation.

Ms. Mencer, please if you would, we have your full statement before us and it is in the record. We would appreciate it if you could summarize the salient points for the committee.

STATEMENT OF THE HONORABLE C. SUZANNE MENCER, DIRECTOR, OFFICE FOR DOMESTIC PREPAREDNESS, DEPARTMENT OF HOMELAND SECURITY

Ms. MENCER. Thank you very much, Chairman Shadegg,

Congressman THOMPSON.

Mr. SHADEGG. You may want to pull that microphone a little bit closer.

Ms. MENCER. My name is Sue Mencer. And I serve as the director of the Department of Homeland Security's Office for Domestic Preparedness.

On behalf of Secretary Ridge, it is my pleasure to appear before you today to discuss the current status of the status of the Office for Domestic Preparedness and other issues of critical importance.

ODP is the federal government's principal agency responsible for preparing our nation against terrorism by assisting states, local jurisdictions, regional authorities and tribal governments in building their capacity to prepare for, prevent and respond to acts of terrorism. Since its creation, ODP has provided assistance to all 50 states, the District of Columbia, the Commonwealth of Puerto Rico and the U.S. territories.

ODP has trained 325,000 emergency responders from more than 5,000 jurisdictions and conducted more than 300 exercises. By the end of fiscal year 2004, ODP will have provided more than $8.1 billion in assistance and support.

As of today, 46 of the 56 states and territories have received their fiscal year 2004 funding under the Homeland Security Grant Program. This includes funds to support statewide preparedness efforts under the State Homeland Security Grant Program, the Law Enforcement Terrorism Prevention Program and Citizen Corps. These awards represent over $1.9 billion in direct assistance. In total, $2.2 billion will be provided under these initiatives.

Further, of the 50 urban areas designated under the fiscal year 2004 Urban Areas Security Initiative—or UASI program—33 urban areas have been funded so far. This represents $467 million in support to high-density population centers with identifiable threats and critical infrastructure.

In total over $670 million will be provided to these areas. In addition, the department has identified 30 of the nation's most used urban transit systems and will provide $49 million to enhance the

overall security of these systems. To date, 21 of these transit systems have received their fiscal year 2004 funds.

Much of how the states and territories will distribute and utilize Homeland Security Grant Program funds will be influenced by the results of the state homeland security assessments and strategies. As you know, these strategies and assessments were submitted to ODP on January 31, 2004.

These assessments and strategies are important to both the states and to the federal government. They provide information regarding vulnerabilities, capabilities and future requirements and each state's preparedness goals and objectives.

They provide the states a road map to how current and future funding, exercise, training and other preparedness resources should be directed and targeted. And they provide the federal government with a better understanding of needs and capabilities.

All assessments and strategies have been received, have been reviewed or currently are under review by an intra–DHS review board. Fifty-one have been approved by the department.

Recently, the department's inspector general released a report titled "An Audit of Distributing and Spending First Responder Grant Funds." That report examines how ODP processed and awarded first responder grant funds during fiscal years 2002 and 2003.

It also examined how several of the states, once awards have been received, obligate and distribute those funds. We at ODP welcomed the inspector general's scrutiny and see this report as an opportunity to validate those things we are doing well and to identify and act upon those things we need to do better.

With permission, Mr. Chairman, I would like to submit a copy of the report for inclusion in the record.[1]

Mr. SHADEGG. Without objection, so ordered.

Ms. MENCER. The inspector general concluded that ODP has been successful in the development and management of its grant programs and that ODP has assessed, processed and awarded its grants in a timely and effective manner. The inspector general also concluded that there are ways in which ODP and states and local jurisdictions could better distribute, dedicate, monitor and track homeland security funds.

Most important, inspector general concluded—and we at ODP agree—that it is more desirable for states to distribute funds wisely and prudently than to distribute funds in haste. The inspector general's report concluded that although ODP has been able to distribute funds to states in a timely manner, there were some impediments that slowed the distribution of funds from states to local jurisdiction.

These impediments did not exist in every state, nor in every jurisdiction. And, as the inspector general noted, some impediments are unavoidable, some can be corrected.

As the former director of public safety for Colorado and the homeland security adviser to Governor Owens, I can tell you without hesitation that the job of distributing these funds is a challenge and not without difficulties.

[1] Visit the OIG web sit at www.dhs.gov., for copies of Department of Homeland Security, Office of Inspector General, "An Audit of Distributing and Spending "First Responder" Grant Funds" Office of Audits OIG–04–15 March 2004.

On March 15, 2004, Secretary Ridge announced the creation of the Homeland Security Funding Task Force. This task force is comprised of several governors, mayors, county executives and a representative of tribal governments and is examining DHS' funding process for state and local assistance to ensure that DHS funds to the nation's first responders move quickly and efficiently.

It will also identify best practices in an effort to offer solutions to both the department and state and local jurisdictions. The information provided by this task force will assist DHS and states and localities to do a better job. This task force, Mr. Chairman, will provide a report to the secretary by the end of June, which we will share with Congress.

ODP initiated many improvements prior to the release of the inspector general's report. For fiscal year 2004, ODP is implementing new reporting and monitoring guidelines. These new procedures will enable ODP to better track each state's progress in allocating funds and meeting the objectives outlined in their 2003 state strategies and assessments. For fiscal year 2005, ODP will establish a dedicated audit team in order to more closely audit grant expenditures and better ensure compliance with program requirements.

ODP has also greatly improved its communications with state and local officials to assist them to better understand requirements and better plan for the use and allocation of program funds.

We have made many efforts to improve and to better communicate with our states and our territories. These efforts are in addition to ODP's existing efforts to provide customer service, including an ODP help line and technical assistance and monitoring visits by ODP staff to state and local jurisdictions. We have, in this last year, made over 300 site visits to states and localities.

I am speeding this up for you.

Mr. SHADEGG. Thank you.

Ms. MENCER. You are welcome. As you know, as Chairman Cox indicated earlier, the secretary has stated that he would like to see a change in the homeland security grant funding formula. It does not mean, however, that we are not recommending that these funds be eliminated, a baseline funding to all states.

Secretary Ridge has consistently stated that a minimum amount of funds must be provided to all states and territories. And for the nation to be secure, all states and territories must have the resources to address their particular and unique security needs. I would like to speak a little about the consolidation of ODP and state and local government. As you know, that was proposed. And we have the 60-day review period by Congress is over. So we are looking at doing that consolidation. And that should be announced by the secretary any day now. We believe that is the best and most efficient use and way for the federal government to address the needs of the states, by having a one-stop shop for the states to go to. And I can tell you, as a former homeland security director, that would be very helpful to have one place to go for grants concerning preparedness issues. This is also supported by the inspector general's report, which I mentioned earlier. As to the issue—and my last point—the issue of how to measure capabilities and performance and the states capabilities, HSPD–8, the Homeland Security Presidential Directive–8, is a preparedness decision directive. This

is one we have been tasked at ODP for this implementation. And it will, with our state and local partners and our federal government partners as well, establish preparedness goals for the states so they can measure their capability to deal with all disasters concerning man-made incidents, terrorism disasters and also natural disasters as well. So we are in the process now of implementing that. We had our first steering committee meeting last week. So with that, I think in the interest of time and at your direction, I will conclude my statement and be happy to answer any questions you may have.

[The statement of Ms. Mencer follows:]

PREPARED STATEMENT OF THE HONORABLE C. SUZANNE MENCER

Chairman Shadegg, Congressman Thompson, and Members of the subcommittee, my name is Sue Mencer, and I serve as Director of the Department of Homeland Security's (DHS) Office for Domestic Preparedness (ODP). On behalf of Secretary Ridge, it is my pleasure to appear before you today to discuss the current status of ODP and other issues of critical importance.

On behalf of all of us at DHS, I want to thank you Mr. Chairman, and all the members of the Committee, for your ongoing support for the Department and for ODP. You and your colleagues have entrusted us with a great responsibility, and we are meeting that responsibility with the utmost diligence.

As you are all aware, ODP is responsible for preparing our Nation against terrorism by assisting States, local jurisdictions, regional authorities, and tribal governments with building their capacity to prepare for, prevent, and respond to acts of terrorism. Through its programs and activities, ODP equips, trains, exercises, and supports State and local homeland security personnel—our nation's first responders—who may be called upon to prevent and respond to terrorist attacks.

Mr. Chairman, ODP has established an outstanding track record of capacity building at the State, local, territorial, and tribal levels, by combining subject matter expertise, grant-making know-how, and establishing strong and long-standing ties to the nation's public safety community. Since its creation in 1998, ODP has provided assistance to all 50 States, the District of Columbia, the Commonwealth of Puerto Rico, and the U.S. territories. Through its programs and initiatives ODP has trained 325,000 emergency responders from more than 5,000 jurisdictions and conducted more than 300 exercises. And, by the end of Fiscal Year 2004, ODP will have provided States and localities with more than $8.1 billion in assistance and direct support.

Throughout its history ODP has strived to improve how it serves its State and local constituents. For example, in Fiscal Year 2003, application materials for the Department's State Homeland Security Grant Program—under both the Fiscal Year 2003 Omnibus Appropriations Bill, and the Fiscal Year 2003 Supplemental Appropriations Bill—were made available to the States within two weeks of those bills becoming law. Further, over 90 percent of the grants made under that program were awarded within 14 days of ODP receiving the grant applications.

During Fiscal Year 2004, ODP's record of service to the nation's first responders continues. As of today, 46 of the 56 States and territories have received their Fiscal Year 2004 funding under the Homeland Security Grant Program. This includes funds to support State-wide preparedness efforts under the State Homeland Security Grant Program, the Law Enforcement Terrorism Prevention Program, and the Citizen Corps Program. These awards represent over $1.9 Billion in direct assistance. In total, $2.2 Billion will be provided under this initiative.

Further, 33 of the 50 urban areas designated under the Fiscal Year 2004 Urban Areas Security Initiative (UASI program) have been awarded funding so far; the remaining are still under review. This represents $467 Million in support to high-density population centers with identifiable threats and critical infrastructure. In total over $670 Million will be provided to these areas. In addition, the Department has identified 30 of the nation's most used urban transit systems and will provide $49 Million to enhance the overall security of these systems. To date, 21 of these transit systems have received their Fiscal Year 2004 funds.

Much of how the States and territories will distribute and utilize Homeland Security Grant Program funds will be influenced by the results of the State Homeland Security Assessments and Strategies. As you know, each State, the District of Co-

lumbia, the Commonwealth of Puerto Rico, and the territories were required to submit their assessments and strategies by January 31, 2004.

These assessments and strategies, Mr. Chairman, are critically important to both the States and the Federal Government. They provide a wealth of information regarding each State's vulnerabilities, capabilities, and future requirements, as well as each State's preparedness goals and objectives. They provide each State with a roadmap as to how current and future funding, exercise, training, and other preparedness resources should be directed and targeted, and they provide the Federal Government with a better understanding of needs and capabilities. I am happy to report that all assessments and strategies have been received and reviewed or currently are under review by an intra-DHS review board comprised of representatives from major Department components. Of those 56 strategies, 51 have been approved by the Department. The remaining five should be approved shortly.

During Fiscal Year 2005, ODP will continue to provide States and localities with the resources they require to ensure the safety of the American public. The funds requested by the President for Fiscal Year 2005 will allow ODP to continue to provide the training, equipment, exercises, technical assistance, and other support necessary to better prepare our communities.

DHS's mission is critical, its responsibilities are great, and its programs and activities impact communities across the nation. We will strive to fulfill our mission and meet our responsibilities in an effective and efficient manner. And we will, to the best of our abilities, continue to identify where and how we can improve. Part of our responsibility, part of the Department's responsibility, Mr. Chairman, is the recognition that we can always improve what we do and how we do it. And we can never be too safe or too secure.

To that end, the Department's Inspector General recently released a report titled "An Audit of Distributing and Spending 'First Responder' Grant Funds." That report examined how ODP processed and awarded first responder grant funds during Fiscal Years 2002 and 2003. It also examined how several of the States, once awards have been received, obligate and distribute those funds. We at ODP welcomed the Inspector General's scrutiny, and now that the report is complete, we see this as an opportunity to validate those things we are doing well, and to identify and act upon those things we need to do better. With your permission, Mr. Chairman, I would like to submit a copy of the report for inclusion in the record.

Overall Mr. Chairman, the Inspector General concluded that ODP has been successful in the development and management of its grant programs, and that ODP has assessed, processed, and awarded its grants in a timely and effective manner. At the same time the Inspector General concluded that there are several ways in which ODP could better assist States and local communities in distributing and dedicating homeland security funds, as well as monitoring and tracking these funds once they have been awarded. The Inspector General concluded that various impediments to the timely distribution of funds at the State and local level should be addressed, and while some of these impediments may be unavoidable, others could be reduced. Most important the Inspector General concluded, and we at ODP agree, that it is more desirable for States to distribute funds wisely and prudently, than to distribute funds in haste.

Among the report's recommendations were:

- For ODP to institute more meaningful reporting by the States so that ODP can track progress more accurately, both in their distribution of funds and in building their preparedness capabilities, and to better assist States when necessary.
- For ODP to improve its communications with State and local jurisdictions in order to keep them better informed as to program requirements and opportunities for assistance.
- For ODP to accelerate the development of federal guidelines for first responder preparedness, including capability levels, equipment, training, and exercises, in order to enhance the ability of States and local jurisdictions to develop preparedness strategies and target resources.
- For ODP to work with State and local jurisdictions to better identify impediments at the State and local levels to the timely distribution of funds, identify "best practices," and make recommendations to overcome these impediments.

I am happy to report, Mr. Chairman, that ODP, in consultation with the Secretary and other Department components, is already addressing many of these recommendations. For instance, for Fiscal Year 2004, ODP is implementing new reporting and monitoring guidelines. These new procedures will enable ODP to better track each State's progress in allocating funds and meeting the objectives outlined in their 2003 State Strategies and Assessments. Further, prior to the start of Fiscal

Year 2005, ODP will establish a Dedicated Audit Team in order to more closely audit grant expenditures and better ensure compliance with program requirements.

Also during the past year, ODP has greatly improved its communications with State and local officials to assist them to better understand program requirements and better plan for the use and allocation of program funds. As an example, ODP, along with other Department components, participates in bi-weekly conference calls with the various State homeland security directors. These conference calls provide direct access among Federal and State representatives and facilitate the quick flow of information. Similarly, ODP, as part of its administration of the Fiscal Year 2003 UASI, instituted conference calls among ODP staff and mayors and other State and local officials representing the various urban areas comprising the UASI sites. Again the use of conference calls expedited and facilitated the exchange of information and ideas among the parties.

Further Mr. Chairman, this past February, Secretary Ridge provided each State's governor with a report on homeland security funds awarded, obligated, and spent within the State. These reports are being updated on a regular basis. Keeping the governors informed in this manner has enhanced their ability to maintain oversight over these monies. These efforts are in addition to ODP's continuing efforts to provide customer service, including the ODP Helpline, and technical assistance and monitoring visits by ODP staff to State and local jurisdictions. Within the past six months, staff from ODP's State and Local Management Division, the ODP component responsible for the administration of the homeland security grant funds, have made 22 monitoring trips and, in the last 12 months, have made 300 technical assistance trips to State and local jurisdictions.

ODP is also continuing its efforts to develop preparedness standards and to establish clear methods for assessing State and local preparedness levels and progress. As you will recall Mr. Chairman, on December 17, 2003, the President issued "Homeland Security Presidential Directive (HSPD)–8." Through HSPD–8, the President tasked Secretary Ridge, in coordination with other Federal departments and State and local jurisdictions, to develop national preparedness goals, improve delivery of federal preparedness assistance to State and local jurisdictions, and strengthen the preparedness capabilities of Federal, State, territorial, tribal, and local governments. HSPD–8 is consistent with the broader goals and objectives established in the President's National Strategy for Homeland Security issued in July, 2002, which discussed the creation of a fully-integrated national emergency response capability. Inherent to the successful implementation of HSPD–8 is the development of clear and measurable standards for State and local preparedness capabilities.

The standards that will result from HSPD–8 implementation build on an existing body of standards and guidelines developed by ODP and other Federal agencies to guide and inform State and local preparedness efforts. Since its inception ODP has worked with Federal agencies and State and local jurisdictions to develop and disseminate information to State and local agencies to assist them in making more informed preparedness decisions, including capability assessments, preparedness planning and strategies, and choices relating to training, equipment, and exercises. Again, with your permission Mr. Chairman, I would like to submit for inclusion in the record, a summary of standards and guidelines issued by ODP over the last several years.

Earlier this year, the Secretary delegated to ODP the responsibility for the implementation of HSPD–8. And ODP, together with Secretary Ridge, other Department components, Federal agencies, and State and local governments, firmly believe that the successful implementation of HSPD–8 is essential and critical to our Nation's ability to prevent, prepare for, and respond to acts of terrorism. In March, the Secretary approved these key items: first, a strategy for a better prepared America based on the requirements of HSPD–8; second, an integrated, intra- and inter- governmental structure to implement HSPD–8; and third, an aggressive timeline for achieving HSPD–8's goals and objectives. Implementation of HSPD–8 involves the participation of Federal, State, and local agencies, and, among other things, will result in the development and dissemination of clear, precise, and measurable preparedness standards and goals addressing State, local, and Federal prevention and response capabilities.

Further, I would like to reemphasize the importance of ODP's State Homeland Security Assessments and Strategies that were submitted to ODP by the States and territories this past January. And, it is important to note that this is not the first time States have been tasked with providing assessments. The information contained in these reports provides critical data describing State and local capabilities and requirements for use by both the States and the Federal Government,. This data provides a critical benchmark from which ODP can assess both past and future progress in their development of preparedness capabilities. The current assessments

and strategies are being compared to the first group of assessments and strategies submitted in Fiscal Year 2001. Then, the current group of assessments and strategies will provide a mark from which ODP can compare future assessments and strategies. In addition, the current assessments and strategies will help guide ODP's decisions regarding State and local training, equipment, planning, and exercise requirements.

Also critical to the implementation of HSPD–8 is the improved delivery of homeland security assistance, including homeland security funding to State and local governments. This too was examined by the DHS Inspector General's report, which concluded that although ODP has been able to distribute funds to States in a timely manner, there were some impediments that slowed the further distribution of funds from States to local jurisdiction. These impediments did not exist in every State or in every jurisdiction, and, as the Inspector General noted, some impediments are unavoidable, and some can be corrected. For example, some delays in the distribution of homeland security funds can be linked to State and local procurement laws and requirements. Other delays resulted from the local planning process and the need to form consensus across multiple jurisdictions. Some delays were the result of deliberate decisions by State and local leaders who chose to spend more time planning rather than to spend funds quickly. Yet, despite these difficulties, ODP and the Department are committed to finding ways to further improve the distribution of homeland security funds.

To that end Mr. Chairman, on March 15, 2004, Secretary Ridge announced the creation of the Homeland Security Funding Task Force. This task force—chaired by Massachusetts Governor Mitt Romney and co-chaired by Akron Mayor Donald Plusquellic, and comprised of several governors, mayors, county executives, and a representative of tribal governments—will examine DHS' funding process for State and local assistance to ensure that DHS funds to the Nation's first responders move quickly and efficiently. It will also identify "best practices" in an effort to offer solutions to both the Department and State and local jurisdictions. By directly involving the States, territories, local communities, and tribal governments, this task force will provide an ongoing source of information to assist DHS and States and localities to do a better job. And, the formation of this task force underscores the Secretary's commitment to a partnership between the Federal Government and its State and local counterparts, and his approach to homeland security as "One Mission, One Team." This task force, Mr. Chairman, will provide a report to the Secretary by mid-May, which we will share with the Congress.

An additional and important step toward improving how homeland security assistance is provided to States and local jurisdictions is contained in the President's Fiscal Year 2005 budget request. As part of the effort to improve the distribution of homeland security funds, the Administration has requested that the Secretary be provided increased flexibility under the distribution formula for ODP's Homeland Security Grant Program as contained in Section 1014 of the USA PATRIOT Act. This request is consistent with the Department's long-standing position that the PATRIOT Act formula be changed.

Our request to change the formula is designed to ensure that we can target Federal dollars in a manner consistent with protecting the nation in the most efficient and effective manner. It is designed to enable the Secretary to consider critical factors such as threats and vulnerabilities—factors this Committee has recognized as important. This Increased flexibility will allow the Secretary to move Federal resources to respond to changes in vulnerabilities and threats.

This more nuanced approach does not mean, however, that minimum or base funding levels for the States and territories will be eliminated. As you are aware, Secretary Ridge has consistently stated that a minimum amount of funds should be provided to all States and territories, and that for the nation to be secure, all States and territories must have the resources to address their particular and unique security needs.

Secretary Ridge is also taking steps to ensure that its staff and program offices can more efficiently support States and localities. On January 26, 2004, the Secretary informed the Congress of his intention to consolidate ODP with the Office of State and Local Government Coordination to form a new office—the Office for State and Local Government Coordination and Preparedness.

This consolidation is in direct response to requests from the nation's first responders to provide the emergency response community with a "one-stop-shop" that is a central focal point for grants, assistance, and other interactions with the Department. Further, this consolidation places 25 varied State and local assistance programs and initiatives within one office to ensure simplified and coordinated administration of these programs. Finally, this consolidation also will eliminate the duplication across program lines and heighten the complementary and synergistic aspects

of these programs, and, by linking these programs to the State strategies and assessments, maximize their ultimate impact on States and localities.

At the same time, grouping these programs under one consolidated office ensures that the grants administration staffs and a limited number of program subject matter experts who guide these programs will work together, share their expertise, and achieve the Department's goal of a better prepared America. The consolidation will enable the Department to evaluate programs more accurately, exercise greater Federal oversight, and ensure the government-provided resources are dispersed quickly and used to maximum efficiency. This decision will benefit States and localities by providing them with a unified and coordinated means of assistance and support. It also provides a platform to ease coordination with other departments and agencies, as required in HSPD–8.

In closing Mr. Chairman, let me re-state Secretary Ridge's commitment to support the Nation's State and local emergency response community, and to ensure that America's first responders receive the resources and support they require to do their jobs. This concludes my statement. I am happy to respond to any questions that you and the members of the Committee may have. Thank you.

ODP

OFFICE FOR DOMESTIC PREPAREDNESS

ODP TRAINING AND STANDARDS MATERIALS

PREPARED APRIL 28, 2005

ODP REFERENCE MATERIALS On

TRAINING, EQUIPMENT, EXERCISES & PROGRAM GUIDANCE

- 2003 Prevention & Deterrence Guidelines
- Executive Summary, ODP Training Strategy
- 2004 Standardized Equipment List
- 2004 ODP Training Approval Process
- Initial Strategy Implementation Plan (ISIP) Guidelines w/ CD ROM
- ODP Training Catalog
- ODP Emergency Responder Guidelines
- State Handbook—ODP Strategy & Assessment Guide

2003 Prevention & Deterrence Guidelines—A set of general activities, objectives, and elements that organizations as well as those in command positions within the organizations, should consider in the development of prevention plans. The Guidelines are divided into five (5) functional categories: Collaboration, Information Sharing, Threat Recognition, Risk Management, and Intervention

(Ties back to the National Strategy for Homeland Security and strategic objectives: "Prevent terrorist attacks within the U.S.; Reduce America's Vulnerability to terrorism. and; Minimize the damage and recover from attacks that may occur, where prevention is comprised of . . .deter all potential terrorists from attacking America. . ., detect terrorists before they strike, . . .prevent them and their instruments of terror from entering our country, . . . take decisive action to eliminate the threat they pose."

Executive Summary, ODP Training Strategy—Addresses key questions Who should be trained, What tasks should they be trained to perform, which training/instruction methods and training sites need to be paired with which tasks to maximize success in training, what methods are the most capable of evaluating competency and performance upon completion of training, what gaps need to be remedied in existing training? The training strategy provides a strategic approach to training and a national training architecture for development and delivery of ODP programs and services.

(The ODP training program develops and delivers specialized training to state and local jurisdictions to enhance their preparedness and capacity to respond to terrorist incidents involving chemical, biological, radiological, nuclear or explosive (CBRNE) materials, as well to identify emerging and unmet training requirements. The Training & Technical Assistance Division works closely with institutions of higher education and professional public safety organizations to establish a framework for distributive training efforts, as well as a Congressionally mandated distance learning program.)

2004 Standardized Equipment List (SEL)—The list provides the foundation for the Authorized Equipment List (AEL) that we provide under our grants for state and local procurement. The SEL was developed by the Interagency Board (IAB) for Equipment Standardization and Interoperability. Officials from U.S. Department of Homeland Security, U.S. Department of Justice, the Public. Health Service, the U.S. Department of Energy, and state and local emergency response experts assisted in the development of the authorized equipment lists. The latest AEL comports with the SEL, but has additional categories and equipment. ODP does not define equipment standards, but rather assists with the implementation of accepted standards through the AEL. For instance, to realize improved interoperability of communications equipment, beginning with FY 2003 SHSGP Part II all radios purchased with ODP grant funds should be compliant with the FCC-approved APCO 25 standard. In the category of personal protective equipment (PPE), all self-contained breathing apparatuses (SCBAs) purchased *must* meet the standards established by the National Institute for Occupational Safety and Health (NIOSH).

2004 ODP Training Approval Process—Provides the states and locals procedures for requesting Non-ODP Awareness and Performance level courses through their State Administrative Agency (SAA), then through their ODP Preparedness Officer, who forwards the request to the ODP Training Division. Conditional approval will be given pending further review by DHS–ODP Center for Domestic Preparedness (CDP). The requestor will then perform a comparison between the objectives of the course in question and the ODP Training Doctrine (ODP Training Strategy, Emergency Responder Guidelines, Prevention Guidelines), using a template along with course materials for CDP review. CDP has 45 days to conduct a review for Awareness level courses, and 90 days for performance level courses and provides a recommendation for approval or denial to ODP.

Initial Strategy Implementation Plan SIP Guidelines w/CD ROM—The ISIP is a new requirement under the FY2004 Homeland Security Grant Program (HSGP). The goal of the Initial Strategy Implementation Plan (ISIP) is to capture in one, standardized format the most current information available for planned projects, and estimates of the grant funding to be applied to these projects, for all FY 2004 HSGP and Urban Areas Security Initiative (UASI) Grant Program funding received. The ISIP will uniformly report exactly how the FY 2004 grant funding is being obligated through the retention of funds by the state, as well as through awards made to subgrantees to local units of government or other state entities. The projects to be funded must be linked back to the State's or Urban Area's strategic goals and objectives from the State or Urban Area Homeland Security Strategy.

ODP Training Catalog—A compendium of training that draws on a large number of resources to develop and deliver these training programs; includes the National Domestic Preparedness Consortium, active emergency responders, national associations, contract support and other agencies from the local, state and Federal levels. The catalog lists training courses by training level (awareness, performance, management & planning) for the emergency responder community, including fire, law enforcement, EMS, HAZMAT, public works, governmental administration, and emergency management. To ensure compliance with nationally accepted standards, these courses have been developed and reviewed in coordination with other Federal agencies, including the Centers for Disease Control and Prevention (CDC), the Department of Energy (DOE), the Environmental Protection Agency (EPA), the Federal Bureau of Investigation (FBI), the Emergency Management Institute (EMI), as well as with professional organizations such as the International Chiefs of Police, the International Association of Fire Chiefs, and the National Sheriffs Association. Courses listed in the DHS *Compendium of Federal Terrorism Training For State and Local Audiences* may also be easily approved by ODP when applicable.

ODP Emergency Responder Guidelines—A tool for first responders seeking to improve their training and master their craft:, reflecting a step-by-step progression from Awareness through Performance to Planning and Management training level by discipline (i.e. fire, EMS, police, etc.). Moving from one step to the next requires more experience, specialized training, and depth of understanding. These Guidelines provide an integrated compilation of responder skills, knowledge, and capabilities.

(These are not official regulations, but informed advice of subject matter experts from both the private and public sectors, and have been developed in concert with existing codes and standards of agencies, such as National Fire Prevention Association (NFPA), and Federal regulatory agencies, such as Occupational Safety and Health Admin. (OSHA), but offered for considered by the response community)

State Handbook—ODP Strategy & Assessment Guide—This handbook was designed to be used by the State Administrative Agency point of contact for their state to update their State Homeland Security Strategy (SHSS) and allocate homeland security resources. It served as a guide for completing a risk, capabilities, and

needs assessments for their state. Each step in the assessment and strategy development process is addressed in the Guide, along with detailed instructions for entering and submitting the required data using the ODP Online Data Collection Tool. This guide provided a standardized format for all states to complete their assessment and develop their strategies, which made it easier to analyze and formulate recommendations. There was also a Jurisdictional Handbook that provided specific procedures for local level completion of the assessment data.

(In an effort to be consistent with the National Strategy, ODP coordinated the revision, development, and implementation of the State Homeland Security Assessment and Strategy (SHSAS) Program with Federal agencies, state and local representatives. The coordination has ensured that the assessment and strategy process is aligned with and focuses on the six critical mission areas as defined in the National Strategy.)

Mr. SHADEGG. Thank you very much.

I now welcome our second witness, Mr. Dennis Schrader, director of Maryland Homeland Security. Again, your full statement is in the record. I would appreciate it if you could summarize the salient points.

STATEMENT OF DENNIS R. SCHRADER, DIRECTOR, GOVERNOR'S OFFICE OF HOMELAND SECURITY, STATE OF MARYLAND

Mr. SCHRADER. Thank you, Mr. Chairman, Ranking Member Thompson. It is a privilege to be here on behalf of Governor Ehrlich, your former colleague.

I also wanted to acknowledge that Congressman Cardin is a member from our state, is a member of this committee. And we have routine communications with the congressman.

I will summarize very quickly the major points in my testimony. Governor Ehrlich takes his responsibilities very seriously. And we are in an unprecedented mobilization of the states, sharing power with the federal government in the last 36 months.

We have not fought a war on our soil since 1865. And therefore, the culture of the states is not organized around this kind of effort. And it is moving very quickly under the tutelage of the Department of Homeland Security.

It has been very clear over the last year that Secretary Ridge and his folks have had a clear sense of urgency and momentum and are working very diligently to keep us organized at the state level.

Just a few major observations I would like to make and then I will discuss it in questions further, three points that—I draw these from my conclusions—are: that the Department of Homeland Security and the Department of Justice we see are very important partners in the war on terror at home; that we have to tie these grants to risks that have threat-based requirements and are coordinated with ongoing intelligence in each state. I will talk about that in a minute.

We need to build program management accountability and execution into the process. States do not have the kinds of program management capability that the Department of Defense has had and has been developing since 1947.

And finally, we view the UASI program as an excellent tool for the states to organize regions and have the carrot and stick required to encourage local jurisdictions to work collaboratively under the states' leadership.

Let me just summarize again the first point. We have decided, as part of our state strategy, to align the federal strategy and the President's state template initiative as the framework for our strategy in the state.

And we have reached out to the Anti–Terrorism Advisory Committee, which has done a splendid job in helping us organize around intelligence. That is where we are looking to develop our threat analysis.

One resource that we need more than anything else are analysts. They are very hard to come by. And at the state level, being able to have analysts that can work with us to develop actionable plans are critical.

The other thing we have done with our resources, the governor has established the Maryland Coordination and Analysis Center, which is a collaborative partnership out of the Anti–Terrorism Advisory Council, working with the Maryland Joint Terrorism Task Force. And that effort is going very nicely.

We have also added the captain of our port so that our area maritime security program is embedded within the Anti-Terrorism Advisory Council. And therefore, we are driving towards developing a strategy.

One thought about vulnerability analysis is that we find that there is far too much focus and too many vulnerability analyses going on. And that is driving the perceived cost up and inflating it, rather than having it focused on threats embedded with the vulnerability analysis, as pointed out in the GAO Report 02–208T, which was an excellent report.

On the program management front, a couple of key points I wanted to make are that we really urge you not to reduce the money for the EMPG. Our local emergency directors are really the front lines of the folks.

And we need to be putting more money into them and developing them because they need to be developed. And their roles have expanded dramatically in the last 36 months.

They have to be knowledgeable in grants management, how to coordinate with law enforcement. It is a fairly significant task. We need to make sure that we continue to provide them the personnel resources they need.

Lastly, the reimbursement process, we need to change the language. The language implies that a Brinks truck shows up at the state's bank and cash is deposited.

That is not the way this process works. It is a reimbursement process. And the local jurisdictions are reimbursed. The states do not receive the money. We oversee the process.

We reimburse the local jurisdictions and then we are reimbursed by the federal government. There is a lot of misperception.

There are things that can be done to facilitate this process. But the local jurisdictions need training. And we are working with those local emergency directors to teach them how to work this process.

Lastly, the research, development test and evaluation, the one thing that the federal government provides which is absolutely critical, things like the U.S.–Visit Program, the Radiation Portal mon-

itors that are being provided, the Homeland Security Information Network—on and on. These programs are invaluable.

The state and local governments do not have the kind of RDT&E resources to be able to develop that. So I will be glad to answer your questions.

Thank you, sir.

[The statement of Mr. Schrader follows:]

PREPARED STATEMENT OF DENNIS SCHRADER

Introduction

Good morning Chairman Shadegg, Ranking Member Thompson and members of the Subcommittee. I want to thank you on behalf of Governor Bob Ehrlich (your former colleague in the House of Representatives) for allowing us the opportunity to share with you the State of Maryland's perspective and insights on first responder assistance programs and our overall approach to homeland security.

My name is Dennis Schrader and I am the Director of the Governor's Office of Homeland Security for the State of Maryland. My role is to direct and coordinate all aspects of Governor Ehrlich's Homeland Security program across the state of Maryland.

The attacks of September 11, 2001 have created the need to better prepare and equip our nation to conduct the Global War on Terror and better coordinate the functions and responsibilities of various departments and agencies across all levels of government—local, state, and federal and the private sector. The lessons learned from September 11th propelled us to think, plan, and act in an integrated fashion to address common concerns, challenges, and mutually supportive capabilities. The states have a pivotal role in linking the Federal government efforts to our local communities throughout the nation. Governor Ehrlich acknowledges his role as a state partner on the home front of this war.

Let me start by saying that I have been very pleased by the extraordinary effort this past year by the newly formed Department of Homeland Security (DHS). It is evident that Secretary Ridge is building a culture of responsiveness. As I interact with the various agencies throughout DHS, there is a clear sense of urgency and momentum that is felt at the state level. I have a number of observations that I hope will be helpful in moving forward to another level of capability.

Risk Based Funding & Management

The goal first and foremost is prevention. The key to prevention is intelligence.

The first priority of the first responder grant assistance programs should be to ensure that the funding is directed to where the intelligence and assessments indicate that it is most needed. The report by the GAO (GAO–02–208T) discusses a risk management approach to homeland security. In Maryland we want to pursue a threat-based resource allocation philosophy. Maryland has invested time, energy, and money by participating in and supporting the Anti-Terrorism Advisory Council (ATAC) led by our U.S. Attorney's office in Baltimore. Our most pressing need is for analysts who can provide timely, targeted, and actionable advice based on intelligence analysis. Our ATAC has established a Maryland Coordination and Analysis Center (MCAC). This Center is commanded by a local Police Capt and has resources from Federal, State, and local public safety and law enforcement standing watch and performing analysis. The ATAC and MCAC are coordinated with the Maryland JTTF that is led by the FBI.

Vulnerability Analysis—Vulnerability analysis is a critical tool, but must be coupled with threat analysis. Currently there are multiple levels of vulnerability analysis conducted by components of federal, state, and local governments. These ongoing efforts lack integration in both their conduct and in their recommendations, resulting in confusion of priorities, resource allocations, and gridlock in determining appropriate courses of action. In addition, if vulnerability assessments are used as the basis for resources without factoring in threat analysis, the cost of preparedness will be significantly inflated.

Program Management Capabilities / Accountability—States and local government must rapidly develop program management capabilities as well as state and local points of accountability. Several agencies are now asked to program, plan, and execute efforts that are more complicated than they were prior to 9/11—yet we have not built-up the skills, knowledge, and experiences to do so. (DoD, PPBS Program Management and acquisition professional communities provide a high-end exam-

ple—States and DHS are managing $8.0 Billion or more in programs, must follow suit).

Emergency Mgt & Public Safety Officials Roles & Grant Expertise—The key strategy for emergency management is an All Hazards approach to readiness. Local emergency managers and public safety officials are key partners in the success of DHS and State Homeland Security. They are responsible for plan coordination and development, approval, execution, and oversight. Efforts need to be made to provide substantive training and development of grants mgt; increase EM Mgt/Public Safety visibility with local government of their roles in the grants process; and increase and strengthen their participation in development and execution of state and federal HLS processes, policy, and strategies. Our major recommendation in this area is to maintain the current EMPG formula for state and local jurisdictions at 50% eligibility for personnel costs and consider increasing the focus of FEMA on the increasingly difficult job of the local emergency manager.

Reimbursement Process—The process is not understood and is not part of a clear communication strategy. ODP grants and UASI are reimbursable programs. The perception is that the states have been sent cash and are sitting on it. The reality is that the state has a fiduciary role to ensure that the grant allocations are supported by appropriate spending plans and that the reimbursement of state and local expenditures is backed up by receipts.

Research, Development, Test, and Evaluation (RDT&E)—The Federal government is in a unique position to provide RDT&E and acquisition support to the states that will attack major issues. Programs such as US—Visit, Radiation Portal monitors, and Homeland Security Information Network (HSIN) are key capabilities and tools that state and local governments could not do themselves. These are very important and timely investments. In addition, tools like Infrared (IF) Sensors and intelligent object recognition software for surveillance of Key infrastructures like rail and seaports could be important but hard programs to implement.

Sustainability—Homeland Security investments must be sustainable. Operational and maintenance costs and contracts must be considered; life cycle considerations have not been funded and are not reimbursable under the grants (limited service contracts/replacement parts at the time of the agreement. Much of these costs have not been considered or included in future resource planning.

Regional Capabilities—The UASI grants are pivotal in coordination and integration of government, academic, not-for-profit, and private sector capabilities. Through its multi-jurisdictional nature, structural requirements, and funding incentives UASI grants provide the forum and incentives for dialogue and coordination. Active state and local government commitment and participation is critical. Principle executives from each UASI region should sign a collective document appointing their direct representatives to Urban Area Work Group (UAWG) and acknowledging responsibility for directing UASI process. States must provide an active/empowered facilitator to each UAWG with both authority and ability to promote, communicate, and integrate across levels of governments and regions.

Role of a Citizen Oversight Committees—Maryland has begun using its Citizen Emergency Advisory committee to review and critique goals, principles, strategies, management plans, and grant allocations to ensure local public scrutiny of Maryland's efforts.

Conclusion/Recommendations:

In conclusion, I recommend the following:

1. DHS and DOJ are very important partners in the War on Terror at home. Clearly tie grants to risks that have threat based requirements and are coordinated with the ongoing intelligence efforts in each state.
2. Build program management accountability and execution into the process.
3. Continue to foster regional programs like UASI as a tool the states can use for building regional networks of readiness.

Mr. SHADEGG. Thank you very much for your statement.

Let me begin with the first set of questions. And I want to start with kind of a fundamental one.

The Morning Update which we receive has a headline at the bottom of the page which says, "Eighty Percent of Homeland Security Funds Have Failed to Reach Local Agencies."

As I indicated in my opening statement, our reports suggest that that headline is, in fact, misleading. Our report would suggest that it is true that only 15 percent of the money has been spent, but

not that the money has not been received by the agencies; rather that the money has, to a larger degree, been received by the agencies and it simply has not been spent.

And in my opening statement, I made the point that there may be good reasons for that or bad reasons for that. I guess my first question is: do you both agree that this headline is in fact misleading and that the actual state of affairs is that monies are there; they are in the process of being spent, but have not been spent.

Ms. MENCER. Thank you. Yes, I think you are right.

That is misleading. I think there are a lot of reasons. And certainly, the funding task force is looking into these exact reasons.

I think what they have already discovered, in my attendance at some of their meetings, is that there is not a one-size-fits-all answer to this pipeline issue. And certainly, as many states as we have and territories, that is as many different configurations of how this process works with procurement issues and drawdown issues.

So they are looking at that. There are some fixes that are available to states that are having problems. And I am sure that their funding report will be able to address some of those best practices to share with states that need some additional help.

Mr. SHADEGG. Mr. Schrader?

Mr. SCHRADER. Yeah, I would agree. Our money has been obligated 100 percent in fiscal year 2003. And we are just about to start the fiscal year 2004 obligation process. That clock started ticking in mid–March.

We have found that once the budget allocation is given to the local jurisdictions, they need time to figure out how they are going to spend it. they have to go through appropriations processes with their local councils. They have procurement regulations they have to deal with. And they are also building consensus.

I will give you an example. In Central Maryland, where we had the Urban Areas Security Initiative, they have formed an urban area work group. They have five projects they are working on.

They are talking about unprecedented projects that would not have been possible before this effort; for example, back-up 911 centers, where one jurisdiction will back another one up and getting additional generation capacity. That process has taken several months for them to agree to that and also figuring out who is going to pay for it so that they can then apply for the reimbursement.

So I would agree that it is misleading. But it is an understandable process.

I know in the federal government, execution rates of money are a critical indicator of progress. And it is a good one.

But I think the front end process of program management needs to be dealt with in addition to that because otherwise it is misleading.

Mr. SHADEGG. Mr. Schrader, from your explanation, it seems to me this is a new process and we are going through it for the first time. And I guess it would be your belief that now that we get the cycle going, we will be able to get these fund spent for the right assets on a more rapid basis in the future.

Is that essentially what you are saying?

Mr. SCHRADER. Exactly. And we are working very closely with our regions.

I will give you another example. Someone mentioned interoperability. In Western Maryland, we have very mountainous terrain. We have three jurisdictions who are working together. One jurisdiction has the opportunity to get 800 megahertz. The other jurisdiction cannot use 800 megahertz, or at least they do not believe they can, because it will cost a lot more money to put up the number of towers they need.

We are facilitating that process with Western Maryland. We are spending some of our grant money to do a statewide engineering analysis so we have a master plan to build a statewide backbone. And we are working with those local jurisdictions.

That kind of engineering and planning takes a lot of time. It would be very easy for them to just run out and buy another 1,000 masks. That does not help with the real fundamental questions on the table.

Mr. SHADEGG. I need to set a good example and not run over in my time. And I am getting short. Let me ask you each a question and ask you to respond fairly quickly.

Mr. Schrader, I would appreciate it if you would give us any suggestions you think we can do to remedy the problem, looking at it from a state perspective, at the DHS. And then Ms. Mencer, the opposite for you. And if you would keep your answers brief, I would appreciate it.

Mr. SCHRADER. Well, I will just take what I have right out of the report. I would really encourage DHS and DOJ to work collaboratively and make the anti-terrorism advisory councils work effectively.

I would focus on borrowing the best practices from DOD on program management because you are pushing a lot of money through a very small pipe and building the capacity of the state and local governments to be able to do program management to effectively execute these funds. And finally, RDT&E, I cannot emphasize how important that is.

Mr. SHADEGG. Ms. Mencer?

Ms. MENCER. Yes, I would agree. And I am happy to report we are partnering with the DOJ on some of their best practices for grant management, as we have always done. We used to part of DOJ, so we are very familiar with that.

And they have been doing grants for a very long time too. So we are looking at better ways to partner with them and make sure that the states partner at their level too because the states have Department of Justice grants that they have always processed as well.

But it is the first time that we have seen this much money come this quickly, with the expectation that it be spent so rapidly. And that is a great burden on the states. And I commend all the state homeland security advisers and their administrative people that are dealing with this and then having to suffer the headlines in the paper that they are not spending fast enough.

It is a very difficult process.

Mr. SHADEGG. Thank you.

The chair would now call on the ranking member for his questions.

Mr. THOMPSON. Thank you, Mr. Chairman.

Ms. Mencer, on two different occasions, the inspector general has indicated that DHS does not have the performance standards necessary to measure what they are doing with the states. Have we established those standards at this point?

Ms. MENCER. Sir, we have had standards for awhile, going aback to the first weapons of mass destruction grant in 2000 and, prior to that, with the Nunn–Lugar grants that were done in 1997 and 1998.

Mr. THOMPSON. Let me be a little more specific for you. The inspector general said on December 31, 2003 that you do not have them. In April 2004, they followed up the report and said that what you have created does not fully address the federal funding for preparedness and response capabilities. Are you aware of that?

Ms. MENCER. Yes, sir.

Mr. THOMPSON. Okay.

Ms. MENCER. And if I may respond to that? You are absolutely correct.

There needs to be a better system for measuring preparedness, which is I think the kind of standards you are referring to. How do we measure if the state is able to a handle a nuclear attack or a chemical attack?

And that is indeed what HSPD–8 does direct us to do. And so we have begun to have a cooperative effort among all agencies—Department of Defense as well—to partner with us and to look, with states and locals too, to look at: how do we measure preparedness?

We have had standards in place in terms of equipment standards. And those have been in place for a long time and validated by agencies that look at equipment standards. So that has been there.

Preparedness measures are something that we are working on now to determine how prepared are we? And at what level do we need to be prepared?

Mr. THOMPSON. Thank you.

So you would say to the committee this morning that that is a work in progress, more or less?

Ms. MENCER. There are parts of it that are in a work in progress, yes. There are parts of it that states have been doing for quite awhile. And we also required that in our state strategies this year for 2004, saying that they had to have goals and objectives tied to their state strategy.

And now the funding requests, as they come in, they must link their request for their purchase to a goal and objective that they themselves had set for their state.

Mr. THOMPSON. Okay. Well then explain to me why we have a $697 million reduction in the amount of money requested to do just that.

Ms. MENCER. Well, you know, we would have to go specifically point by point through those reductions. But we believe that the 2005 budget meets the needs, as outlined in the budget, for our first responder community.

Actually the budget request of 2005 is over by a few million the request in 2004. So are very consistently asking for the resources necessary.

Mr. THOMPSON. But you are asking for less money.

Ms. MENCER. No, sir. We are actually asking for a few million more than we did for our 2004 budget.

Mr. DEFAZIO. They had a supplemental last year.

Mr. THOMPSON. Well, I do not want to get into semantics.

Mr. DEFAZIO. Well, that is what she is doing.

Mr. THOMPSON. Yeah, I mean, the original budget, not the supplemental.

Ms. MENCER. No, sir. The requested budget that we requested in 2004 is less than what we requested in 2005. We were funded at a higher level for 2004.

Mr. THOMPSON. Okay. Well, it is still semantics.

Thank you.

Mr. SHADEGG. I thank the gentleman.

The chair would now call on the chair of the full committee, Mr. Cox, for questions.

Mr. COX. Thank you very much. I appreciate very much both of your testimonies. And I want to congratulate you on: first, of course, the things you are already doing so well; second, on helping us identify where the problems are—in your testimony, you both did that; and third, jumping on it right away.

Because some of this is a work in progress. And it will be for several years, if not decades. And I think we are all shirking our responsibility if we do not own up to that. I think in your testimony you have done a very good job of that.

And so I do not want to dwell on those things that would have been my questions had you not laid them out that way, such as the areas where the inspector general's report, which you included with your testimony, says we need to do better. You are working on that.

I am pleased to hear that we are all focused on these issues together and we are going to fix them. But I want to ask about something else that is part and parcel of this; and that is, the way that we allocate the money and the degree to which the department has discretion to allocate to the states and localities within the states based on risk.

DHS follows a formula set by Congress, as I mentioned, that I strongly disagree with—and so do you, I think—that guarantees every state a specific amount simply because it is a state. It has nothing to do with the nation's security or terrorism.

It is just a number. It is a completely arbitrary number. But that completely arbitrary number consumes almost 40 percent of the pot. And that leaves a little more than 60 percent thereafter.

Why, Ms. Mencer, did ODP choose to allocate that remaining 60 percent entirely based on population? Doesn't that compound the problem of a formulaic allocation of the funds?

Ms. MENCER. I think what we attempted to do in the budget request is to balance both issues. By putting more money in the 2005 request for Urban Areas Security Initiative, we have addressed the risk vulnerability, critical assets and high density population areas, which we believe are deserved of increased funding because of

those things that they do have there, but at the same time, maintain a minimum amount of funding for each state.

Because I think what we saw in Oklahoma City and what we saw in the Midwest with the pipe bomber who went around and put pipe bombs in mailboxes, we never really quite know where the next attack will be. So I think this provides some measure of fiscal contribution to all the states, as well as the urban areas, which by necessity need the majority of the funding.

Mr. COX. Well, I want to put the question again perhaps more directly. The state formula grants comprise a component that includes the state minimum and the entirety of the 60 percent or so that remains after that was awarded by ODP based on population alone with no other consideration taken into account.

I want to know why that is not just as formulaic as the small state minimum and why we are not doing it on the basis of risk. And I need to understand whether you think that you cannot do it and you need legal help because it cannot be done administratively.

Ms. MENCER. Well, I think the budget allows the secretary the flexibility to put funds where he feels the needs are the greatest. And I hear your concerns. I think those are good ones.

I think certainly we need to take risk into consideration in a lot of things. I think there are some rural areas out there who would say that they are at risk as well because of their power plants.

Mr. COX. Precisely. And that is why I find it inadequate to suggest that, in the other program, in the $596 million that represents high-threat urban area grants, that that is the entirety of our claim to be allocating monies on the basis of risk, as if there is a synonymous relationship between being urban and being at risk.

That is not necessarily the case at all. We have this whole IAIP directorate. We have TTIC. We have the FBI. We have the CIA. We have all these defense intelligence programs.

What is it all worth if in the end we allocate the monies on the basis of population and then we have a smaller pot and we give it to cities and we say that is the risk part. We might as well get rid of this multibillion investment in intelligence.

Ms. MENCER. As you know, we have increased—doubled—the amount going to the urban areas under risk and threat vulnerability assessments.

Mr. COX. And that is part of my complaint because I do not think it is right to say that it is just a tautology, that urban and risk is the same thing. It just cannot be.

And I jump on this at the very point in your response where you were telling me a point I agree with, which is that rural areas face threats too. And areas with no population whatsoever might contain some of the nation's most vital infrastructure.

Certainly, agricultural areas need to keep track of the risk to the food supply and on and on—water and other resources. So it just cannot be that we should check the box that says "urban" and then say we have taken care of risk.

Neither should it be the case that all urban areas are the same. And the mere fact that there is a big city does not mean that that is precisely where we should be targeting our funds. We have to be a lot smarter, the way we do this.

So the question then dissolves into: do you believe you have sufficient administrative authority to do this right away? And are there plans to do so?

Ms. MENCER. I do believe that the secretary has that flexibility. And I know he has expressed an interest, as you had stated earlier, to look at this funding formula and to work with Congress in determining what that should be.

Mr. SHADEGG. The time of the gentleman has expired.

The chair would now call upon the ranking member, Mr. Turner, for his questions.

Mr. TURNER. Thank you, Mr. Chairman. One of the things that caught my attention in the statement that you submitted, Mr. Schrader, which I think is critical, is that is you have a comment on vulnerability analysis is a critical tool, but that must be coupled with threat analysis.

Mr. SCHRADER. Yes, sir.

Mr. TURNER. And I am going to have a little different angle on it than you do because what you were asking for is greater assistance to carry out threat analysis. And it seems like what we lack here, in addition to the items that Chairman Cox was referencing, is that we have not yet decided who is supposed to carry out these analyses.

I mean, obviously, you have the perception that for Maryland, you are supposed to do it. And your request, in your statement here is that, you need the threat analysis capability to be able to wisely expend the funds that you receive.

And yet, we have another group here at the Department of Homeland Security, IAIP, that is supposed to carry out that task for the country. Somehow, we are going to have to come down to the point where we decide who is making these decisions.

Our legislation calls for the creation of essential capabilities for preparedness. And perhaps we can agree, through a process that we suggest in our bill, as to what the essentials are. But we have to be able to have some capability to make decisions for the country regarding threat.

I am not convinced that we are going down the right path having you in Maryland trying to decide how you are going to build the capability in Maryland to do your threat and vulnerability assessments, when we claim to have another group in Washington that is supposed to be doing the same thing.

So I think we may have a real need to sort those responsibilities out.

Mr. SCHRADER. May I clarify the question?

Mr. TURNER. Yes.

Mr. SCHRADER. We may have a misunderstanding. What we are doing in Maryland is a partnership with the federal government. In fact, the folks that are actually doing the work are the FBI with the Joint Terrorism Task Force.

And in the information sharing process, we have developed a collaboration between federal, state and local law enforcement because the theory is that information sharing between the three levels of government will allow us to protect ourselves. And therefore, we have reached out. And Attorney General Ashcroft, in his wisdom, established these advisory councils after 9/11.

Our assistant U.S. attorney in Baltimore has done a marvelous job in pulling that together. But that is a collaborative effort with the federal government.

We do not intend to build our own capability. What we are doing is learning how to reach out to the federal government and work collaboratively with the federal resources.

Mr. TURNER. I understand. I think that is wholly appropriate. But you point out another problem, and that is at the local level and the state level, you are working with the FBI to do these threat and vulnerability assessments.

We have a Department of Homeland Security that has that responsibility nationwide. So we are going down two separate paths, I guess, with two separate federal agencies.

Because I suppose the FBI has a longer tenure with working with local governments, they are down there working with them and these task forces and groups that are created to try to deal with this. And yet, we have given, through the Homeland Security Act, the responsibility to the Department of Homeland Security, the IAIP Directorate.

So we have some things that obviously need to be sorted out.

Another thing that I have noticed, Director Mencer, when I tried to get a hold of three of four copies of State plans. My impression when I was reviewing them is that they vary widely in terms of their quality.

For some of them, I think you could hire a graduate student at a good university and tell him or her that you need a State plan in the next 6 months, and you would probably get about what you get in some of these plans. I think there is a real need here—again—to try to sort out who is making the decisions.

You expect to get a state plan from State governments that contains a threat and vulnerability assessment. You are now requiring that they link what they want to receive in assistance to a goal they have, which presumably is based upon a threat analysis.

And yet, most of our states have very little capability to produce a real threat and vulnerability analysis. So I think the frustration that many of us are feeling is that we are spending millions of dollars in a very unfocused, misdirected way.

Nobody really has settled out as to who is in charge, whether it is the IAIP or whether it is the FBI and the local task forces at the state level. We have not made those decisions yet.

I think those of you who are closest to the issue should be able to see it even more clearly than we do, and should have some suggestions for us as to how we ought to sort that out and where those responsibilities should be placed. And I might ask Director Mencer to comment on that.

Ms. MENCER. Sure, I would be happy to.

We have allowed, in our allowable funds for the state's portion of the money going out, for administrative costs and to hire, if they need to, personnel to assemble plans and do whatever they need to do administratively in the state to manage that. In addition to that, we do have a validation project that is underway. We called in some states to look at a validation tool.

So they have the next six-month period to validate their strategies and to make whatever changes they need to perhaps enhance

them and make them a better product. We have also worked very closely with our technical assistance folks in ODP to help the states shore up or increase or better the document that they produced in the process, but after the fact as well, during this validation period.

So we are making efforts to address your concerns. And I cannot speak for General Labutti obviously, for IAIP. But I can assure you that IAIP works very closely with the FBI at the national level, as well as at the state level with the joint terrorism task forces.

So it is working. There is a cooperative effort at the national level too, without going too far into IAIP because that is not my area.

Mr. SCHRADER. May I comment on that, sir? Because I think it is important, you have raised an important issue that I think, from the state's perspective, caught my attention.

The state and private sector in the states own these assets. So we do not perceive IAIP as telling us exactly what we ought to be doing. We see them as partners in facilitating our thinking and helping us.

We know—it is fairly self-evident—where the airport is and where the bridges are and where the tunnels are. And we are monitoring those things.

So we would be distressed if there was a federal initiative to come down and tell us how to do it.

Mr. SHADEGG. The time of the gentleman has expired.

The chair would call upon the gentleman from New York, Mr. King, for questioning.

Mr. KING. Thank you, Mr. Chairman.

Director Mencer, I am still trying to work my way through the funding issue. And I have read the chairman's report and I was listening to his questions carefully this morning.

And I say this with a bit of bias, coming from New York. Last year, we did begin the terminology of the high-threat urban areas. And the focus of that, the purpose of that, was to get the money where it was needed most.

But I just question whether now that we have, I think, 30 cities included in that, are we minimizing the impact, as the chairman said, by putting so many cities in? If you have 30 cities that are high threats, how many of them really are?

Are we spreading it out too thin? And when I look at the numbers from the chairman's report, I see, other than New York, of the other 29 cities of those 30, they have only drawn down five percent of the monies available to them.

And I do not mean this in an argumentative way. But if they are at such high risk, why are they only drawing down five percent of the money?

I can understand other areas of the country who may not feel that direct risk, why they would be a little slower in coming up with plans. But if you have 29 cities only drawing down five percent—I understand New York City has drawn down almost everything that it could possibly be getting—isn't that an indication of where the real threats are?

And again, I am not trying to make just a case here for New York City. I am really making the case as to whether or not we

are just focusing on urban areas or we are focusing on high population areas.

And you can have an area where there is no population that can be under tremendous threat. You can have other cities, such as New York, which are always going to be under the gun.

And I am just wondering: do you feel that you have the flexibility now, even before we pass our legislation, to address that? Because, you know, all of us are involved in politics. We all know what pork barrel legislation is about.

We can make a mistake on a highway bill and send the money to the wrong place or a public works bill and somehow it will work itself out over the course of time. If we keep sending homeland security money to the wrong places now, it could be life or death.

We really do not have that luxury of playing the pork barrel game or sending money just because more people happen to live there or they have two senators there.

So I guess I am, in a roundabout way, asking you: do you feel that we can come up with a more targeted way of getting the money to the areas that need it, whether or not they are urban, whether or not they have high population, and a greater way of determining who needs the money the most, who is under threat?

I know, like when it comes to the F–16s, we have a way of determining who is going to have F–16s flying over their area, as far as threats. Can we somehow incorporate the same logic into getting monies to the high-threat areas in the country?

And that is a roundabout way of asking a very convoluted question. So I will let you answer any way you wish.

[Laughter.]

Ms. MENCER. No. Without belaboring the point on the drawdown issue, which we have discussed before, there are a lot of reasons why the urban areas have not drawn down the funds that they have obligated already.

An obligation means that they have designated uses for this money. And because they have not drawn down yet, there is a lot of different reasons, some of which are equipment backlogs at the companies, because as you can imagine, these vendors that sell these products are overwhelmed with requests from the state for this equipment.

There are also procurement issues. There are legislative issues. Some states require that all federal grants go through their legislative bodies. Their funding streams require that.

So there are all kinds of issues. So I will not go any further with that. But that is an issue.

Mr. KING. Can I just ask you on that, though? I can accept all that to an extent. But as proud as I am to be from New York, are we that much more advanced than the other 29 cities?

Ms. MENCER. Absolutely, sir.

[Laughter.]

Mr. KING. Oh, okay.

Ms. MENCER. Was that the right answer?

Mr. KING. Give her whatever she wants.

I mean, seriously the point I am making is I am just wondering if the whole thing could not be expedited more for the others.

Okay, I interrupted you.

Ms. MENCER. No, I think you are right. I think we do look, when we expanded the urban areas, we looked at not just high density population. But it was a very complicated matrix, which included the threat information from the FBI and the intelligence community.

So these other areas do have a risk associated with them, which is why they were included in the urban areas. So it is an all-inclusive process when we look at how to determine what is an urban area to be included in the grant process.

Mr. KING. Okay. Thank you.

Mr. SHADEGG. I thank the gentleman for his questioning.

The chair would now call upon the gentlelady from the U.S. Virgin Islands, Ms. Christensen, for her questioning.

Mrs. CHRISTENSEN. Thank you, Mr. Chairman. And welcome, Directors Mencer and Schrader.

Director Mencer, as I read your testimony, it seems as though I am seeing some of what we have been calling for through many of our hearings and what is included in H.R. 3266. Can I assume from that that the department supports our first responder bill?

Ms. MENCER. I think I had a meeting with Chairman Cox the other day. And we talked about many issues in the bill. And I think there are some very good initiatives in there.

And we are working closely with you all on that.

Mrs. CHRISTENSEN. That is not a real endorsement of our bill. But we will keep working on it.

This question is to both of you. I think the reminder of the process that you gave, Director Schrader, that it is reimbursement, that the Brinks truck does not just stop and drop off the money, was helpful to have us really focus in on what may be happening with the money. And the money that is not being spent, where is the problem?

Because we hear from, as we have traveled around the country, that the first responder agencies have sometimes spent the money and they are not being reimbursed. Is that where the problem is, that the fire, police, all of the first responders see the need? They are attempting to address the needs of their community with regard to homeland security and the reimbursement is not coming?

And if that is the case, where is the problem? And what is being done to fix it? And that is a question for both of you.

Mr. SCHRADER. Let me just start by saying it is almost, you have to take it on a case-by-case basis. What I have found, going around our state, is I hear similar things. But the reality is that we have allocated those decisions to the local jurisdictions to make.

So for example, if a local jurisdiction decides they are going to focus their resources on a particular area, but a municipality in that jurisdiction is left out, then that municipality would say, "We have not seen any of the money."

Mrs. CHRISTENSEN. How fast do you reimburse?

Mr. SCHRADER. We are in about a 60-day cycle.

Mrs. CHRISTENSEN. And your cycle with the department?

Mr. SCHRADER. About the same. So once the invoice comes and we pay, it is a pretty rapid turnaround.

I think a lot of the issue is in the decision process and the local processes of appropriating. Like, for example, you have a local

council. A lot of the local councils, if their emergency director comes and says, "We have been allocated $100,000 worth of authority. We want to spend this money," well, then they have to appropriate that through the local jurisdiction.

A lot of them will be concerned about how that money gets spent. For example, they do not want to add additional cost that cannot be sustained.

And so they are very careful about how that money is being spent. And then the procurement regulations, there is oftentimes an issue.

Mrs. CHRISTENSEN. I am going to come back to that.

Mr. SCHRADER. Sure.

Mrs. CHRISTENSEN. But where is the problem? Is it that80 percent of the money is still unspent? Is that—?

Ms. MENCER. You know, I think it is less than that. But I think that is what the funding task force is looking at trying to resolve—not resolve so much as find out where these problems are and how to address them.

So they are looking, in this funding task force, not only at identifying where the problems are, but where are the best practices, so that we can share this information with other states. There are some states that have done a great job of kind of getting around some of these procurement issues and kind of even passing legislation within their state to facilitate this process.

And in some cases, that is what it might take, some legislative changes. Again, because we have never moved money this quickly, there are some procedures that are too slow to process.

Mrs. CHRISTENSEN. I do have a lot more questions, but I see my time is almost up. Let me just ask about the Urban Areas Security Initiative. I assume that is based on assessment of unique vulnerabilities of urban, high-density areas.

Is that the case? Has that assessment been done? And has a similar assessment been done of rural areas and territories which have some unique vulnerabilities? And what can we look for, for initiatives for them?

Ms. MENCER. In the first part, yes, those things are all looked at. It is the matrix I described earlier, where there is input from the intelligence community as to threats and vulnerabilities, as well as high population, critical infrastructure. All those things are included.

And yes, we have been working with the territories as well. And certainly their strategies should have defined—and I am certain they did—particular risks, such as cruise ships and things of that nature, that you all deal with.

So we do look at that in the state strategies as well and make sure that their requests match what they have defined as their goals and objectives.

Mrs. CHRISTENSEN. Thank you, Mr. Chairman. My time is up.

Mr. SHADEGG. The time of the gentlelady has expired.

The chair would recognize the gentlelady from Washington, the vice chair of the full committee, Ms. Dunn, for questioning.

Ms. DUNN. Thank you very much, Mr. Chairman.

I wanted to ask you, Ms. Mencer, if the administration supports allowing regions to apply for grants?

Ms. MENCER. I think certainly under the Urban Areas Security Initiative, we have allocated money to regions. I think in Chairman Cox's bill, he discusses—.

Ms. DUNN. That specifically.

Ms. MENCER. Yes. I think that is a very good idea of a way to combine resources. And I commend that initiative. I think as long as—and we discussed this the other day—the states maintain the primary responsibility for the application process and the disbursement of these funds, particularly so we can coordinate these requests with the state strategies so we do have a unified effort in the state and the state does not lose control—or sight really, not control—but the management oversight over how these funds are being spent, so we do not duplicate effort. We do not duplicate the funds going out.

Ms. DUNN. So that would be your caveat? As long as the state stays in control of the dollars, you support regional grants?

Ms. MENCER. Well, certainly for me it would seem logical, that that would be a good thing. I think anytime, particularly when you look at what a weapon of mass destruction is, by definition it overcomes the capability of any one community to deal with it.

So by necessity, I think all the states have gone to regional approaches within their state so that they can combine their resources at the state, local and federal level within the state to address an incident.

Ms. DUNN. And so how would it work with Mr. Schrader's request for more analysts? Are the states capable of handling this kind of thing right now? Or would you share in information provided by the Department of Homeland Security?

Or how would that work?

Mr. SCHRADER. Well, a lot of the threats are local. So for example, if you are in the State of Maryland, we know there is a couple of hundred key assets. We have our seaport and the airport. Working with the FBI, what we need are analysts that can work with the local information to say,"Here are the three things that we need to be focused on in the next 30 days. And here are the targets."

So it is the targeting. So we are getting general threat information at the federal level. And of course, there is generalized information that is more specific information at the local JTTF.

But if we had more analysts working with us in these joint centers, we could do more targeting. And that would be helpful.

Ms. DUNN. In our legislation, we do away with the reimbursement policy, which in your report and in the report that we released yesterday, is a problem and results in the lack of spending that we have seen in our report. You mentioned that reimbursement policy.

In our legislation, we would require the priorities of the region in how they would spend the money and so forth. How is this reimbursement policy causing you trouble in getting dollars down to the local levels, down to, for example, the small community that does not have any money to spend in the first place and has to wait around and wonders if it is ever going to be reimbursed by the government?

How is that really working in a practical sense?

Mr. SCHRADER. Well, we could make it work if we had to, so I do not want to suggest that it is an impediment. But what it does do is it makes it more complex for the local jurisdictions in that they have to legislate the money. They have to put it upfront. And then they have to apply through the process to get the money.

I was in the Urban Area Work Group 3 weeks ago in Baltimore. And we were talking about their joint process to put a backup 911 center in.

Well, then the discussion came around to, "Well, you know this is reimbursable." And the folks in the room said, "Oh, yeah, that is right. We had not thought about that."

So then we said, "Well, which jurisdiction is going to put the money up first?" So if we had the cash flow to be able to move on some of these initiatives, it would move faster. It would put a lot more responsibility on the state, which we would deal with.

I think the problem is that the reimbursement process is not well understood. We are beginning to understand it at the state level. And we are pushing that word out.

But down at the local level, grantsmanship is not something that they have a skill set in.

Ms. DUNN. That is true. Final question to Ms. Mencer: you said in your testimony to us that it would be much easier to do one-stop shopping. Can you explain how this would be easier?

How you would like to see that work? What needs to be done to make sure that it can work?

Ms. MENCER. Yes, ma'am. I think the states, for practical purposes, I think already believe that our Office of State and Local Coordination and ODP are one office because we are together all the time on the conference calls. So that part of the consolidation, I think, is very understandable to the states and accepted.

I think the part that is of interest to most people are moving some of these grants into ODP as well, as part of this consolidation effort. From a state homeland security director perspective—and I will defer to my deskmate here for any confirmation or not of that—I think it really helps to have one point to go to for all grants concerning preparedness.

We have been able in ODP to consolidate some of the grant applications in this process. We now have consolidated our state homeland security grant, the Citizen Corps grant and the law enforcement terrorism prevention grant into one application. So that is a big help to the states as they looking at putting the pencil to paper kind of application process.

But it is all computerized now. But you know, I think that has been a big help to the states. So that is what we mean by the one-stop shop, having one place for them to go for these grants.

Hopefully, it will be a good thing. And I will defer.

Mr. SCHRADER. Well, I think the more we can do that, the better. Actually, DHS sent us out, as part of their most recent initiative for program management, to give us their summary analysis of all the money they thought was out there.

Fortunately, when Governor Ehrlich appointed me back in August, I had started doing the same thing, because we get money from CDC, HRSA. We got money in 2002 from DOJ because that is where the money was previously.

FEMA puts money out for interoperability grants. So being able to consolidate and focus, I think in the long run will be a good thing.

Mr. SHADEGG. The time of the gentlelady has expired.

The chair would now call upon the gentleman from North Carolina, Mr. Etheridge, for questioning.

Mr. ETHERIDGE. Thank you, Mr. Chairman. And I apologize for bouncing in and out, but I have another hearing going on at the very same time this morning.

Ms. Mencer, if I may for you, please? North Carolina is one of those states that has extensive experience, unfortunately, in floods and hurricanes and ice storms. And the list is long—tornadoes.

So we have had a lot of experience in it. And we sort of take an all-hazards approach to our preparedness.

And with the consolidation of most emergency response grants into the Office of Domestic Preparedness in the Department of Homeland Security has become one of the sole sources of federal preparedness funding for most states and for ours as well. The administration's budget reduces state flexibility. And restrictions are put on much of the funding. And it is targeted really toward terrorist activities.

If you are a local unit of government and have a flood or a tornado or a hurricane or whatever and you have lost everything, it does not make a difference who does it.

Whether it be intentional or by natural disaster, you have a disaster. And you have some of the same problems associated with it.

And I recognize that anti-terrorism must be the highest priority of the department. I do not think any of us disagree with that.

But is it the administration's intention that states and municipalities bear the entire cost of natural disaster planning, training and the response? And if not, how does ODP believe states should balance their responsibilities?

Ms. MENCER. Yes, sir. I think on a couple of points here you are correct. I think in a lot of cases, when it is not a tornado or a flood or a hurricane and you do not know the cause yet, then certainly the response is the same.

If there is an explosion and you do not know if it is a man-made explosion or a gas leak or something of that nature, so the response is the same. I think you are absolutely correct in stating as well that the number one priority of the nation right now is terrorism and to detect, deter and respond to a disaster such as that.

I think anything we do for terrorism helps with the natural responses as well. Because in most cases, communication is the key. And I think that the dollars that are being spent in terrorism preparedness and response capabilities will enhance natural disaster responses as well.

But indeed, the states do have to assume some financial responsibility for preparing themselves for the everyday occurrences that they have always done.

Mr. ETHERIDGE. All right. That being given, under the current funding, the President's proposal will have significant impact, I think, on emergency preparedness on the state level because currently they can have pretty flexible dollars.

Under the current proposal, only 25 percent of the grant funds will be available at the state level to support state and local emergency management personnel salaries that are critical, having personnel on the ground to respond, whether it be terrorism or otherwise. As I have said currently, in March of 2003, a survey by the National Emergency Management Association found an additional 5,212 local emergency management positions were needed nationwide, with 3,960—or 76 percent—of those positions being full-time directors needed for a host of issues.

Under Secretary Brown and others have informed this committee that the limitations on the use of EMPG grant funds for personnel costs will result in increased state and local training funds and exercise money. My question is: without effective people on the ground, even though we have training money, how will they be able to participate in training and exercise if we do not have people to participate in training and exercise?

Ms. MENCER. Yes, sir. And I hear you. And I have heard the concerns—.

Mr. ETHERIDGE. Well, I understand you hear me. But what we really need are some answers.

Ms. MENCER. Right.

Mr. ETHERIDGE. And I hope you will take that back to some folks to understand that it is fine to say we are getting more money. But if we are taking the money from another pot that is absolutely imperative that we use, at the end of the day, we are not any better off. And we may be worse off because we do not have people on the ground to do the job.

Ms. MENCER. And I commit to you that I will take that back.

Mr. ETHERIDGE. Will you follow that up and get back to me with a written answer, please?

Ms. MENCER. I will, indeed.

Mr. ETHERIDGE. I thank you.

Ms. MENCER. You are welcome.

Mr. ETHERIDGE. Mr. Schrader, for you, in your testimony, you also commented on the need for the EMPG to maintain flexible funding for personnel costs.

Mr. SCHRADER. Exactly.

Mr. ETHERIDGE. I hope you will comment, because you have some experience at it, as how this 25 percent restriction is going to affect your state. I know how it affects mind.

I think people need to understand what this does and where we wind up.

Mr. SCHRADER. Well, our state strategy revolves around an all-hazards approach.

Mr. ETHERIDGE. Right.

Mr. SCHRADER. We need those people on the ground because they are the infrastructure that we rely on. We do not have a homeland security workforce and an emergency management workforce.

We are double tasking those folks. So therefore, we need to actually expand their capabilities and give them more money and more training.

But at a minimum, we have to maintain what we have. If we start to reduce that workforce, we are going to lose our ability in the local jurisdictions to execute these programs.

Mr. ETHERIDGE. Thank you, Mr. Chairman. I appreciate that. And I just want that on the record. And I hope others in the committee—I think it is important to understand that the department has a charge.

But the important thing is to understand that there are a lot of other things that these local jurisdictions have to do. And they cannot have two different groups.

And we have to understand that as we are reaching down, as we put out administrative rules and policies, because otherwise it will impede and put us in a position of not getting the job done we really want to get done because of the other things we have to do.

Thank you, Mr. Chairman.

Mr. COX. [Presiding.] I thank the gentleman. The gentleman's time has expired. The gentleman from Pennsylvania, Mr. Weldon, is recognized.

Dr. WELDON. Thank you, Mr. Chairman. Thank you both for testifying.

Mr. Chairman, as I read through this testimony, Ms. Mencer, one item catches my attention and will be the focus of my discussion. Because ODP is urged by the inspector general to accelerate the development of federal guidelines for first responder preparedness, including capability levels, equipment, training and exercises.

You know what really amazes me? The first responders in this country have been here longer than the country has been a country.

There are 32,000 organizations in America that are organized. Many of them do not belong to any government. They are private non-profits.

They have been responding to every disaster this country has had longer than the country has been a country. And they have not had to have federal guidelines on how to do their job.

I was the fire chief in a town of less than 5,000 people in 1974. We had the largest incident in America. Two ships collided.

Twenty-nine people were killed. It burned out of control for 3 days. And 80 other departments responded.

We did not have to have ODP come in and tell us how to do our job. That could have been a terrorist attack.

And I resent the idea that somehow the federal government is going to come in and tell these people, because for all these years they have not known how to do their job. And that is the attitude that the emergency responders in this country receive, that somehow Washington is now going to come in, even though they have handled blevies on rail lines, even though they have handled hazmat incidents, even though they had fires in chemical plants that have been as toxic as any chemical weapon that mankind could create.

Even though they have handled all of that, all of a sudden now, the federal government knows how you better do your job. And you better pay attention.

And so in the end, I have to ask the question, as I travel around the country—and I have been on almost every disaster we have had since I have been here in Congress. I ask the first responders: how are we doing? And they look at me and they laugh.

They said, "Are you kidding me?" The first 30 minutes to an hour in any incident are the most critical. You are not going to have an ODP person on the ground that first hour.

You are not going to have a FEMA bureaucrat. You are not going to have an inspector general.

When the sarin gas attack occurred in Japan, the first hour determined how many people were overcome by sarin gas. When Chief Marrs arrived in Oklahoma City at the Murrah Building, it was the first hour that determined how successful he would be.

And you know what, Mr. Chairman? We still do not have the basic answers available to them.

Let me just give you some examples. I was in your state, Landers/Big Bear Northridge earthquake. And I am walking the freeway that had sandwiched on top of itself with the fire chiefs of Oakland and San Francisco.

Was that 12 years ago? And I said to the chiefs, "Why aren't you using thermal imagers, using dogs to try to find people that are trapped in these vehicles?" And the two chiefs said, "What are thermal imagers?"

I said, "Well, the Navy developed them 10 years ago to find people on ships that might still be alive." The federal government had not even told of the technology available to first responders.

So I came back from that incident and I introduced legislation to create a computerized inventory of assets that a first responding chief could have in his hand, so when he arrived—whether it was Chief Marrs in Oklahoma City or the San Francisco or Oakland chief in that incident—if they needed a structural engineer, if they needed a sensor, to plug it in and know where to get it.

Do we today have computerized inventories available for first responders? Is it available?

Ms. MENCER. Yes, I believe it is, sir.

Dr. WELDON. No, it is not.

Ms. MENCER. Computerized, no. We have lists though of—.

Dr. WELDON. Twelve years ago, I introduced legislation to create a national computerized inventory so when a chief officer arrives on the scene, whether it is a terrorist incident or a man-made disaster, where do I go to get structural engineers? Which federal agency can give me thermal imagers?

Who can I get to get a specialized testing capability in here? We still do not have it. And we play these games with, "Well, we have this protocol. We have that study underway."

Let's answer the most basic question from the bottom up.

That is where the answer.

They know what to do. They know how to respond. They need the training resources. They need the dollars to buy the equipment. They need us to get out of their way.

I think of communication, when Tom Ridge was in office, the first week he was in, I met with him because he is a friend of mine. I said, "Tom, you have to do two things. We have no integrated domestic emergency communication system for our first responders."

And here we are, 3 years later. We still do not have an integrated domestic communication system for a number of reasons: lack of frequency spectrum allocation and lack of funding to imple-

ment a broad, integrated communication system. It was Chief Marrs' biggest problem in Oklahoma City.

So I guess I get down to a fundamental question: why don't we cut through all the—excuse my French—bullshit and listen to the first responders who have been telling us, for the last 20 years, what they need? And for the state bureaucracies that take the money and build big bureaucracies and not give the money down to the locals is outrageous.

Now does that mean we should allow them to buy anything they want? To have a fire company buy a $500,000 truck they do not need? No. And that is why planning is so important.

But I can tell you, in the years that I have seen, especially since 9/11, our attempt at responding to the first responder has been outrageous. And I can only say to you both—and I think the gentleman from Maryland knows the power of his fire service very well and the emergency response community because it is very strong in your state and does an excellent job.

Do you know we have no ODP funding for fire training centers in the country? The primary training center for these first responders in every state are the state fire training centers. You have a great one in Maryland.

Do you know we cannot use ODP funding for that? So why don't we cut through the BS. That is what the firefighter grant program did. Would you agree that is one of the most successful programs we have ever created?

Mr. SCHRADER. Very successful, very popular in our state, yes.

Dr. WELDON. Very popular, because the money goes directly to those people who have their necks on the line to respond, whether it is a small town or a big city.

Mr. Chairman, I am sorry for expressing my sense of frustration. But it is very real to me because I would not be in this job were it not for these people. And it frustrates me to see us spinning wheels about how to get money.

And I know you are trying to do a good job with your legislation, which I fully support. We have to find a way to have the local emergency response leaders, who are going to be the first people on the scene in every incident, have the tools, the equipment, the training and the resources they need. And I do not think the federal government should be able to tell them how to do that. Thank you.

Mr. COX. The gentleman's time has expired. The gentleman has done more work on first responders than anybody in Congress that I can think of, except possibly Mr. Pascrell, who is recognized.

Mr. PASCRELL. Well, I want to say to Mr. Weldon, comma, not period. I want to continue, if I may, if you will allow me that opportunity.

This to me is a sham. And I am sorry we have to go vote now. But the budget's program assessment rating tool—get this, Curt—declared that "the fire grant program is unfocused and has not demonstrated its impact on public safety."

This is a fraud. And the fact is that this program has positively impacted—ask the firefighters, please—public safety by providing $2 billion for such things as-unfocused!—infrared cameras, hazmat detection devices, improved breathing apparatus, advanced training

and fitness programs, fire engines and interoperable communications system.

Now I want to give you an example. I want to give you an example. I think it is a good one. And I do not care if I miss the vote. I am sorry, comma.

The leading cause of firefighter death in America, do you know what it is, Ms. Mencer? Do you know what the leading cause of death is to firefighters?

Ms. MENCER. Heart attacks?

Mr. PASCRELL. I am sorry?

Ms. MENCER. Heart attacks.

Mr. PASCRELL. That is correct. Thank you. It occurs either at or returning from a fire. In my district of Bloomfield, New Jersey, firefighter Dan McGrath can tell you a thing or two about the need for cardiac fitness.

When McGrath went to his physical, mandated—and you are taking this out of the Fire Act. Oh yeah, you care about fire responders. You really do.

A physical mandated program, funded by the 2002 Fire Act, the fire grant, it was discovered that he needed immediate heart surgery. No one had any idea he was in danger prior to that physical. He did not certainly.

He had successful bypass surgery and valve replacement surgery and is on the job today.

With all this in mind, why would the President's budget request, which you are here to defend, eliminate funding for programs to enhance the level of cardiac fitness among firefighters? And I am waiting for a good answer.

Ms. MENCER. I believe that the focus for the Fire Act grants are on the items that we consider to be priorities in view of the terrorist acts in the Homeland Security Department, which is training and safety equipment for firefighters.

Mr. PASCRELL. Do you know that you have eliminated nine of the 14 categories? And that is one of them? Do you know that?

Ms. MENCER. Yes, sir.

Mr. PASCRELL. Well then, how can you simply say that you are taking that into account? You have eliminated it in the President's budget. You have eliminated nine of the 14 categories that were funded directly to local communities.

No bureaucrat, no state bureaucrat can skim off the top. It is the most successful program, like the COPS program.

You are cutting this program by $250 million. You are cutting the COPS program, which has nothing to do with you, by $660 million. This is an absurdity.

Do you know Exhibit A, B, C and D? Exhibit A, fire departments across the country have only enough radios.

I know you guys want to end it now, but let me finish because this is important to me. I was a mayor and I was on the line when these guys and gals gave up their lives. So you are not going to put this into a political situation.

There is not enough radios to equip half the firefighters on a shift. And breathing apparatuses for only one-third of all the firefighters in this country.

Police departments in cities nationwide do not have the protective gear to safely secure a site following an attack with weapons of mass destruction. Most cities do not have the necessary equipment to determine what kind of hazardous materials emergency responders may be facing.

All terrorist incidents are local. That is what Curt Weldon was saying. They are local. At least we can start at that particular point.

How can you, in good conscience, cut the Fire Act? How can you, in good conscience, say it is unfocused?

How can you simply try to communicate to the American people when you know quite well that not too long ago, former Senator Warren Rudman said, "The United States remains dangerously ill prepared to handle a catastrophic attack on American soil?" And in three instances, that has been supported. And let me tell you where the incidences are.

The report of an independent task force sponsored by the Council on Foreign Relations: "emergency responders drastically underfunded," et cetera. That came out in June of 2003.

The fourth annual report to the President and the Congress of the advisory panel to assess domestic response capabilities, that came out December 16, 2002. And the General Accounting Office, their own report: "grant system continues to be highly fragmented," April 2003.

We have this. It is documented. We do not even have a national assessment of where we are most vulnerable.

And darn it, I have a right to be angry today because I am talking to someone who is very bright and knows—you are the messenger. I know that.

But we are not going to take it anymore. We are not going to take throwing across the screen that we are safer now than we were before when we do not even have a coordinated effort. We zeroed in into interoperable communication. Zero amount of dollars.

When you heard Mr. Weldon say it is the most critical problem facing us today, how do you explain this to the American people? You tell me.

Mr. SHADEGG. [Presiding.] The chair appreciates the gentleman's passion. His time is expired.

Mr. PASCRELL. It is not just passion. It is facts. Passion without facts is meaningless

Mr. SHADEGG. The chair appreciates the gentleman's passion and would like Ms. Mencer to be able to answer the question.

Ms. MENCER. Yes. For the first regard, as far as the funding being reduced, I just want to point out that it is equal to the funding request of the 2004 budget, showing the secretary and the President's commitment to the firefighting community.

It was funded for more than that in 2004. But our request remains the same.

And as to your other comments, sir, I understand your concern. And I think it has long been the responsibility of each of us to make sure our health insurance is current and that we have sufficient for our safety and our public health concerns.

And I think that remains the focus of the Fire Act monies. By their own request of the fire agencies that we consult with for the

Fire Act, they have stressed the terrorism aspect of these funds for this year. And indeed, that reflects it in the budget.

Mr. PASCRELL. Mr. Chairman?

Mr. SHADEGG. The chair would like to—.

Mr. PASCRELL. If I may? One final comment.

Mr. SHADEGG. A brief comment, as opposed to a question, certainly.

Mr. PASCRELL. Mr. Chairman, the melding of programs is one of the biggest gimmicks tried by both political parties over the last 30 years. When you meld it, you lose it. It is the easiest way to do it, so you do not ever have to have a proposition to do away with the Fire Act.

Put the Fire Act and move it, a successful program. You cut it by $250 million when you need we should be going to $1 billion from the $750 million that we have.

You meld it into terrorism. The Fire Act occurred before 9/11. These are basic needs that fire departments—small and large—need.

And if we are not going to respond to the basic needs, Mr. Chairman, we are not going to prepare America. Thank you.

Mr. SHADEGG. Certainly.

As the gentleman well knows, the ultimate responsibility for the budget remains with the Congress. And again, I appreciate his passion and his concern. And Ms. Mencer is the messenger. I think she heard the message.

I want to thank both of our witnesses for their appearance here today. I think this has been a healthy and productive dialogue.

Ms. Mencer, I recognize that you were just confirmed in September of last year. You are new to this job. And indeed, it is a very challenging task.

The gentleman, Mr. Pascrell, mentioned that the melding of departments, he went on to say, is a way to get rid of them. I thought he was going to say it is one of the toughest things you do in government, because that is what is happened here in the Department of Homeland Security.

We have melded 20 parts of—or all of—22 government agencies. And I frequently say in this town that the second toughest job in the entire town is that of your boss, the director of the Department of Homeland Security.

I think this is a massive undertaking. I will tell you, I at times have been critical and would like to have seen the department do better. And I would like to see it continue to improve, as would the American people.

But I want to commend you. I know you bring great experience here.

Mr. Schrader, I was very impressed with your testimony. I was a colleague, when I came in as a freshman, of your boss, the governor, Bob Ehrlich. I think he has done a superb job in selecting you for the task. And I commend you on your hard work and appreciate both of you doing your jobs.

It is a difficult task. The sorting of these priorities is a challenge for the Congress. And we will do our best, with your input.

And we certainly appreciate your testimony and your efforts on behalf of the people of America. We are in new times. And these are challenging and different.

We have never faced this kind of threat to our nation before. And you have been tasked with the front line job of doing it and of sorting out all of those issues.

And as you saw the passion of two of my colleagues, one on each side, people get wrapped up about these issues. People who carry a single interest in the United States Congress and who believe it is their job, for example, to work for one particular interest can become extremely passionate about that interest.

And I think we have seen a little bit of that here today. And it is true that all great things, I think, are accomplished by people who act with passion on a single-minded focus.

Both of the gentleman who have just spoken are passionate about that issue. They are experts in that field. They care deeply about it. And I think we appreciate their testimony.

That does not mean that you do not have a tough task and that you are not doing your best under extremely difficult circumstances. I want to thank you both.

I think it was tremendous to have both the department's perspective, kind of looking down on this process, and the perspective of a state director, looking up. I think that has provided us with great perspective on a tough issue.

I am very pleased and hope that the press reports accurately that headlines like this that say, "Eighty Percent of Homeland Security Funds Have Failed to Reach Local Agencies," I hope that from this hearing, Americans will understand that is not true, that in point of fact, it is a much finer point; and that is, 80 percent perhaps have not been spent and that there may be, as you pointed out in your testimony, both good and bad reasons for that.

I think the American people want these funds spent properly. And Mr. Schrader, as I think you pointed out, this is a whole new process. It is like trying to set up something that has never existed before and address a brand new issue.

The notion that it could be done overnight and done properly, I think, is silly.

Ms. Mencer, in your testimony, I think you made that very point. The department has concluded it is better to roll this money out a little slower than we had hoped, but to spend it wisely. And I think the American people would agree with you on that.

So I appreciate your being here and your testimony.

Members of the committee will have additional questions for the witnesses which they may submit to you in writing and which we would ask you to respond to. And the hearing record will be open for 10 days.

With that, this hearing is adjourned.

[Whereupon, at 12:16 p.m., the subcommittee was adjourned.]

APPENDIX

QUESTIONS AND RESPONSES FOR DIRECTOR C. SUZANNE MENCER, SUBMITTED FOR THE RECORD

QUESTIONS FROM THE HONORABLE JOHN SHADEGG

Question: **1. What is the current status of the assessment that focuses on barriers and obstacles that independent or non-government EMS units are facing in receiving DHS first responder grant funds that was mandated in the FY 2004 Homeland Security appropriations bill?**

Response: The Department's Office for Domestic Preparedness (now the Office of State and Local Government Coordination and Preparedness , OSLGCP) was tasked with drafting this report. This report was delivered to the House and Senate Appropriations Committees on June 15, 2004.

Question: **2. Concern has been raised that OSLGCP regulations are written without taking into account the unique geographical differences of the Western US. One example is that the current UASI definition of a core city and its contiguous counties. In the West, very few cities overlap counties, but a county may have a dozen cities. What is being done to correct these sorts of anomalies for the future?**

Response: OSLGCP has incorporated flexibility into the implementation of its guidelines by ensuring State and local participation in the final definition of urban areas. OSLGCP selects the core city based upon a risk analysis and nominates a corresponding core county in order to help build viable regional prevention, response, and recovery systems. The core county is defined as the county that the core city resides within either geographically or politically. The State, core city, and core county then further define the urban area to ensure it incorporates all appropriate jurisdictions and mutual aide partners. The respective State, core city, and core county make the final determination on defining each urban area.

Question: **3. What is OSLGCP doing to communicate and coordinate with EP&R on the assets that cities, counties, and states are purchasing with SHSGP and UASI monies? Are you working on a comprehensive, nationwide, state-by-state inventory of first responder assets? If a terrorist attack were to occur in Phoenix tomorrow, would you know what response assets exist in the City, contiguous cities, Maricopa County, or the State of Arizona? Would FEMA/EP&R know?**

Response: Most OSLGCP efforts and programs are focused on capacity building at the State and local level. We gather information on capabilities, and the impact our programs have on those capabilities, through the Homeland Security Assessments and the resulting State and Urban Area Homeland Security Strategies. These multi-year strategies and assessments were updated in the fall of 2003 and steer all of the funding provided by OSLGCPP to States and urban areas with an emphasis on identifying and enhancing prevention, response, and recovery capabilities at the State, local, and regional levels. This assessment and strategy development process was a comprehensive effort that took approximately nine months to complete and required the participation of all States, Territories, and the District of Columbia, and their respective local jurisdictions. The reported data illustrates how States and urban areas allocate grant funds and define benchmarks for monitoring their impact, and this information is provided to OSLGCP regularly. FEMA actively participated in the design of the assessment and strategy development process. Additionally, they were an integral part of the intra-DHS review board that reviewed and adjudicated all State and Urban Area Homeland Security Strategies. As such, FEMA has access to all OSLGCP data of current State and Local capabilities and shortfalls.

As the automated data demonstrating the impact of the FY 2004 funds becomes available, OSLGCP can share it with FEMA to enhance their situational awareness.

The Emergency Preparedness and Response Directorate is completing the Federal Response Capability Inventory. State and local jurisdictions have inventories of existing capabilities and resources. They will be expected to update and compare those inventories to the Baseline Capabilities Lists for the appropriate Tier, in order to develop their Required Capabilities Lists in Fiscal Year 2005. The Baseline Capabilities Lists are being created as part of the National Preparedness Goal required by Homeland Security Presidential Directive (HSPD)–8.

Additionally, DHS, through FEMA and the National Incident Management System (NIMS) Integration Center, is conducting a resource "typing" project to standardize descriptions and characteristics of common response teams and equipment. Resource typing ensures accuracy when incident a managers are requesting or providing resources through mutual aid. For example, a "fire department strike team" will be the same, whether it comes from an adjoining city or several states away. To date, resource typing is complete for 120 of the most commonly exchanged resources, including personnel, teams, and equipment. Resource typing provides the foundation for a comprehensive inventory of federal, state, and local response assets. A resource ordering, tracking, and status system is an essential part of the NIMS. States and local jurisdictions may use their FY 2005 SHSGP and UASI funds to develop or update resource inventories in accordance with FEMA's resource typing. At the federal level, DHS, through FEMA, is developing a federal inventory of response resources, based on the resource typing definitions.

OSLGCP will provide national guidance to the States and those urban areas presently participating in the Urban Area Security Initiative, including the Baseline Capabilities Lists, organized by Tier, and metrics, after the President reviews and approves the National Preparedness Goal.

QUESTIONS FROM THE HONORABLE CURT WELDON

1. ODP is now funding State training courses and its own specialized courses for first responders. Currently, almost all volunteer and career firefighters are trained at state and county fire training facilities. These facilities are the principle sources for testing and evaluating equipment, experimenting with new response techniques and they were the first to provide WMD training. However, these existing resources are not receiving any funding from ODP or the States.

Will the ODP take a good look at the fire training facilities at the state and local levels to perform WMD and other terrorist preparedness training? The Department should utilize these experienced and trusted assets to prevent redundant and inadequate alternatives.

Response: OSLGCP concurs that states and UASI areas should integrate existing public safety academies into the state training implementation plans. Since Fiscal Year (FY) 2003, the use of the fire training academies has been addressed in grant application guidance from OSLGCP. State and local training efforts should reinforce the use of state and metropolitan fire training academies along with other state and local academies, junior colleges, community colleges, and technical colleges. . However, to avoid dictating the training process to the states, OSLGCP provides funding directly to the state, not the state fire training academies. Thus, the state manages who conducts the training.

2. Both the Inspector General and Select Committee on Homeland Security Committee reports on first responder funding identify Reimbursement systems as a principle source of delay to get new equipment and training. **Under the current system, to what extent are states able to use federal homeland security grant funds in order to front the purchases for local governments?**

Response: Through FY04, OSLGCP grant guidance required grant funds to be expended on a reimbursement basis, but this policy was modified for FY05.

Fiscal Year 2004 grant guidance requires states to obligate 80% of funding to local units of government within 60 days. This funding is provided in the form of a sub grant award, which allows local units of government to make equipment purchases, accomplish planning, or make training or exercise decisions. If a locality makes a request to the state for them to hold monies on their behalf, the local unit of government may enter into a Memorandum of Understanding (MOU) with the state, whereby the state centrally purchases equipment or other services (such as training and exercises) on the locality's behalf. This MOU must be initiated by the local unit of government, and must specify how much money is being held by the state and the purpose of the MOU. This will allow states to alleviate some of the financial strain on local units of government.

The FY 2005 DHS Appropriations Act exempted several state and local grant programs from the Cash Management Improvement Act, though a similar change could also be made administratively. In keeping with this exemption, SLGCP grant guidance for the FY 2005 Homeland Security Grant Program allows grantees and subgrantees to drawdown funds 120 prior to expenditure as opposed to the previous 3–5 days prior to expenditure.

3. Both the Inspector General and Select Committee on Homeland Security Committee reports on first responder funding identify a lack of communication from the federal government on intelligence and risk-based priorities as a source of confusion with what must be purchased and where it should be located. **What is the Department doing to correct this problem? To what extent will the proposed national preparedness plan take into account the individual risks, hazards, characteristics and other qualities that are only known by the local responders?**

Response: Part I:

As a requirement to receive their Fiscal Year 2004 Homeland Security Grant Program funds, and additional funds in FY 2005, states conducted threats and vulnerabilities assessments and, based on that information, developed homeland security strategies. The states were required to provide completed homeland security strategies to the OSLGCP on January 31, 2004. OSLGCP provided comprehensive guidelines, and conducted regional workshops, to assist that States in understanding the State Homeland Security Assessment and Strategy Process (SHSAS) and conducting the assessments and developing their strategies.

These strategies are critical resources to the states in their efforts to distribute funds in the most effective manner to address the homeland security needs. The SHSAS process also provided States and localities the ability to determine their homeland security needs and assess their gaps in preparedness. Based on these assessments, States and localities could make informed decisions on the types of equipment that they could purchase with their OSLGCP funds to meet their identified needs and vulnerabilities.

These strategies are also extremely important because they allow the Department to match the preparedness needs as outlined in the state homeland security strategies with resources available from the federal government. The information provided in these strategies will allow the Department to make informed decisions on how funds will be distributed and what factors the Department will use to make this determination. Per HSPD–8, to the extent permitted by law, adoption of approved Statewide strategies will be a requirement for receiving Federal preparedness assistance at all levels of government by September 30, 2005.

Part II:

One of the objectives of the national preparedness plan as required under Homeland Security Presidential Directive-8 (HSPD–8), is the review and approval of "all hazards" state strategies. Building on the present OSLGCP model for comprehensive strategies based on CBRNE threats, the Department has established HSPD–8 "Integrated Concept Teams" (ICTs) to develop and implement a process for the submission, review and approval of all hazards based state strategies. These strategies would require local jurisdictions to provide information on threats, vulnerabilities, needs and capabilities as matched against the readiness metrics and national preparedness goal established by HSPD–8. The local jurisdictional assessment, using the data that is best identified by the local responders, would be sent to the states for their review and analysis. Using this "bottoms up" approach, states could then craft a comprehensive strategy that outlines the type of equipment, training, planning and exercises required within that state.

Part III

Under the Information Analysis and Infrastructure Protection Directorate, the Office of Infrastructure Protection (IP) is responsible for the protection of critical infrastructure and key resources (CI/KR). The Buffer Zone Protection Program (BZPP) is intended to extend the zone of protection—the buffer zone—around specific critical infrastructure and key assets from the site perimeter into the surrounding community. Working with State Homeland Security Advisors, IP is providing material and technical assistance to state and local law enforcement and first responders responsible for the protection of CI/KR within their jurisdiction. IP provides templates, training, and on-site assistance when necessary to help state and local law enforcement and first responders develop and implement BZPPs. This focused program identifies specific assets and assists local entities in developing detailed mitigation strategies, thus providing comprehensive information intended to improve the protection of CI/KR.

4. The Inspector General report recommends a consolidation of all first responder grant programs as a means of simplifying the planning process performed at the state level. **Does this include terrorism and non-terrorism related grant programs for first responders? If so, does the Department prefer the non-terrorism programs to be based upon a risk-based assessment with a terrorism focus?**

Response: The Secretary has provided for the consolidation of several first responder grant programs through the consolidation of the Office for Domestic Preparedness (ODP) and the Office of State and Local Government Coordination (OSLGC) into the Office of State and Local Government Coordination and Preparedness (OSLGCP) in March of 2004. This consolidation provides a "one stop shop" for preparedness grants within the Department of Homeland Security and streamlines the process for state and local jurisdictions to apply for these grants.

Within the OSLGCP, there are grants that cover terrorism, such as the Homeland Security Grant Program (HSGP) and the Urban Areas Security Initiative (UASI). There are other grants that address terrorism as part of their "all hazards" approach, such as the Citizen Corps Program (CCP) and the Emergency Management Performance Grants (EMPG). OSLGCP incorporated both terrorism and all hazards grants within a single grant application for FY 2004 and FY 2005.

5. The Assistance to Firefighters Grant Program awards fire prevention and fire safety grants to nonprofit organizations to fund great programs such as burn research, education in schools, smoke alarm distribution, and many other things. Congress never intended for this program to require a funding match because these non profits such as the Burn Foundation are not affiliated with the state or local governments and operate on a shoe-string budget. This past month, your office began announcing this year's awards and changed the rules—with no notice—to require a hard match. Due to this abrupt change in policy, I am hearing that critical programs will be rejecting grants because they are unable to come up with 30% of the funding.

Why did your office decide to make this rule change with no notice and no consultation with the fire service organizations? Do you intend to continue to make rule changes to fire fighter grants with their consultation?

Response: The grants to which you refer are actually associated with the Fiscal Year (FY) 2003 appropriation. The decision to require the cash match was a decision emanating from the FEMA's General Counsel Office, before DHS was created, which reads the authorizing statute as requiring this cash match. Indeed, they believe that it should have been required from inception. The requirement however, was not established at the time of the awards, but was included in the program requirements listed of the Program Guidance (October 14, 2003) and Federal Register notice (68 FR 59947–59948, October 20, 2003), both published last autumn. OSLGCP will continue its coordination and collaboration with the fire service, the USFA and FEMA in its implementation of the FY 2004 prevention and safety grants. We will do everything we can within the law to maximize applicant opportunity and be competitive for grant awards. The Administration is aware that existing cash match requirements have posed an obstacle for some recipients of these grants.

6. **Q01716:** There is a concern that the Department of Homeland Security is not paying enough attention to existing technologies that have a proven track-record of deployment and field operation. While it is imperative that the Department have a robust research and development program (R&D), present day solutions are available for many of the Country's security needs. There are a number of examples of readily available and deployable technologies exist on the commercial market that can and should be used today that address this very issue of data collection and real time dissemination for use in emergency response. Please describe the Department of Homeland Security's policy for fielding off-the-shelf technologies despite the fact that they may not provide a 100 percent solution.

Response: OSLGCP is keenly aware of the need to deploy available technology to meet the immediate threat to the Nation posed by terrorist groups. While often less than ideal, these technologies offer an immediate enhancement over current capabilities. As such, OSLGCP facilitates the deployment of present-day solutions through a variety of means. States and key urban areas may procure existing, off-the-shelf technologies, including interoperable communications and information-sharing systems, through both the Homeland Security Grant Program (HSGP) and the Urban Areas Security Initiative (UASI).

To supplement these grant programs, OSLGCP offers a wide variety of technical assistance, to states and UASI sites in the identification of interoperability needs, design of an enhanced, interoperable communications architecture that takes advantage of existing technologies such as patching systems, implementation of the en-

hanced architecture, and transition support such as training and exercises. OSLGCP is also supporting the Department's RapidCom 9/30 initiative. RapidCom 9/30 is intended to provide ten high-risk urban areas with an immediate capability for communications interoperability at the emergency response level by September 30, 2004. The focus of the focus of RapidCom 9/30 is on the deployment of existing technologies to provide an immediate, interim solution.

OSLGCP also administers the SAVER (System Assessment & Validation for Emergency Responders) Program to select, assess, and validate specific commercial off-the-shelf (COTS) emergency response equipment. This program serves the emergency responder community by providing rapid, relevant, dependable, and cost-effective assessment and validation of critical equipment to enable decision-makers and responders to better select, procure, use, and maintain their emergency equipment.

The SAVER program, run through the Texas A&M University, provides rapid, timely, and cost-effective assessment and validation of selected emergency response equipment items such as personal protective equipment, explosive device mitigation and remediation equipment, CBRNE search and rescue equipment, physical security enhancement equipment, decontamination equipment, and the interoperability of emergency system components. Through SAVER, OSLGCP and Texas A&M can also provide technical support on the use of equipment to the emergency responder community.

7. **Q01717:** On January of 1991, I introduced H.R. 237 calling for the creation of a comprehensive inventory of resources that are available for use or deployment in disaster relief that is easily accessible for response to a major disaster or emergency. Are there any such inventories of resources available for federal, state, regional and local emergency planners? Does the Department of Homeland Security intend to create such an inventory or a listing of mutual aid agreements with federal, state, local and private entities in the future?

Response: OSLGCP has established and maintains the Pre-Positioned Equipment Program (PEP). PEP consists of eleven geographically dispersed "pods" containing a suite of response equipment designed to supplement, replace and/or replenish specialized equipment that might be consumed in the response to a terrorist attack by local and state emergency personnel. The PEP "pods" contain personal protective equipment (PPE), detection, decontamination and communications equipment. The PEP sites are activated and deployed by DHS using air or ground-based means at the request of a state or territorial governor or, in the case of the District of Columbia, the mayor of that city. OSLGCP is currently in the process of transitioning the PEP program as a response asset to the Emergency Preparedness and Response Directorate (EP&R), which already maintains a sizable inventory of emergency response equipment.

The Emergency Preparedness and Response Directorate is also completing the Federal Response Capability Inventory. State and local jurisdictions have inventories of existing capabilities and resources. They will be expected to update and compare those inventories to the Baseline Capabilities Lists for the appropriate Tier, in order to develop their Required Capabilities Lists in Fiscal Year 2005. The Baseline Capabilities Lists are being created as part of the National Preparedness Goal required by Homeland Security Presidential Directive (HSPD)–8. Additionally, DHS, through FEMA and the NIMS Integration Center (NIC), is conducting a resource typing project to standardize descriptions and characteristics of common response teams and equipment. Resource typing ensures accuracy when incident managers are requesting or providing resources through mutual aid. For example, a "fire department strike team" will be the same, whether it comes from an adjoining city or several states away. To date, resource typing is complete for 120 of the most commonly exchanged resources, including personnel, teams, and equipment. Resource typing provides the foundation for a comprehensive inventory of federal, state, and local response assets. A resource ordering, tracking, and status system is an essential part of the NIMS. States and local jurisdictions may use their FY 2005 SHSGP and UASI funds to develop or update resource inventories in accordance with FEMA's resource typing. At the federal level, DHS, through FEMA, is developing a federal inventory of response resources, based on the resource typing definitions.

OSLGCP will provide national guidance to the States and Urban Area Security Initiative Cities including the Baseline Capabilities Lists, organized by Tier, and metrics, after the President reviews and approves the National Preparedness Goal.

8. **Q01718:** I was disappointed that the President's FY05 Budget Request unilaterally, and without any consultation with the fire service organizations, limited Assistance to Firefighter Grant Awards to only terrorism preparedness, vehicles, equipment and communications and Training. This budget leaves out 10 of the 14 permissible uses such as EMS, educational programs, recruitment and retention

programs, certifications, facility improvements and others. In years past, annual meetings have been held with all fire service groups to establish priorities for grant awards and they generally have agreed with the priorities set forth in the President's budget request, however, it seems that this process has been bypassed. Will the Office for Domestic Preparedness continue to place an emphasis on annual consultations with the fire service groups to set priorities for grant awards? Does the Department intend to continue the peer review process utilizing peer reviewers recommended by the various fire service organizations? In addition, is it the intent of your office for terrorism preparedness to be the number one priority for Assistance to Firefighters Grants?

Response: OSLGCP will continue exactly the same cycle of action for the implementation of the FY 2005 Assistance to Firefighters Grant Program as followed in past years. OSLGCP will encourage the participation of the fire service in the program, and values their input on funding priorities and the criteria developed to evaluate the applications. Consistent with the President's commitment to enhancing first responders? terrorism preparedness, the request does reflect an emphasis on permissible uses supporting terrorism preparedness. It should be noted that the AFG program has previously restricted the permissible uses in order to focus limited funds on national priorities. OSLGCP recognizes the effectiveness and importance of the fire grants as a foundation (especially with respect to equipment and training) for the higher-level terrorism preparedness.

Grant Funds for Rail and Port Security and Interoperable Communications

In fiscal years 2003 and 2004, ODP carved out a portion of the Urban Area grants funds to make specific discretionary grants to ports and transportation systems. Your FY 2005 budget materials do not include enough information for us to understand how, or if, ODP will be issuing grants for rail security, and how you will administer the port security grant program.

And, although interoperable communications systems remain a critical need for the first responder community, the President's Budget requests no funds for grants to enhance interoperability, either in DHS or in the Department of Justice COPS program. This budget does not support the promises of Secretary Ridge, who has stated that implementing interoperable communications systems is a DHS priority, and that, "we all must work together to give them the tools to do their jobs—in a way that replaces outdated, outmoded relics with an interoperable, innovative and integrated system."

1. Do you have plans to carve out any UASI funds for port and/or rail and transit security? If so, how much money will you set aside?

Response: .The President's Fiscal Year (FY) 2005 budget request includes $46 million under the Urban Areas Security Initiative program to support homeland security exercises at selected ports. Additionally, under the UASI program, the President's request sets-aside $200 million for targeted infrastructure protection. With these funds, OSLGCP will continue to work with the Department of Homeland Security's Information Analysis and Infrastructure Protection Directorate (IAIP) to identify critical elements of the Nation's infrastructure and then fund the protection of these elements. Port facilities and transit systems could potentially receive support under the targeted infrastructure protection program. Otherwise, the Department has no plans to carve out additional UASI set-aside for port or transit security. There is insufficient information about the impact of previous grants to warrant a stand-alone program. States and local jurisdictions retain the ability to allocate a portion of their State Homeland Security Grants or UASI funds to port and transit authorities, consistent with the relative priorities of each jurisdiction.

2. If you do plan to carve out some of the Urban Area funds, why wasn't this part of the budget request to Congress? Don't you believe that Congress should have some say in how much money should be spent for these purposes, and how is should be administered?

Response: The Department fully recognizes the role of Congress, and the President's Fiscal Year (FY) 2005 request reflects the Administration's priorities for more than $3.5 billion to support OSLGCP programs and activities. The request includes funds to continue the Homeland Security Grant Program (HSGP), which includes the State Homeland Security Program at $1.4 billion; the Law Enforcement Terrorism Prevention Program at $500 million; and the Citizen Corps Program at $50 million. Funds are also provided for the continuation of the Urban Areas Security Initiative (UASI) at $1.4 billion.

Under both the HSGP program and UASI program, States, localities, and urban areas are eligible to use their HSGP and UASI funds to purchase physical security enhancement equipment (otherwise known as "target hardening" equipment).

Among the allowable expenses under this category, which is outlined in the program guidance for both HSGP and UASI, are: motion detector systems, barriers, impact resistant doors and gates, video and radar systems, and chemical agent and explosives detection equipment. All of these types of equipment can be used to secure a number of different critical infrastructures, including rail systems.

The Department allows States and localities, under the HSGP program, and urban areas, under the UASI program, to make their own determinations of how they will distribute their homeland security funds. Through the State Homeland Security Assessment and Strategy Process, which both States and urban areas must conduct to receive their HSGP and UASI funds, respectively, States and urban areas are given the necessary tools to determine needs and vulnerabilities and, in turn, make informed decisions on the most effective means to use their homeland security funds. If they chose, States and urban areas can use their funds to target harden rail and transit systems. This is a decision, however, that States and urban areas must determine with the assistance of OSLGCP and DHS.

3. What was the process for selecting the recipients of mass transit security grant funds under the FY 2004 UASI program? Did DHS perform any threat or risk assessments to determine the allocation of these funds? Do you have an estimate on total needs for securing rail and mass transit systems?

Response: The recipients for FY 2004 were limited to heavy rail (subway) and commuter rail systems. Systems with the highest numbers of riders and track miles were identified for funding. Security assessments of rail and transit systems operating in high-density urban areas were performed by FTA and reviewed by TSA. DHS required that information from these assessments be used to determine the eligible uses of these grants. The Department has not developed an overall estimate for public transit security.

4. Finally, have you considered setting aside a portion of either the State Homeland Security Grant Funds or the Urban Area funds to address the critical interoperable communications needs of our public safety community?

Response: The Department of Homeland Security, through OSLGCP, administers two programs that provide significant funding levels for states and localities to undertake a wide-range of activities, including the purchase of communications equipment to improve the interoperability of emergency responders. As communications equipment is one of the most frequent uses of these funds, the Department does not support a new 'set-aside' for interoperability at this time. As state and local needs vary widely, trying to fix a certain percentage or dollar value may distort state and local priorities. Since 2002, ODP has provided $1.2 billion in grant assistance to States and local jurisdictions to improve interoperability through the purchase of communications equipment.

In Fiscal Year (FY) 2004, OSLGCP is administering the Homeland Security Grant Program (HSGP) and the Urban Areas Security Initiative (UASI). Under HSGP, OSLGCP will provide more than $2.2 billion to the states for equipment acquisition, training, exercise support, and planning. Additionally, under UASI, OSLGCP will provide $725 million for 50 high-threat, high density urban areas, and 25 transit systems, for equipment acquisition, training, exercise support and planning. Under HSGP and UASI, states and urban areas can use their funds to purchase communications interoperability equipment, and such investments for FY04 exceed $800 million. States and urban areas base their funding decisions on homeland security strategies that incorporate threat, vulnerability, and risk assessments. The President's FY 2005 budget request includes more than $1.4 billion for continuation of OSLGCP's state formula grants programs, as well as more than $1.4 billion for continuation of the UASI program.

In FY 2003, OSLGCP administered the State Homeland Security Grant Program (SHSGP), Part I and II. Under both of these programs states, territories, and the District of Columbia (DC) are allowed to use their allocated funds to purchase equipment that supports communications interoperability. OSLGCP provided significant funds under SHSGP, Part I and II. Under Part I, OSLGCP provided $500 million for states, territories and DC, to purchase equipment, and support training, exercise, and planning activities. Under Part II, OSLGCP provided $1.3 billion for the same purpose areas. Interoperable communications equipment is an allowable use of states' SHSGP funds.

Additionally, in FY 2003, OSLGCP administered UASI Part I and Part II. Under these two programs, OSLGCP provided $800 million for an initial 30 high threat, high density urban areas. States and urban areas determined how to distribute

their funds on comprehensive needs, vulnerabilities, threats, and capabilities assessment, and the development of a homeland domestic preparedness strategy.

In an effort to foster improved communications interoperability, OSLGCP program guidance for HSGP, UASI, and SHSGP grant recipients requires that all radios purchased with OSLGCP funds should be compliant with a set a standards called ANSI/IIA/EIA–102 Phase I (Project 25). These standards, developed by the Association of Public-Safety Communications Officials, allow for backward compatibility with existing digital and analog systems and provide for interoperability in future systems.

Since its creation in 1998, ODP has provided assistance to all 50 States, the District of Columbia, the Commonwealth of Puerto Rico, and the U.S. territories. Through its programs and initiatives, ODP has trained over 575,000 emergency responders from more than 5,000 jurisdictions and conducted nearly 500 exercises. Since its creation, Homeland Security has provided states and localities with over $8.2 billion in State Homeland Security Grants for the purchase of specialized equipment to enhance the capability of state and local agencies to prevent and respond to incidents of terrorism involving the use of chemical, biological, radiological, nuclear, or explosive (CBRNE) weapons; for the protection of critical infrastructure and prevention of terrorist incidents; for the development, conduct and evaluation of state CBRNE exercises and training programs; and for costs associated with updating and implementing each states' Homeland Security Strategy. Since 2002, ODP has specifically provided $1.2 billion in grant assistance to States and local jurisdictions to improve interoperability through the purchase of communications equipment.

QUESTIONS FROM THE HONORABLE CHRISTOPHER COX

1. DHS follows a formula set by Congress, which guarantees each State 0.75% of the total amount appropriated to DHS for state and terrorism preparedness grants. The rest is allocated based on population.

Question: Why did ODP decide to allocate the remaining 60% based solely on population, and not based on other risk/threat/vulnerability factors?

Response: In the FY 2004 Homeland Security Grant Program (HSGP), OSLGCP used both the USA Patriot Act formula and population numbers from the census to establish funding formulas for the 56 states and territories. The Administration concurs that a risk/threat/vulnerability matrix would be ideal. However, as of early FY2004 the state-level data was insufficient to rationally allocate over $2 billion in grant funds. As a result, DHS continued to use population as a 'proxy' for risk in allocating HSGP funds. In contrast, DHS did have adequate data on risks, threats, and vulnerabilities of major urban areas, which informed allocation of the Urban Area Security Initiative. The President's Budget for FY 2005 proposes allocating these funds based on population concentrations, critical infrastructure, and other risk factors.

Question: Are there plans to incorporate factors other than population into the formula for the distribution of the non-UASI grants?

Response: OSLGCP is presently working with interagency teams on the Homeland Security Presidential Directive 8 (HSPD–8) effort. One of the directives within this HSPD states that "In making allocations of Federal preparedness assistance to the States, the Secretary, the Attorney General,. . . .and the heads of other Federal departments and agencies that provide assistance for first responder preparedness will base those allocations on assessments of population concentrations, critical infrastructures, and other significant risk factors, particularly terrorism threats. . ." In addition, the President's Budget for FY 2005 proposes allocating these funds based on population concentrations, critical infrastructure, and other risk factors.

Question: Why does ODP *first* allocate funds based on the formula and *then* give additional funds based on population? This gives $2 million more to the smallest States, above and beyond the percentage specified in the Patriot Act.

Response: In the FY 2004 Homeland Security Grant Program (HSGP), OSLGCP used both the USA Patriot Act formula and population numbers from the census to establish funding formulas for the 56 states and territories. The Administration concurs that a risk/threat/vulnerability matrix would be ideal. However, as of early FY2004 the state-level data was insufficient to rationally allocate over $2 billion in grant funds. As a result, DHS continued to use population as a 'proxy' for risk in allocating HSGP funds. In contrast, DHS did have adequate data on risks, threats, and vulnerabilities of major urban areas, which informed allocation of the Urban Area Security Initiative. DHS has been working to improve its state-level data on

risks and vulnerabilities so that these factors can be incorporated into the FY 2005 allocation criteria. .

2. The necessity of establishing preparedness standards was identified by the Committee staff report and highlighted both by HSPD–8 and H.R. 3266. You provided the Committee with milestones to accomplish this goal, among others.

Question: You state that by July 31, 2004, the Secretary shall establish a "Universal List of Mission-Essential Tasks for the Homeland Security Community." How specific will these be? Will it address the Committee's concern that each community know the level of preparedness it should attain?

Response: The Universal Task List (UTL) will define the tasks that are essential to the ability to perform homeland security missions, the organizations that need to perform them, the condition(s) under which they need to be performed (which vary by scenario), and the performance standard(s) for the task. As part of its training strategy, DHS/OSLGCP developed Emergency Responder Guidelines that identify the essential tasks that response agencies must perform to effectively prevent, respond to, and recover from a threat or act of terrorism, including those involving the use of chemical, biological, radiological, nuclear, or explosive (CBRNE) weapons. Performance measures for the essential tasks are being developed for use in evaluating performance through exercises. This approach is readily adaptable to the range of standard scenarios provided by the Homeland Security Council.

The Universal Task List will then be used to establish Baseline Capabilities Lists, which will be tailored by "tier" to account for differences among jurisdictions based upon population density, critical infrastructures, and other significant risk factors. Baseline Capabilities Lists, created as part of the National Preparedness Goal required by Homeland Security Presidential Directive (HSPD)–8, will provide information to communities on the level of preparedness they should attain. Baseline Capabilities Lists will not dictate specific resource requirements (i.e., how many pieces of equipment to purchase). Rather, they will provide a capability standard that enables a jurisdiction to consider resource options available internally and through mutual aid to meet that requirement. The jurisdiction determines how many resources of what type and kind it needs in order to meet the standard. This promotes flexibility and will enable DHS to compare approaches and identify best practices. Both the Universal Task List and the Baseline Capabilities list are integral to the development of the National Preparedness Goal, also required by Homeland Security Presidential Directive-8.

You state that by December 31, 2004, the Secretary shall establish, "A Complete Federal Response Capabilities Inventory." **Can you give us an update on the progress of this effort? Will DHS also establish an inventory at the State and local level?**

Response: DHS, through FEMA and the NIC, is conducting a resource typing project to standardize descriptions and characteristics of common response teams and equipment. Resource typing ensures accuracy when incident managers are requesting or providing resources through mutual aid. For example, a "fire department strike team" will be the same, whether it comes from an adjoining city or several states away. To date, resource typing is complete for 120 of the most commonly exchanged resources, including personnel, teams, and equipment. Resource typing provides the foundation for a comprehensive inventory of federal, state, and local response assets. States and local jurisdictions may use their FY 2005 SHSGP and UASI funds to develop or update resource inventories in accordance with FEMA's resource typing. At the federal level, DHS, through FEMA, is developing a federal inventory of response resources, based on the resource typing definitions. A comprehensive resource ordering, tracking, and status system is an essential part of the NIMS. The Department must identify or develop a resource management system to store the inventory data once its collected. In the future, federal, state, and local resource inventories may be linked through a common resource management system to facilitate mutual aid and the exchange of resources.

State and local jurisdictions have inventories of existing capabilities and resources. They will be expected to update and compare those inventories to the Baseline Capabilities Lists for the appropriate Tier, in order to develop their Required Capabilities Lists in Fiscal Year 2005. OSLGCP will provide national guidance to the States and Urban Area Security Initiative Cities including the Baseline Capabilities Lists, organized by Tier, and metrics, after the President reviews and approves the National Preparedness Goal. The Baseline Capabilities Lists are being created as part of the National Preparedness Goal required by Homeland Security Presidential Directive (HSPD)–8.

Question: You state that by September 15, 2004, the Secretary will, "Submit National Preparedness Goal to the President, including National All-Hazards Preparedness Strategy." What type of information will be provided by this document? Will the unique needs of terrorism preparedness be recognized, in addition to all-hazards preparedness?

Response: On September 14, 2004, the Secretary approved a National Preparedness Goal (or "Goal"). The Goal was submitted to the President through the Homeland Security Council (HSC) for review and approval. Based on feedback from the HSC staff, the Department is working on revisions to the Goal. Once the revisions are approved, we will resubmit the Goal to the President through the HSC.

The purpose of the Goal is to establish a consistent "national"—not Federal—approach to strengthen national preparedness. The Goal will define measurable readiness priorities, targets, and metrics for the Nation to achieve. Federal, State, local, and tribal entities will continue to develop their own readiness priorities, targets, and metrics for their respective efforts to support the overarching national Goal. Measurable readiness priorities, targets, and metrics will help officials at all levels of government to improve strategic planning and planning, programming, and budgeting efforts for national preparedness.

The unique needs of terrorism preparedness have been prioritized in the context of all-hazards preparedness. For example, prevention and deterrence is identified as a national priority, in accordance with the National Strategy for Homeland Security, the Homeland Security Act of 2002, and other strategic documents.

Question: How has ODP directed resources and planning towards the actual implementation of these milestones?

Response: HSPD–8 identifies 16 major requirements for OSLGCP, other DHS components, and other Federal departments and agencies. OSLGCP coordinates and monitors progress for the DHS-wide effort as part of the Department's Strategic Goals, Objectives, and Milestones process, managed by the Deputy Secretary. OSLGCP has established a project management team and directed OSLGCP managers, subject matter experts, and vendor teams to support the effort. With guidance and support from the Secretary and the Homeland Security Council, OSLGCP has established a Senior Steering Committee and three Integrated Concept Teams with representatives from DHS components, other Federal departments and agencies, and State and local governments, in order to collaborate on the development of a common stakeholder vision for a national preparedness strategy, a process to balance the Federal portfolio of preparedness investments, a national training and exercise system, and a national preparedness assessment and reporting system. Once completed, the National Preparedness strategy and plans produced by the Integrated Concept Teams will provide further detail on how OSLGCP resources will build towards the implementation of HSPD–8 milestones.

3. The National Domestic Preparedness Consortium (NDPC) develops and provides the bulk of ODP training to first responders, but ODP is in the process of developing a new competitive training grant program, which will allow different entities to develop and provide training.

Question: How will ODP coordinate the responsibility for training among the NDPC, the new competitive training grant program, and training that is developed and administered by state and local governments?

Response: Over the last two years there has been a surge of interest in terrorism preparedness training. In recognition of this trend, DHS will meet emerging training needs and fill voids in the current training curriculum offered by OSLGCP through the NDPC and training partners.. The Competitive Training Grants are coordinated to complement the OSLGCP Training Strategy. These training needs were explicitly addressed in the grant application notification. .

The selection process of Competitive Grant recipients will be based on emerging training needs in the national training program. The state and local training courses supported by Homeland Security Grant Program funds are processed through the OSLGCP Course Approval Process. This process has been developed to ensure all courses follow the OSLGCP Training Strategy and meet the basic competencies for each level of training defined therein. The demand for training nationally requires the inclusion of quality and "to standard" training within the states and UASI areas.

Question: Which entity will be responsible for which type of training?

Response: The NDPC will continue to define the standard for the training offered by OSLGCP and will focus on the upper levels of training, Performance-offensive, and Planning/Management. The Competitive Grant Recipients will be held to this same standard for the areas of their demonstrated expertise for the courses they

submit. The states and UASI training is currently focused on the lower two levels of competency training, Awareness and Performance-defensive.

Question: Have you found that States are using an appropriate amount of funding for training purposes?

Response: At this time there is no definitive data on this. Currently there is a mix with some states actively involved in training and others not so. Although OSLGCP is further addressing the issue, OSLGCP believes that states should be devoting a greater proportion of their funds to support training. .

Question: What is the current status of the development of the competitive training grant program?

OSLGCP announced the Fiscal Year 2004 Competitive Training Program in the spring of 2004. The application period for proposals began on April 30, 2004 and closed on June 1, 2004. Two-hundred and nineteen competitive applications have been submitted, and the evaluation and review of the application is currently underway. Awards under the program are expected to be announced in late August, 2004.

4. Section 430 of the Homeland Security Act provides ODP with the primary responsibility to coordinate training programs at the Federal level and to work with state and local governments to prepare for acts of terrorism. Moreover, the National Strategy for Homeland Security clearly stresses the importance of effective training for first responders. Specifically, the Strategy directs the Federal government to build a national training and evaluation system.

Question: Describe for us the progress ODP has made in coordinating terrorism preparedness training programs with other Federal departments and agencies? If progress has not been made, why? What do you think can be done to correct the problem(s)?

Response: ODP is working to coordinate terrorism preparedness training programs through various methods. First, as the executive agent for the implementation of Homeland Security Presidential Directive 8 (HSPD–8) on national preparedness, ODP has developed an initial version of a Universal Task List (UTL) for Homeland Security based on the 15 illustrative planning scenarios developed by the Homeland Security Council. The UTL is intended to capture what essential tasks must be performed along the continuum of prevention through response and recovery, not how they must be executed. This approach will provide the flexibility Federal, regional, State, and local organizations require to effectively execute their homeland security missions. Most importantly, the UTL will form the basis, along with the National Incident Management System (NIMS), National Response Plan (NRP), and National Infrastructure Protection Plan (NIPP) for a common language with respect to preparedness training that has not previously existed.

ODP is currently completing the development of a tiered Target Capabilities List (TCL) required to perform the mission essential tasks listed in the UTL. The TCL will help decisionmakers at all levels direct their efforts and resources towards building required capabilities and will also provide agencies at all levels a common reference for analyzing their ability to perform essential tasks and determine needs. A Program Implementation Plan and Requirements (PIPR) was developed for the Training, Exercises, and Lessons Learned system under HSPD–8 by ODP in conjunction with other Federal departments and agencies as well as local stakeholders. This plan identified the need to map currently existing and developmental training to UTL tasks in order to most effectively determine gaps and overlaps in training. The PIPR is not currently being executed due to lack of committed resources. As an interim measure, ODP is working through the Federal Training Resources and Data Exchange group in order to update the Compendium of Federal Terrorism Training and provide linkage to UTL items. Truly effective coordination requires that a comprehensive solution, such as is outlined in the PIPR, be implemented. Based on this solution, when a valid performance need is identified through training, exercises or lessons learned, the need will be matched to an existing training solution or highlight the requirement for new training development.

The NIC is developing a NIMS National Standard Training Curriculum, incorporating DHS and all federal training providers, to ensure that there is a comprehensive curriculum to support the NIMS. The NIMS National Standard Curriculum is essential to the successful implementation of the NIMS at all levels of government, and ensures that training support is embraced across the federal government, and not only within DHS. The NIC will be meeting with all federal training providers in February, including ODP/OSLGCP, to discuss the development of a National Standard Curriculum and determine what training programs are already available to support the NIMS. OSLGCP grant funding could then be used to support the NIMS National Standard Curriculum at the State and local levels.

Question: What role does ODP play in coordinating intra-Departmental training? Other Directorates, such as the EP&R Directorate, conduct training programs. Please describe the coordination between ODP and EP&R.

Response: ODP's role in the coordination of intra-Departmental training is largely informal at present. It is important to note that unlike most of the other entities within the Department, ODP's training audience is external to the Department itself. ODP coordination occurs through the DHS Training Leaders Council and its subgroups facilitated by the Chief Human Capital Office as well as through a Federal group called Training Resources and Data Exchange (TRADE). Established in early 2001, the TRADE group is a forum for Federal departments and agencies to coordinate information on existing and developmental training related to terrorism and weapons of mass destruction. TRADE members include the Centers for Disease Control and Prevention, Combating Terrorism Technology Support Office Technical Support Working Group, Department of Energy, Environmental Protection Agency, Federal Bureau of Investigation, Federal Emergency Management Agency (Emergency Management Institute and National Fire Academy), Federal Law Enforcement Training Center, Health and Human Services Office of Public Health Emergency Preparedness, Health Resources and Services Administration, Information Analysis/Infrastructure Protection, Transportation Security Administration, and USDA Animal Plant Health Inspection Service. Since its inception, the Emergency Management Institute and National Fire Academy have participated in this group and currently more than 30 courses developed by the Federal Emergency Management Agency are eligible for the use of ODP formula grant funds as reflected in the recently release Fiscal Year 2005 grant guidance.

Additionally, ODP is working cooperatively with the Emergency Management Institute on a web-based revision of an existing exercise design and development course. ODP is also working with the Information Analysis / Infrastructure Protection directorate to provide a web-based pilot capability of its Workforce Antiterrorism Awareness/Prevention course. Additionally, ODP is represented on the advisory committee for the Federal Law Enforcement Training Center (FLETC) National Center for State and Local Law Enforcement Training. Through ODP's sister organization, the Office of State and Local Government Coordination, there are also staff members assigned for liaison and coordination with each directorate not only for training, but for cross-cutting issues. Finally, through the implementation process associated with HSPD–8, ODP engages in regular coordination with other intra-departmental organizations such as the NIMS Integration Center and the Headquarters Operational Integration Staff.

The NIMS Integration Center (NIC) is developing a NIMS National Standard Training Curriculum, incorporating DHS and all federal training providers, to ensure that there is a comprehensive curriculum to support the NIMS. The NIMS National Standard Curriculum is essential to the successful implementation of the NIMS at all levels of government, and ensures that training support is embraced across the federal government, and not only within DHS. The NIC will be meeting with all federal training providers in February, including ODP/OSLGCP, to discuss the development of a National Standard Curriculum and determine what training programs are already available to support the NIMS. OSLGCP grant funding could then be used to support the NIMS National Standard Curriculum at the State and local levels.

Question: Describe for us the progress ODP has made in working with state and local governments in implementing terrorism preparedness training programs.

Response: The Office for Domestic Preparedness (ODP) in the Office of State and Local Government Coordination and Preparedness (SLGCP) encourages States, territories, and Urban Areas to use funds to enhance the capabilities of State and local emergency preparedness and response personnel through development of a State homeland security training program. Allowable training-related costs under SLGCP grant programs include: 1) establishment of chemical, biological, radiological, nuclear, and explosives (CBRNE) terrorism and cyber security training programs through existing training academies, universities or junior colleges; and 2) overtime and backfill costs associated with attendance at SLGCP-sponsored and -approved CBRNE and cyber security training courses.

Homeland Security strategies recently submitted to the Department of Homeland Security's (DHS) Office for Domestic Preparedness (ODP) indicate that approximately 3.5 million emergency responders require chemical, biological, radiological, nuclear and explosive (WMD) weapons awareness training. In an effort to meet this identified need while supporting state and local efforts to institutionalize WMD awareness training, ODP developed a standardized WMD awareness training pro-

gram and began implementation in Fall 2004. The goal of this program is to provide states and urban areas with a mechanism for delivery and sustainment of WMD awareness training for the ten emergency response disciplines included in their strategies: emergency management, emergency medical service, fire service, government administrative, hazardous materials, health care, law enforcement, public communications, public health, and public works. The standardized awareness curriculum covers basic awareness level training; prevention and deterrence of terrorism; chemical and biological weapons agents; radiological and nuclear materials and explosive devices; and response actions. The program relies on a Train-the-Trainer approach to maximize the program's reach and facilitate ongoing efforts to incorporate Standardized WMD Awareness Authorized Trainers (SAAT) into state and local training programs. Each State and Urban Area will receive these sessions for the cadre of trainers they designate, including a minimum of three trainers per discipline. Since the program's implementation in the first quarter of Fiscal Year 2005, 563 trainers in 14 Urban Areas and 11 States have received training.

As of December 23, 2004, over 739,000 responders had received ODP training through the more than 40 courses in the ODP catalog. Recognizing the scope of the training needs at the State and local level, ODP is committed to the institutionalization of awareness and lower level performance training at those levels. Therefore, ODP is focusing its efforts on train-the-trainer programs in these categories. Additionally, in Fiscal Year 2005, States and Urban Areas are no longer required to request approval for personnel to attend other Federal courses related to CBRNE terrorism or non-SLGCP courses that fall within the SLGCP mission scope of preparing State and local personnel to prevent, respond to, and recover from acts of terrorism involving CBRNE weapons. States and Urban Areas are instead required to submit information via the training section of the ODP website on this training which they are supporting with SLGCP funds. This information consists of such information as course title, level of the training, the training provider, the date of the course, the number of individuals to be trained, and the sponsoring jurisdiction. Keeping in mind that Federal funds must be used to supplement—not supplant—existing funds that have been appropriated for the same purpose, States or Urban Areas intending to use SLGCP funds to support attendance at non-SLGCP courses must ensure that these courses:

- Fall within the SLGCP mission scope to prepare State and local personnel to prevent, respond to, and recover from acts of terrorism involving CBRNE weapons;
- Build additional capabilities that 1) meet a specific need identified through the homeland security assessment process, and 2) comport with the State or Urban Area Homeland Security Strategy;
- Address the specific tasks articulated in the ODP Emergency Responder Guidelines and the *ODP Homeland Security Guidelines for Prevention and Deterrence;*
- Address the specific tasks and capabilities articulated in the Universal Task List and Target Capabilities List, as they become available;
- Comport with all applicable Federal, State, and local certification and regulatory requirements.

Lastly, in Fiscal Year 2004, ODP conducted the Competitive Training Grant Program solicitation in 6 issue areas derived from needs identified in State Homeland Security Strategies. The 14 awards that were made under this program are under development and ODP is currently conducting data analysis of State and Urban Area strategies and implementation plans to define criteria for the Fiscal Year 2005 Competitive Training Grant Program solicitation.

5. Section 430 of the Homeland Security Act provides ODP with the primary responsibility to coordinate exercise programs at the Federal level and to work with state and local governments to prepare for acts of terrorism.

Question: Describe for us the progress ODP has made in coordinating terrorism preparedness exercise programs with other Federal departments and agencies. Have there been specific instances where terrorism preparedness exercises have not been coordinated with ODP or with DHS?Response: ODP has made significant strides towards coordinating terrorism preparedness exercise programs with other Federal departments and agencies. Specifically, the Top Officials (TOPOFF) Exercise Series has brought together multiple agencies including the FBI, TSA, FEMA, and the DOD. This has resulted in the direct improvement of communication, deployment of response personnel, and incident command management. Also, ODP sponsored the first ever New England Homeland Security Exercise Conference in which FEMA and the TSA discussed strategic exercise coordination for the entire northeast region.

In order to better ensure collaboration between federal agencies that exercise on a regular basis, ODP has established the National Exercise Schedule (NEXS). The impetus of the NEXS was directed in Homeland Security Presidential Directive (HSPD)–8, which said, "All Federal departments and agencies that conduct national homeland security preparedness-related exercises shall participate in a collaborative, interagency process to designate such exercises on a consensus basis and create a master exercise calendar". This calendar currently resides with ODP and has all federal level exercises, as well as state and local exercises placed in it.

Frequently, terrorism preparedness exercises occur without the coordination of ODP or DHS. However, the level of standardization fluctuates among agencies. As a result, goals are often not met, after action reports are inaccurate, and improvement plans fail to offer realistic solutions to real world challenges. This is one of the reasons why ODP has designed the Homeland Security Exercise and Evaluation Program (HSEEP). Ultimately, the goal is to eliminate the inconsistencies among agency exercises, and set one national standard which mandates participants to raise the bar when it comes to conducting exercises.

Question: Describe for us the progress ODP has made in working with state and local governments in implementing terrorism preparedness exercise programs. If progress has not been made, why? What do you think can be done to correct the problem(s)?

Response: ODP has made significant progress towards working with state and local governments in implementing terrorism preparedness exercise programs. Specifically, the HSEEP has nationally standardized exercise requirements and expectations. Additionally, the Exercise division has assigned individual exercise manages to specific states which has improved accountability and communication. Recently, ODP sponsored the first ever New England Homeland Security Exercise Conference. All of the New England States presented their exercise plans and discussed strategic exercise coordination for the entire northeast region.

In accordance with (HSPD)–8, ODP has worked with the states to write exercise plans which will encompass all of their exercise activity over a three year period so they may conduct homeland security preparedness-related exercises that reinforce identified training standards, provide for evaluation of readiness, and support the national preparedness goal. These plans cover the types of exercises which will be conducted and synchronize other ODP programs (equipment purchases, training) so as to have a maximum effect when conducted. The plans assist states to combine exercises from other federal programs which the state may be required to conduct. To date, ODP exercises have been conducted in maximum collaboration with State and local governments and appropriate private sector entities, as prescribed by HSPD–8.

ODP is developing a robust blended learning training program on exercise design as well as how to manage an exercise program, based on the HSEEP doctrine. This course will be available to all state and local governments so they can implement their own exercise program, utilizing ODP grant funding. Delivery of this training will be conducted in early in calendar year 2005.

Within calendar year 2005, ODP directly delivered over 170 exercises to states and locals, as well as collaborating with Canada on a series of exercises. These exercises involved some Federal departments and agencies, but the primary focus was on State and local governments and the private sector, so as to encourage active citizen participation and involvement in preparedness efforts, so as to keep in line with the direction put forth in HSPD–8.

QUESTIONS FROM THE HONORABLE BENNIE G. THOMPSON

Performance Measures

To the Committee's knowledge, there are no studies or metrics that determine how much states and localities have improved their preparedness for acts of terrorism or what needs remain. A December 31, 2003, report from the DHS Inspector General (IG) found that, "DHS program managers have yet to develop meaningful performance measures necessary to determine whether the grant programs have actually enhanced state and local capabilities to respond to terrorist attacks and natural disasters." An April 2004 report from the IG stated that the performance measures that ODP has created, ". . .do not fully address how federal funding has increased preparedness and response capabilities."

1. If DHS cannot measure the Nation's progress towards closing the security gaps-either as a whole or on a state-by-state basis-then what is the basis for the proposed $697 million reduction in grant funds to be distributed by the Office of Domestic Preparedness in FY 2005? No Response has been Recieved.

2. Can you provide details on your progress to date in building the terrorism preparedness capabilities of states and localities, how are you measuring this progress, and what is your timeline for building a "baseline" level of preparedness capabilities nationwide? No Response has been Recieved.

Guidelines for Equipment. Training. and Exercises

The April IG report also noted that first responders do not have clear federal guidelines for equipment, training, and exercises, making it difficult to determine their highest priority needs and to decide how best to spend grant funds. State officials and first responders believed that the development of federal guidelines for first responders should be accelerated.

1. What is ODP doing to accelerate the development of guidelines or standards for equipment, training and exercises? No Response has been Recieved. Who in DHS has the lead on developing such guidelines? No Response has been Recieved. When can we expect such guidelines to be completed and made available to state and local entities? No Response has been Recieved.

2. As you are aware, this Committee has passed legislation that would require DHS to develop equipment and training standards for your grant program within a relatively short period of time. Do you support this legislation, and if not, what alternative do you propose to address this shortcoming in the grant program? No Response has been Recieved.

FIRE Grants

The FIRE Grant program was created by Congress in order to meet basic, critical needs of the fire fighting community—including fire engines, portable radios, protective clothing, and breathing apparatus—which a December 2002 study by the U.S. Fire Administration and the National Fire Protection Association found to be significant. The Administration proposing to reduce funding for this program from $750 million to $500 million, and is also proposing to shift the focus of this program to terrorism preparedness.

In addition, the Administration's proposal for the fire grant program limits the use of grant funds to only four (4) of the fourteen authorized uses. This proposal would have a serious impact on prevention programs benefiting both at-risk populations and programs designed to improve the health and safety of our firefighters. Further, in a report on the FIRE Grant program, the DHS Inspector General indicated that a greater emphasis should be placed on funding fire prevention activities.

1. Why did the Administration unilaterally decide to request a limit on the use of FIRE grant funds through legislative language, rather than selecting specific grant categories for FY 2005 after consultation with national fire organizations, as has normally been the case? No Response has been Recieved. Even if most past FIRE grants were awarded in these four categories, why are you seeking to limit the flexibility of local fire departments? No Response has been Recieved.

2. How does DHS intend to address the shortcomings in fire prevention activities identified by the Inspector General, if funds are not authorized for this purpose? No Response has been Recieved.

Urban Area Security Initiative

Although the President's request increases the amount of discretionary grant funds to be distributed based on threats and vulnerabilities under the Urban Area Security Initiative, you have yet to provide Congressional appropriators and authorizers with a detailed explanation of the intelligence information that you are using to determine which cities receive these grants, despite the fact that we have requested this information. In addition, it still is not at all clear how the Department intends to measure progress in building our preparedness capabilities nationwide, especially when you are reducing funds for the State Homeland Security Grant program by almost $1 billion.

1. When can we expect the Department to provide this Committee with detailed information that supports your selection of specific cities to receive funds under the Urban Area Security Initiative (UASI)? No Response has been Recieved.

2. If your proposal is approved, how many cities do you expect to receive UASI funds in FY 2005? No Response has been Recieved.

3. In years past, ODP has carved out a portion of UASI funds for specific discretionary grant funds to ports and transportation systems. Do you have plans to carve out any UASI funds for these purposes, and if

so, how much money will you set aside? No Response has been Recieved. Why wasn't this part of the budget request to Congress? No Response has been Recieved.

4. Given the recent events in Spain, what was the process for selecting the recipients of mass transit security grant funds under the FY 2004 UASI program? No Response has been Recieved. Did DHS perform any threat or risk assessments to determine the allocation of these funds? No Response has been Recieved. Do you have an estimate on total needs for securing rail and mass transit systems? No Response has been Recieved.

Pipeline Issues

Secretary Ridge has claimed that since September 11, 2001, billions of dollars that have been allocated by the federal government have not yet reached the intended grantees at the local level. On March 15,2004, Secretary Ridge created a task force, chaired by Massachusetts Governor Mitt Romney, to recommend ways to improve the efficiency and accountability of the "pipeline" between DHS and state and local grant recipients. Most DHS grants for first responders include timelines that require States to pass through a set percentage (often 80%) of funds to the local level in a specified period (often 60 days).

1. Secretary Ridge and several other senior Department officials have stated that there are billions of dollars stuck in the pipeline, neither in DHS accounts or received at the local level. Why doesn't ODP have the tools in place to know exactly where every dime is? No Response has been Recieved. Will those tools be in place to track the FY 2005 grants? No Response has been Recieved.

2. States have to submit a state plan and an application, both of which are subject to DHS review, before receiving DHS grant funds. I assume that the plan and application say something about how the grant funds will be used. If this is the case, why do DHS grants work by reimbursement, rather than allocating funds? No Response has been Recieved. Doesn't this slow the process down? No Response has been Recieved.

Emergency Management Performance Grant Program

The President's budget proposal significantly impacts the Emergency Management Performance Grant program; only 25% of grant funds will be available to support State and local emergency management personnel salaries. At present, up to 100% of these grant funds can be used for personnel salaries, if required. A March 2002 survey by the National Emergency Management Association found that an additional 5,212 local emergency management positions are needed with 3,960 (or 76 percent) of those positions being fulltime directors needed to manage the programs.

1. Under Secretary Brown and others have informed this Committee that the limitation on the use of EMPG grant funds for personnel costs will result in increased state and local training and exercises. However, without sufficient, experienced emergency management personnel, how will states and localities be able to participate in additional training and exercise activities? No Response has been Recieved.

2. The organizations representing state and local emergency managers have told us that in light of current budget troubles in most states, the proposed 25% cap would lead to a drastic reduction in the numbers of emergency managers. Given the vital role these managers play, why does the Department want to put them out of work? No Response has been Recieved.

Interoperable Communications

Although interoperable communications systems remain a critical need for the first responder community, the President's Budget requests no funds for grants to enhance interoperability, either in DHS or in the Department of Justice COPS program. This budget does not support the promises of Secretary Ridge, who has stated that implementing interoperable communications systems is a DHS priority, and that, "we all must work together to give them the tools to do their jobs—in a way that replaces outdated, outmoded relics with an interoperable, innovative and integrated system."

1. Why hasn't DHS created a separate grant program to meet this critical need? No Response has been Recieved.

2. What percentage of ODP First Responder grant funds are being used for interoperable communications, and what guidance are you providing to grant recipients regarding what systems to purchase? No Response has been Recieved. Do you allow funds to be used for patching

and connect or technologies that make use of existing communications infrastructures? No Response has been Recieved.

3. There appears to be some duplication as to what organizations in DHS are responsible for developing, publishing, and updating standards and guidance for interoperable communications systems. How are such standards integrated into your grant programs? No Response has been Recieved. If ODP is responsible for these standards, what is the role of the Science and Technology Directorate and Project SAFECOM? No Response has been Recieved.

National Preparedness Goal. HSPD–8

A December 2003 Presidential Directive (HSPD–8) requires the Secretary of DHS to develop a national domestic all-hazards preparedness goal that will be included in the Secretary's FY 2006 budget request to the Office of Managent and Budget.

1. How do you intend to develop this goal, and what committees or task forces have you created to begin work on this important project? No Response has been Recieved. What organization within DHS is taking the lead on developing this goal? No Response has been Recieved. What other Federal agencies are involved in this process? No Response has been Recieved.

2. How will state and local governments be involved in the development of this goal? No Response has been Recieved. Unlike the process for developing the National Response Plan, I hope DHS has included state and local representatives in initial discussions and meetings, and that the process is open to other interested parties, such as national standards development organizations.

3. How will this goal be integrated into both your current grant programs and your future budget requests? No Response has been Recieved.

4. When do you expect to be completed with this goal, and will you share your findings with this Committee? No Response has been Recieved.

State and Local Training

For FY 2005, the Administration proposes $91.9 million for the State and local training program, a $103 million reduction from FY 2004 levels. Traditionally, National Domestic Preparedness Consortium member institutions—who conduct most of ODP's training programs—have paid the travel costs of state and local personnel attending training at their respective facilities. For FY 2005, the Administration intends to require state and local governments to pay these travel costs out of State Homeland Security grant funds, and therefore has reduced NDPC funding.

1. Doesn't the Administration's proposal create a disincentive for increased participation in training, as state and local governments would be forced to utilize limited State Homeland Security grant funds for travel costs, rather than using the funds for planning, equipment, or exercises? No Response has been Recieved.

2. Doesn't this budget request propose cuts to the training program to shift funding for travel to the State Homeland Security Grant Program, and at the same time, cut that State grant program? No Response has been Recieved.

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