

DEPARTMENT OF HOMELAND SECURITY APPROPRIATIONS FOR FISCAL YEAR 2005

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

NONDEPARTMENTAL WITNESSES

[The following testimonies were received by the Subcommittee on Homeland Security for inclusion in the record. The submitted materials relate to the fiscal year 2005 budget request for programs within the subcommittee's jurisdiction.]

PREPARED STATEMENT OF THE ASSOCIATION OF AMERICAN UNIVERSITIES

Mr. Chairman, Members of the Subcommittee: I am pleased to have this opportunity to present the views of the Association of American Universities (AAU) concerning the fiscal year 2005 budget proposal for the Department of Homeland Security Science and Technology (S&T) Directorate. AAU is an organization of 62 leading public and private research universities.

Let me begin by thanking Chairman Cochran, Ranking Member Byrd, and members of the subcommittee for their efforts last year in helping the new Department of Homeland Security (DHS) get up and running. I would especially like to thank them for their recognition of the role that universities can play in helping the Department fulfill its mission and for your strong support of the university programs within the DHS S&T Directorate. You all have done the nation a great service, and your work to ensure the security of our homeland is very much appreciated.

AAU Urges Strong Support of Homeland Security S&T

AAU supports the \$1.039 billion proposed in the President's fiscal year 2005 budget request for the DHS S&T Directorate. The primary interest of the university community continues to be with DHS University Programs, which support the DHS scholarship, fellowship, and university center programs. AAU requests \$70 million for DHS university programs in fiscal year 2005, the same level approved by Congress in fiscal year 2004. This is \$40 million more than the President's fiscal year 2005 request.

AAU recommends that this additional \$40 million be used to support new DHS university-based centers and other innovative university-based research programs. This is consistent with AAU's view that DHS S&T programs should focus not only on the development of technologies with near-term applications but also on helping generate the fundamental knowledge, cutting-edge science, and human infrastructure needed to meet the nation's future homeland security needs. AAU also supports funding for S&T staffing and administration at a level that allows the directorate to ensure that S&T funds are awarded to projects fairly and competitively, based on scientific and technical merit.

The Role of Universities in Homeland Security

There are several reasons why AAU believes that continued strong support for university research and training is needed and can greatly assist the Department of Homeland Security. Let me briefly highlight three of them:

Long-Term University-Based Research is Critical to Homeland Defense.—Science and engineering research conducted on university campuses is the foundation for many of the technologies now being deployed to prevent, detect, and treat victims of chemical, biological, radiological, nuclear and conventional terrorist attacks. As with university-based basic and applied defense research programs, fundamental

knowledge and research generated at universities will serve as the “seed corn” from which future homeland security technologies will grow.

Universities Are an Important Resource in the Domestic War on Terror.—University medical facilities and personnel were critical in providing medical care and emergency response services after the September 11, 2001, attacks in New York City and Washington D.C. When the anthrax attacks occurred on Capitol Hill, university researchers were called on to help Americans better understand the threat posed by biological agents and to provide critical information that enabled federal agencies and Congress to respond effectively.

University researchers are actively exploring new methods to safeguard the nation, including detection of, and response to, domestic biological, chemical, nuclear, and radiological attacks; risk assessment; cybersecurity; protection of critical infrastructure; and developing a better understanding of the behaviors and motivations of those who engage in terrorist activities.

Universities Are Leading Homeland Security Training and Coordination.—Universities continue to work with government officials at all levels, industry and non-profit leaders, and first-responders to develop coherent, effective homeland security strategies. Colleges and universities are also developing new programs to train first responders and educate students to address current and future homeland security challenges.

Conclusion

Let me conclude by saying that in addition to being able to assist the Department of Homeland Security in fulfilling its science and technology and training objectives, AAU and its member universities are working to ensure safety and security on university campuses. This includes compliance with the new biological and select agent regulations and efforts to help ensure that new systems to track foreign students—as required by law—are in place. AAU urges that in addition to providing funding for homeland security S&T, Congress and the Administration provide adequate funding to support university efforts to respond to these new requirements for campus-based homeland security. With your support, and working together, the nation’s research universities will be able to continue to help fight terrorism and ensure domestic security.

Again, I appreciate your ongoing work in support of homeland security. Thank you for the opportunity to submit testimony. Please let me know should you have any questions.

PREPARED STATEMENT OF THE AMERICAN PUBLIC TRANSPORTATION ASSOCIATION

Mr. Chairman, thank you for this opportunity to submit written testimony on the security and safety of public transportation systems. We appreciate your interest in transportation security, and we look forward to working with you as you develop the fiscal year 2005 appropriations bill for the Department of Homeland Security.

ABOUT APTA

The American Public Transportation Association (APTA) is a nonprofit international association of over 1,500 public and private member organizations including transit systems and commuter rail operators; planning, design, construction, and finance firms; product and service providers; academic institutions; transit associations and State departments of transportation. APTA members serve the public interest by providing safe, efficient, and economical transit services and products. Over ninety percent of persons using public transportation in the United States and Canada are served by APTA member systems.

OVERVIEW

Mr. Chairman, public transportation is one of our Nation’s critical infrastructures. We cannot over emphasize the importance of our industry to the economic vitality of this country. Over 9.5 billion transit trips are taken annually on all modes of transit service. People use public transportation vehicles over 32 million times each weekday. This is more than 16 times the number of daily travelers aboard the Nation’s airlines, and 450 times the number of travelers on Amtrak.

The American people rightfully expect that they can travel to work, school, and any destination on public transit without fearing for their safety and security. Our industry is fully engaged in meeting this responsibility. However, the American people, and we also require the full support of the Federal Government to effectively address this challenge.

America's public transportation services are by design and necessity an open environment. Safety and security are thus the top priority of the public transportation industry. Transit systems took many steps to improve security prior to the horrific terrorist attacks of September 11, 2001, and have significantly increased efforts since then by spending approximately \$1.7 billion on security and emergency preparedness programs and technology. These expenditures have been made from local transit agency's own budgets with minimal Federal funding. Recent terrorist attacks in Madrid only highlight the need to strengthen security on public transit systems and to do so without delay.

In a recent APTA survey transit systems identified both capital and operating actions that would enhance transit security; transit agencies around the country have identified in excess of \$6 billion in transit security needs. State and local governments and transit agencies are doing what they can to improve security, but it is important that the Federal Government be a full partner in the effort to ensure the security of the Nation's tens of millions of transit users.

We urge the Congress to act decisively on this issue. In light of the documented needs, we respectfully request Congress to provide \$2 billion in the fiscal year 2005 Homeland Security Appropriations bill for transit security. Of that amount, we suggest that \$1.2 billion be provided for capital needs such as improved inter-operable radio communications, strengthening access control to facilities, and establishing emergency operations control centers, and that \$800 million be provided for security related operating costs, including threat assessments, planning, public awareness, training, and drills.

We further request that the existing process for distributing Office of Domestic Preparedness (ODP) Federal grant funding be modified so that funds are distributed directly to transit agencies as was done in fiscal year 2003, rather than through State Administrating Agencies (SAA) as was done in fiscal year 2004.

PUBLIC TRANSPORTATION SECURITY

Mr. Chairman, transit employees are on the front line in our Nation's effort against terrorism. They are the first responder evacuation teams who will assist in getting the public out of critical incident areas and our cities in the event of a terrorist attack. This was evident on September 11, 2001, when public transportation systems in New York City, New Jersey and Washington D.C. helped safely evacuate citizens from center cities. Indeed, this same story was true around the country as transit systems quickly and efficiently evacuated people from closed airports and downtown areas. We remember that the interstate highway program was begun by President Eisenhower as a national defense interstate highway program. It is clear now that public transportation too has a significant national defense component and is a fundamental element in responding to terrorist attacks and other community disasters and emergencies.

In that connection, APTA has played a critical role in transportation security and works closely with a number of Federal agencies in this regard, notably the Federal Transit Administration (FTA) and the Federal Railroad Administration of the U.S. Department of Transportation, and the Transportation Security Administration (TSA), the Office of Domestic Preparedness (ODP), and the Directorate of Information Analysis & Infrastructure Protection of the U.S. Department of Homeland Security. At the program level, APTA works closely with these agencies to administer an industry audit program that oversees a system safety and security management plan for transit systems around the country. Our safety audit program for commuter rail, bus, and rail transit operations has been in place for many years and includes elements specific to security planning and emergency preparedness. Separately, in connection with Presidential Decision Directive Number 63, we are pleased to have been designated a Public Transportation Sector Coordinator by the Department of Transportation, and as my testimony notes below, we have established a Transit Information Sharing Analysis Center (ISAC) that provides a secure two-way reporting and analysis structure for the transmission of critical alerts and advisories to transit agencies around the country. This ISAC is also a mechanism for transit agencies to provide information to the DHS.

Since the events of 9/11, State and local public transit agencies, like all State and local entities, have spent significant sums on police overtime, enhanced planning and training exercises, and capital improvements related to security. As mentioned in the overview, a 2004 APTA survey of transit agencies around the country has identified in excess of \$6 billion in added transit security needs. These include both one-time capital investments and recurring operating expenses related to security. It is important to note that these costs are above and beyond the capital infrastructure needs we have identified under the TEA 21 reauthorization effort.

BACKGROUND

Mr. Chairman, prior to and following September 11, 2001, the date of the most devastating terrorist attack in U.S. history, American public transportation agencies have taken significant measures to emphasize their security and emergency preparedness to adjust to society's new State of concern. Although agencies had a wide range of security initiatives in place at the time of the World Trade Center and Pentagon attacks and already had developed emergency response plans, the September 11 incidents caused the agencies to focus, strengthen, and prioritize additional security efforts.

Transit agencies have had an excellent safety record and have worked for years to enhance their system security and employee security training, partly responding to government standards, APTA guidelines, and by learning through the attacks on transit agencies abroad. For example, the 1995 sarin gas attack in the Tokyo subway system caused U.S. transit properties managing tunnels and underground transit stations to go on high alert. The San Francisco Bay Area Rapid Transit District, for instance, responded to the possible threat of chemical weapons attacks by sending a police team to Fort McClellan, Alabama, to learn response tactics from U.S. Army chemical weapons experts.

In the months following the September 11 terrorist attacks, transit agencies of all sizes worked to identify where they might be vulnerable to attacks and increased their security spending for both operations and capital costs. The agencies subsequently upgraded and strengthened their emergency response and security plans and procedures, taking steps to protect transit infrastructure and patrons and increase transit security presence while giving riders a sense of security.

Some initiatives around the country include:

- Increased surveillance via closed circuit TV
- Increased training for employees
- Hired more police, K-9 units added
- Chemical detection systems being tested
- Infrastructure design to eliminate hiding places
- Drills are routinely held with first responders
- Encouraging riders to be vigilant for suspicious activities or items.

After September 11, many transit organizations worked to prevent unauthorized entry into transit facilities. The need for employees and passengers to stay alert and report suspicious occurrences became a key goal of many agencies. These efforts are paying off. But while many transit agencies are more secure than prior to September 11, more needs to be done.

Since the attacks, APTA and the Federal Transit Administration have emphasized the need for effective transit security and emergency preparedness. FTA has sent security resources toolkits to transit agencies; completed security-vulnerability assessments of the Nation's largest transit systems; and provided technical support and grants of up to \$50,000 to fund agency emergency drills.

FTA continues to provide emergency preparedness and security forums nationwide. In emphasizing the importance of enhancing transit security, FTA Administrator Jennifer L. Dorn noted that thousands of lives were spared on September 11 in New York City and Washington "because of the quick action of first responders and transit workers."

APTA has launched additional efforts to further transit industry security and preparedness, collaborating with FTA in developing emergency preparedness forums, and sponsoring and organizing security-related conferences and workshops. Moreover, APTA developed a list of critical safety and security needs faced by the transit industry, which it has provided to the Department of Transportation and the U.S. Congress.

PUBLIC TRANSPORTATION INFORMATION SHARING ANALYSIS CENTER (ISAC)

Presidential Decision Directive Number 63 authorizes and encourages national critical infrastructures to develop and maintain ISACs as a means of strengthening security and protection against cyber and operations attacks. APTA is pleased to have been designated a Public Transportation Sector Coordinator by the U.S. Department of Transportation, and in that capacity has received a \$1.2 million grant from the Federal Transit Administration to establish a transit ISAC. APTA recently formalized an agreement with a private company to implement the ISAC and make it available to public transit systems around the country.

This ISAC for public transit provides a secure two-way reporting and analysis structure for the transmission of critical alerts and advisories as well as the collection, analysis and dissemination of security information from transit agencies. The public transit ISAC also provides a critical linkage between the transit industry, the

U.S. Department of Transportation, the Transportation Security Administration, and the Office of Homeland Security. A request for funding to continue this ISAC has been submitted to the Department of Homeland Security's Directorate of Information Analysis & Infrastructure Protection.

ONGOING TRANSIT SECURITY PROGRAMS

Mr. Chairman, while transit agencies have moved to a heightened level of security alertness, the leadership of APTA has been actively working with its strategic partners to develop a practical plan to address our industry's security and emergency preparedness needs. Shortly after the September 11 events, the APTA Executive Committee established a Security Task Force under the leadership of Washington Metro's CEO, Richard A. White. The APTA Security Task Force has established a security strategic plan that prioritizes direction for our initiatives. Among those initiatives, the Task Force serves as the steering group for determining security projects that are being implemented through over \$2 million in Transit Cooperative Research funding through the Transportation Research Board.

Through this funding, APTA held four transit security workshop forums for the larger transit systems with potentially greater risk exposure. These workshops provided confidential settings to enable sharing of security practices and applying methodologies to various scenarios. The outcomes from these workshops were made available in a controlled and confidential format to other transit agencies unable to attend the workshops. The workshops were held in New York, San Francisco, Atlanta, and Chicago.

In partnerships with the Transportation Research Board, the APTA Security Task Force has also established two TCRP Panels that identified and initiated specific projects developed to address Preparedness/Detection/Response to Incidents and Prevention and Mitigation. The Security Task Force emphasized the importance for the research projects to be operationally practical.

In addition to the TCRP funded efforts, a generic Checklist For Transit Agency Review Of Emergency Response Planning And System Review has been developed by APTA as a resource tool and is available on the APTA website. Also through the direction of the Security Task Force, APTA has reached out to other organizations and international transportation associations to formally engage in sharing information on our respective security programs and directions and to continually work towards raising the bar of safety and security effectiveness.

Within this concept of partnership and outreach, APTA also continues in its ongoing collaboration with the Federal Transit Administration to help in guiding and developing FTA programs. Among these are regional Emergency Preparedness and Security Planning Workshops that are currently being delivered through the Volpe Center and have been provided in numerous regions throughout the United States. The primary focus of such workshops has been to assist particularly smaller transit systems in building effective emergency response plans with first responders and their regional offices of emergency management. Also within this partnership, APTA has assisted the FTA and the National Transit Institute in the design of a new program "Security Awareness Training for Frontline Employees and Supervisors." This program is now being provided by NTI to transit agencies throughout the Nation.

Collaborative efforts between APTA, FTA, Volpe Center, and the National Transit Institute are also underway to establish a joint website that will specifically gather and disseminate effective transit practices with initial emphasis on safety and security.

As you may be aware, APTA has a long-established Safety Audit Program for Commuter Rail, Bus, and Rail Transit Operations. Within the scope of these programs are specific elements pertaining to Emergency Response Planning and Training as well as Security Planning. In keeping with our industry's increased emphasis on these areas, the APTA Safety Audit Programs have similarly been modified to place added attention to these critical elements.

APTA's Committee on Public Safety continues to provide a most critical forum for transit security professionals to meet and share information, experiences and programs and to also provide valuable input to programs being developed by the FTA.

SECURITY INVESTMENT NEEDS

Mr. Chairman, after the awful events of 9/11, the transit industry invested some \$1.7 billion in enhanced security measures building on the industry's considerable efforts already in place. At the same time, our industry undertook a comprehensive review to determine how we could build upon our existing industry security practices. This included a range of activities, some of which I discussed earlier in my testimony, including research, best practices, education, information sharing in the

industry, surveys and the like. As a result of those efforts we are now at a phase where we know what we can most effectively do in terms of creating a more secure environment for our riders and have accordingly identified critical security investment needs.

Our latest survey of public transportation security identified needs of at least \$5.2 billion in additional capital funding to maintain, modernize, and expand transit system security functions to meet increased security demands. Over \$800 million annually for increased operating costs for security personnel, training, technical support, and research and development have been identified, bringing total additional transit security funding needs to more than \$6 billion.

Responding transit agencies were asked to prioritize the uses for which they required additional Federal investment for security needs. Priority examples of operational needs include:

- Funding current and additional transit agency and local law enforcement personnel
- Funding for over-time costs and extra security personnel during heightened alert levels
- Training for security personnel
- Joint transit/law enforcement training
- Security planning activities
- Security training for other transit personnel

Priority examples of security capital investment needs include:

- Radio communications systems, including operational control center redundancy
- Security cameras on-board transit vehicles and in transit stations
- Controlling access to transit facilities and secure areas
- Automated vehicle locator systems
- Security fencing around facilities

Transit agencies with large rail operations also reported a priority need for Federal capital funding for intrusion detection devices.

To date the DHS has allocated some \$115 million for public transportation security through its Office of Domestic Preparedness. While we appreciate this support from the Department, we must build on those initial investments and begin to address the \$6 billion in critical needs the transit industry has identified. We believe that a funding level of \$2 billion in the fiscal year 2005 Homeland Security Appropriations bill would effectively begin the process of funding those needs. Of that amount, we suggest that \$1.2 billion be provided for transit capital needs, and that \$800 million be provided for transit agencies for operating costs.

The Administration's fiscal year 2005 budget, however, does not specifically call for investment in public transportation security. We think it should. Currently ODP grants for transit systems are made available through the States, which means that our transit systems do not have a direct relationship with DHS, and which also means that the process of getting the funds to the local transit systems can be lengthy. Mr. Chairman, our Nation's transit systems have a direct and cooperative working relationship with DOT's Federal Transit Administration which allocates Federal capital investment directly to them, and we believe this is an excellent model that we would like to see developed with the DHS. We stand ready to help in any way we can in that regard.

CONCLUSION

Mr. Chairman, in light of our Nation's heightened security concerns post 9/11, and the bombings in Madrid, tens of millions of Americans relying on public transportation expect the services they use to be made more secure. Increased Federal investment in public transportation security by the Congress and DHS is critical. The public transportation industry has made great strides in transit security improvements since 9/11 but much more needs to be done. We look forward to building on our cooperative working relationship with Congress and the Department of Homeland Security to begin to address these needs. We again thank you and the Committee for allowing us to submit testimony on these critical issues and look forward to working with you on safety and security issues.

PREPARED STATEMENT OF THE ASSOCIATION OF STATE DAM SAFETY OFFICIALS

Dear Chairman Cochran and Members of the Subcommittee: The Association of State Dam Safety Officials (ASDSO) is pleased to offer testimony on the President's proposed fiscal year 2005 budget for the Department of Homeland Security.

The Association of State Dam Safety Officials respectfully requests that the Subcommittee increase the Administration's proposed budget of \$5.9 million to \$8.6 mil-

lion to fully fund the National Dam Safety Program at its authorized level for fiscal year 2005. The Association further requests that these funds be earmarked for the sole purpose of carrying out mandates authorized in the National Dam Safety and Security Act of 2002.

The Association of State Dam Safety Officials is a national organization of more than 2,200 state, Federal and local dam safety professionals and private sector individuals dedicated to improving dam safety through research, education and technology transfer. ASDSO represents the 50 state dam safety programs, as the state dam safety officials are the governing body of the Association. Our goal is simply to save lives, prevent property damage and to maintain the many benefits of dams by preventing dam failures.

During the 1970s this country suffered devastating dam failures that caused tragic loss of life and enormous property damage; and focused national attention on the catastrophic consequences of dam failures. Those historic failures and recent dam failures serve as a constant reminder that dams must always be properly constructed, properly designed and properly operated and maintained to provide vital benefits and prevent failures.

Today our focus is not only on the safety of dams related to maintenance issues but on security as the Nation faces a significant challenge to protect our infrastructure from terrorist attacks. Protection of U.S. dams is a major concern and focus of national strategic planning efforts within the Department of Homeland Security.

National Dam Safety Program

The National Dam Safety Program Act of 1996 (Public Law 104-303) created the first national program that focused on improving the safety of the Nation's dams. Congress reauthorized the program through the Dam Safety and Security Act of 2002 (Public Law 107-310) and made modest increases in the authorized funds. This small, yet critical program provides much needed assistance to the state dam safety programs in the form of grant assistance, training and research; and through facilitating the exchange of technical information between Federal dam safety partners and the states. The program provides \$6 million in grant assistance to states based on the relative number of dams in each state. The grants may be utilized to best suit the individual state's needs. In addition, the National Dam Safety Program provides \$500,000 each year to be used for training of state dam safety engineers and \$1.5 million annually for research. These research funds are used to identify more effective methods of evaluating the safety of dams and more efficient techniques to repair dams. And now, these research funds can be used to develop better methods to assess and improve the security of dams.

There are over 79,000 dams in the United States, but the responsibility of assuring their safety falls on the shoulders of the states, as they regulate 95 percent of the country's dams. Because of limited staff and limited funding, most states are overwhelmed by that challenge. Table 1 attached to this testimony provides state-by-state data on the number of dams, the number of staff, the state budget and the number of dams that are considered "unsafe." Unsafe means that they have identified deficiencies that make the dam more susceptible to failure, which may be triggered by a large storm event, an earthquake or simply through inadequate maintenance. Currently states have identified over 3,300 dams as being deficient, or unsafe. In Kentucky the state lists 88 unsafe dams including 36 that are classified as high hazard potential. In Pennsylvania there are 531 unsafe dams and 98 of these are classified as high hazard potential.

There are over 10,000 dams classified as high hazard potential meaning that the consequences of the dam's failure will likely include loss of human life and significant downstream property damage. Every member of this Subcommittee has high hazard dams in their home state. There are 217 high hazard potential dams in Kentucky, 861 high hazard potential dams in Texas and 1,027 high hazard potential dams in North Carolina. According to the National Inventory of Dams more than 53 percent of the high hazard potential dams have not been inspected in the last ten years. High hazard potential dams should be inspected every year.

The task for state dam safety programs is staggering; in Iowa where there are over 3,300 dams there are only 1.25 full time employees assigned to the dam safety program. Texas has over 8,000 dams with only 5 engineers in their dam safety program; and Minnesota, which has almost 1,000 dams, only has a staff of 2.1 full time employees

The American Society of Civil Engineers' 2003 Progress Report for America's Infrastructure listed a downward trend line indicating that the condition of the Nation's dams continues to decline. The dams across the United States are aging as 85 percent of the dams will be 50 years or older by the year 2020.

Downstream development within the dam failure flood zone places more people at risk. When homes are built in the dam failure flood zone below a low hazard dam, (low hazard: failure is not expected to cause loss of life or significant property damage) the dam no longer meets dam safety criteria as the potential consequences of a failure now include loss of life.

Federal Leadership Role

There is a clear need for continued Federal leadership to provide assistance in support of dam safety. This country suffered several large and tragic dam failures in the 1970s that focused attention on dams and prompted Congress to pass national dam safety legislation. In 1972, the Buffalo Creek Dam in West Virginia failed and killed 125 individuals; in 1976 the Teton Dam failure in Idaho caused \$1 billion in damages and 14 deaths; the Kelly Barnes Dam in Toccoa Falls, Georgia failed in 1977 killing 39 Bible college students; also in 1977 40 people died from the failure of the Laurel Run Dam in Pennsylvania; and in 1996 the 38 foot tall Meadow Pond Dam in Alton, New Hampshire failed killing one woman and causing \$8 million in damage.

However, the recent failure of the Silver Lake Dam in Michigan in May 2003 again demonstrated the enormous potential damages that dam failures can produce. This dam failure caused more than \$100 million in damages including \$10 million in damages to utilities, \$4 million to the environment, \$3 million to roads and bridges and flooded 20 homes and businesses. In addition, the Silver Lake Dam failure flooded a major power plant, which in turn caused the closure of two iron mines, putting 1,100 miners temporarily out of work.

Just last month on March 12, 2004, the Big Bay Lake Dam in Mississippi failed destroying 48 homes, damaging 53 homes, 2 churches, three businesses and a fire station and washing out a bridge. This dam, which cost \$2.5 million to construct, has caused many millions in damages, will require downstream homeowners and businesses to rebuild, caused significant loss of property values around the lake and has resulted in \$100 million lawsuit filed against the dam owner on behalf of the homeowners.

Dam failures do not respect state boundaries, as a dam failure in one state may cause loss of life and property damage in an adjacent state. The Federal Government funds the recovery costs from the President's disaster relief fund and through the Flood Insurance Program, but the cost of one small dam failure can easily exceed the annual costs of the National Dam Safety Program. Full funding of the National Dam Safety Program is an investment in public safety that will be repaid many times over in fewer dam failures, reduced Federal expenditures for dam failure recovery and, most importantly, fewer lives lost.

Benefits of the National Dam Safety Program

The National Dam Safety Program has been very successful in assisting the state programs. The training program is created is one aspect of this success (\$500,000). This training provides access to technical courses and workshops that states engineers could not otherwise attend. Examples include Dambreak Analysis, Concrete Rehabilitation of Dams, Slope Stability of Dams, Earthquake Analysis, Emergency Action Planning and many others including recent training in Dam Site Security. Training courses are also offered through FEMA's training facility at their Emergency Management Institute in Maryland where state dam safety inspectors receive training at no cost to the states.

The Research Program is an important program to all within the dam safety community. Its funds have been used to identify future research needs such as inspections using ground penetrating radar or risk analysis. In addition, these funds have been used to create a national library and database of dam failures and dam statistics at the National Performance of Dams Program at Stanford University as well as a national clearinghouse and library of dam safety bibliographic data at ASDSO.

Research funds are currently being used to provide security training, security assessment tools and best management practices for states to utilize in addressing potential terrorists actions against the 75,000 non-Federal dams. The small increase (\$500,000) in the funding levels authorized by the 2002 act was intended to address dam site security. Dam site security is now an urgent area of concern for state dam safety officials both in training needs and in research to better understand and respond to potential threats to dams.

The most valuable benefit to the state programs comes from the State Grant Assistance Program. The grants are based on the number of dams in each of the participating states and are used as an incentive to encourage states to improve their program by meeting basic criteria such as:

- State statutory authority to conduct inspections of dams;

- State authority to require repairs to unsafe dams; or
- State policies that address dam site security at non-Federal dams.

Use of these grants is left up to the state's discretion as each state has its own unique challenges. States have utilized grant funds to perform dam failure and dam stability analyses, to hire additional staff to conduct inspections and to conduct owner education workshops. In addition, grant funds have enabled states to provide additional staff training, and to purchase equipment such as computers, field survey equipment and software, and remote operated cameras for internal inspections.

As we begin to realize the benefits of the grant assistance program, dam safety inspections have increased and so has the number of Emergency Action Plans, used to notify and evacuate downstream populations in the event of a failure, it is disappointing to see that appropriations over the past 2 years are well below the authorized levels. They have remained at the previous level of \$5.9 million. Despite the increase in funding approved by Congress in the Dam Safety and Security Act of 2002 to \$8.6 million, the states have not realized any increase in assistance. Moreover, budget reductions at have further reduced the state grant assistance funds by almost 22 percent.

Table 2, attached to this testimony, provides information on the amount of state grant assistance received for each state, the potential grant funding if fully funded at authorized levels and the grant amount each state will lose as a result of the reduced funding. The lost grants come at a difficult time when development below dams creates more high hazard potential dams, dams continue to age and, now, security issues must be addressed by the states.

Dam Security of Non-Federal Dams

The horrific events of September 11, 2001 have focused unprecedented attention on the security of our Nation's critical infrastructure, including dams. Dams, in fact, have been identified by intelligence and law enforcement agencies in specific threat alerts. Federal agencies that own dams, such as the U.S. Army Corps of Engineers and the Bureau of Reclamation, have been conducting vulnerability assessments and security improvements on these Federally owned dams. However, little has been provided by the Federal Government in leadership or assistance to the states who have similar and equally urgent dam security demands.

Security experts advise that it is very difficult to make a site completely safe from intentional acts of terror. They offer that their goal is to enhance security and effectively deter a potential attack at a site so that the terrorist will seek another site with less security. The improved security at federally owned dams makes non-Federal dams more attractive targets. There are clearly thousands of non-Federal dams that are potential targets based on type of construction, size, purpose (water supply, hydro power, flood control); and on the population and infrastructure at risk below the dam. Federal leadership is urgently needed to provide technical and financial assistance to states for training, for conducting vulnerability assessments and for identifying and implementing security improvements on dams determined to have an inadequate security program.

Conclusion

Dams are a vital part of our aging national infrastructure that provide many vital benefits, but that also pose a threat to life and property if they fail. The National Dam Safety Program is a valuable program that offers assistance to states as an investment in public safety. One dam failure alone, as evidenced by the Silver Lake Dam failure in 2003, can easily exceed the \$8.6 million authorized for this program. The National Dam Safety Program, administered by FEMA, is a modest and prudent investment protecting public safety.

Therefore, the Association of State Dam Safety Officials respectfully requests that this Subcommittee increase the Administration's proposed funding for the National Dam Safety Program from \$5.9 million to the full authorized level of \$8.6 million; and further earmark these funds to be used only for the National Dam Safety Program in the Department of Homeland Security.

Thank you Mr. Chairman and Members of the Subcommittee for this opportunity offer this testimony. The Association looks forward to working with you and the Subcommittee staff on this important issue of safe dams.

TABLE 1.—ASSOCIATION OF STATE DAM SAFETY OFFICIALS—STATE-BY-STATE STATISTICS ON DAMS AND STATE SAFETY REGULATION—2004

State	Total Dams in National Inventory ¹ (2002 NID)	Dams Under State Regulation ²		State-Determined Deficient Dams ³			State Dam Safety Budget (< thousand \$)	State Staff Dedicated to Dam Safety Regulation	
		Total	HH	Total	HH	SH		Total FTEs	Dams Per FTE
Alabama ⁴	2,102	0	171	NA	NA	NA	\$0	0	NA
Alaska	104	82	16	NR	NR	NR	105.5	1	82
Arizona	328	251	85	58	44	14	570.0	8	31
Arkansas	1,225	407	102	24	22	1	331.0	4.6	88
California	1,471	1,225	335	57	2	26	7,800.0	61	20
Colorado	1,684	1,879	327	220	35	52	1,400.0	12	157
Connecticut ⁴	720	2,000	236	12	NR	NR	472.0	4.3	465
Delaware ⁴	61	98	9	NR	NR	NR	NR	NR	NR
Florida	724	4,778	4100	>20	NR	NR	NR	NR	NR
Georgia ⁴	4,470	3,412	399	105	NR	NR	682.0	10	341
Hawaii ⁴	122	129	0	0	0	0	135.0	2	65
Idaho ⁴	393	439	106	NR	NR	NR	350.0	7.5	59
Illinois	1,456	1,326	173	NR	NR	NR	345.0	5.5	241
Indiana	1,069	1,129	238	>22	13	9	340.0	5	226
Iowa	3,249	3,303	74	16	8	7	55.0	1.25	2,642
Kansas	5,634	5,890	192	23	13	10	271.0	7.58	777
Kentucky	1,051	1,002	175	88	36	35	1,600.0	14	72
Louisiana	357	465	13	17	1	3	NR	9	52
Maine	641	843	426	68	7	35	446.0	1.5	562
Maryland	291	355	63	10	1	5	416.6	5.5	65
Massachusetts	1,490	2,917	333	40	22	18	500.0	4	729
Michigan	943	1,039	80	18	3	7	NR	4.8	216
Minnesota	986	1,442	40	250	2	20	250.0	2.1	687
Mississippi	3,315	3,594	282	NR	NR	NR	137.8	4.5	799
Missouri	4,854	640	445	15	11	4	192.9	4	160
Montana	2,885	2,874	101	>11	11	NR	330.0	5.25	547
Nebraska	2,179	2,173	113	130	7	48	289.0	5.67	383
Nevada	469	599	128	>29	5	4	NR	2.25	266
New Hampshire	645	838	86	590	63	159	612.0	7	120
New Jersey	792	1,680	194	567	50	317	1,251.0	18	93
New Mexico	375	590	156	61	38	14	450.0	6	65
New York ⁴	1964	5,021	380	>54	NR	NR	746.0	6.3	797
North Carolina	2723	4,638	1,027	>61	NR	NR	902.0	17	273
North Dakota	685	1,758	20	19	5	11	200.0	4.5	391

Ohio	1,325	1,727	462	NR	.....	.....	.....	.....	11	1,020.0	157
Oklahoma	4,610	4,485	184	5	3	1	185.0	1.8	2,492	1.8	2,492
Oregon ⁴	820	3,733	122	0	0	0	255.0	3.1	1,204	3.1	1,204
Pennsylvania	1,442	3,044	770	531	98	23	2,039.0	24	127	24	127
Puerto Rico	34	36	34	0	0	0	600.0	8	5	8	5
Rhode Island	185	565	16	0	0	0	99.6	1.2	471	1.2	471
South Carolina	2,447	2,312	153	3	NR	NR	NR	4.5	514	4.5	514
South Dakota	2,377	2,328	47	>3	3	NR	NR	2.5	931	2.5	931
Tennessee	1,051	638	148	5	3	1	275.0	7	91	7	91
Texas	7,025	8,133	861	NR	.....	.....	300.0	5	1,627	5	1,627
Utah	752	649	192	82	82	NR	460.0	7	93	7	93
Vermont	354	538	55	NR	.....	.....	215.0	2.2	245	2.2	245
Virginia	1,586	521	112	54	31	13	475.6	7	74	7	74
Washington	832	933	135	32	13	14	550.0	6.5	144	6.5	144
West Virginia	543	362	266	38	35	3	454.5	6	60	6	60
Wisconsin	1,097	3,748	243	NR	.....	.....	487.0	6.25	600	6.25	600
Wyoming	1,335	1,374	76	3	0	1	142.1	5.09	270	5.09	270
TOTAL	79,272	89,742	10,157	>3,341	645	837	28,337.6	359.24	20,576	359.24	20,576

¹ Includes dams of any size that are likely to pose a significant threat to human life or property in case of failure, and all other Federal and non-Federal dams > 25' high that impound > 15 acre feet; and dams > 6' high that impound > 50 acre-feet.

² Estimated number of all dams under state regulatory control.

³ Dams with identified deficiencies by state definition (varies state to state) derived from state inventory in column 2.

⁴ 2003 data

NR-Not Reporting. Some states do not keep data on these categories.

PREPARED STATEMENT OF THE ASSOCIATION OF STATE FLOODPLAIN MANAGERS, INC.

The Association of State Floodplain Managers, Inc. (ASFPM) is pleased to share comments on four specific aspects of the fiscal year 2005 budget proposal for the Department of Homeland Security, Emergency Preparedness and Response Directorate (FEMA):

- Restoration of 15 percent formula for Hazard Mitigation Grant Program funding;
- Protection of NFIP funds from transfer for other purposes;
- Support for continued funding for modernization of flood maps;
- Urge increase in NFIP Community Assistance Program funds for state technical assistance;
- Urge appropriation of funds to address the NFIP's repetitive loss problem, given imminently pending authorizing legislation; and
- Continue to retain a separate account for the Flood Mitigation Assistance Program.
- Monitor how the Department of Homeland Security addresses natural hazards and mitigation.

The Association of State Floodplain Managers, Inc. and its 19 state chapters represent over 6,500 State, local, and private sector officials as well as other professionals who are engaged in all aspects of floodplain management and hazard mitigation. All are concerned with reducing our Nation's flood-related losses and reducing the costs of flooding.

RESTORATION OF 15 PERCENT FORMULA FOR HAZARD MITIGATION GRANT PROGRAM

ASFPM urges restoration of the 15 percent formula used to determine amounts made available post-disaster for the Hazard Mitigation Grant Program (HMGP) authorized by the Stafford Act as Section 404. States across the country have evidence that the most effective time to garner support for mitigation projects is in the aftermath of disasters. While mitigation planning is a vital activity to identify hazards and potential risks, only actual damaging events generate significant public interest and State and local financial support. The fact is that most cities, counties and towns across the country have many immediate and pressing financial needs. Regardless of the statistical evidence of the likelihood of future disaster occurrence, communities will not place mitigation higher than today's demands for education, social programs, local first responders, and the like. This is especially true in smaller communities where financial resources are always tight.

On the proverbial "sunny day," flooding is a low priority for the millions of homeowners and business owners in the Nation's flood hazard areas—regardless of the mounting evidence that future floods will occur. Homeowners and business owners view offers for buyouts, elevations, and retrofit floodproofing very differently when they are shoveling mud, coping with toxic mold, or faced with collapsed foundations. Restoring HMGP to the 15 percent formula will provide resources to those who have just experienced damage and are most receptive to change.

Pre-disaster funding should be directed to community-based planning in order to prepare communities to undertake mitigation projects when the disaster strikes. It would also be reasonable to make pre-disaster mitigation funds available to support public projects that address at-risk State and community buildings and public infrastructure—among the more costly categories of public disaster assistance. These projects, which do not require direct and voluntary participation of property owners, can readily be designed and implemented in the pre-disaster context and provide broad public benefits.

- ASFPM urges the Subcommittee to restore the Hazard Mitigation Grant Program formula to 15 percent of certain Federal disaster expenditures. The Disaster Mitigation Assistance Act of 2000 calls for communities to have pre-disaster local mitigation plans in order to access HMGP. One result of this requirement is that communities will be better prepared to identify eligible activities after the next declared disaster, thus further shortening the time needed to obligate and expend the HMGP funds.
- ASFPM recommends that the Subcommittee fully investigate the implications of the nationwide pre-disaster program funded in fiscal year 2003. Initiated in 2002 as a pilot program, the pre-disaster mitigation program was not, as originally intended, evaluated prior to authorization of PDM in the Disaster Mitigation Action of 2000. Particular attention should be paid to citizen, community and State receptivity to mitigation offers and how the ability to provide the non-Federal cost share differs in the pre- and post-disaster periods. Another critical aspect to attend to is whether and how FEMA balanced different hazards, different geographic areas, and communities of different sizes and capabilities.

PROTECT NFIP FUNDS FROM TRANSFER FOR OTHER PURPOSES

The National Flood Insurance Program (NFIP) collects premiums and policy service fees from just 4.4 million flood insurance policyholders. These funds are authorized for specific purposes directly related to administration of the NFIP. Certain Federal employees are supported by these funds, as are such activities as the Flood Mitigation Assistance grant program, grants to States to provide technical assistance to local governments, and flood mapping. Because these funds are not general taxpayer funds, it is vital that they are used only for the specific purposes for which they are collected.

- ASFPM urges the Subcommittee to require DHS to disclose funds collected from NFIP policyholders that have been transferred for other purposes. We further urge the Subcommittee to prohibit the transfer of NFIP funds, and funds authorized and appropriated for the Map Modernization Initiative, for other purposes by DHS.
- ASFPM urges the Subcommittee to require DHS to report on the use of certain NFIP funds to support Federal employees, specifically, the number of such positions, where they are located, how many are vacant and for what period of time, and how those specific positions directly support the NFIP.

CONTINUE SUPPORT FOR FLOOD MAP MODERNIZATION

Good flood maps play a major role in disaster cost reduction through wise floodplain management and are use for many purposes beyond the immediate needs of the National Flood Insurance Program. FEMA estimates that local regulation of flood hazard areas, using the flood maps, avoids property losses of over \$1 billion each year. FEMA's estimate does not count the benefits associated with using the maps to guide development to less hazard-prone areas. Flood maps yield benefits at all levels of government, including reducing the need for Federal disaster assistance when people build elsewhere or build to minimize damage.

Initiated with the fiscal year 2003 appropriation of \$200 million for the multi-year Flood Map Modernization effort, FEMA and States will use current technologies to expedite cost-effective collection of mapping data and to develop the models to identify flood-prone areas. This will yield digitized map products that will be accessible on the Internet and reduce future costs associated with ongoing map revisions and updates.

- ASFPM strongly endorses the Administration's request for \$200 million and urges the Subcommittee to request that FEMA report on technical partnerships that are forming with States and communities, incentives offered to foster those partnerships, and to revisit the time and cost estimates for completion of the initiative.
- ASFPM urges the Subcommittee to express its expectation that FEMA will address State-identified priorities and that quality data and quality maps are the objective—rather than focus only on the quantity or the average age of maps. High quality products also serve as incentives and justification for investment of State and local funds.

INCREASE NFIP COMMUNITY ASSISTANCE PROGRAM FUNDS FOR STATE TECHNICAL ASSISTANCE

The Community Assistance Program (CAP), funded by 4.4 million NFIP flood insurance policyholders, provides small, cost-shared grants that provide partial support of State floodplain programs that, in turn, provide technical assistance to nearly 20,000 local jurisdictions that administer the NFIP's minimum floodplain management regulations. CAP is critical because the best way to limit increases in future flood damage is to build State capability to work with and train local officials to ensure that developers comply with the rules and post-flood recovery is undertaken properly. FEMA's staff is too small to provide this vital assistance to nearly every community in the country, thus the partnership with States was established. In 1995, CAP was funded at \$4.2 million which, even then, was insufficient to establish adequate capacity in every State.

Currently, CAP stands at \$7 million. Although the increased funding has improved state capacity and capability to meet the demand, the increased workload of state floodplain management offices has far outstripped the increased funding. The increased state workload is due to the following factors: more demand for technical assistance and training of local officials; nationwide emphasis on pre- and post-disaster planning and coordination; more communities participating in the NFIP; significant increases in the number of properties insured by the NFIP; and decreases in FEMA staff, which shifts even more programmatic responsibilities to

the States. Importantly, the FEMA Map Modernization program is generating extreme demands for assistance and coordination (implementation is expected to last at least 7 years). It is reasonable to predict that Map Modernization program alone will necessitate at least one additional full time employee in each State floodplain management office, which would require approximately \$3.75 million.

—ASFPM urges increasing CAP funding to \$10 million in order to increase the technical assistance and training the states provide to the 20,000 communities in the NFIP as FEMA's partners, and to successfully implement the Map Modernization Program.

EXPECT AUTHORIZATION TO ADDRESS THE NFIP'S REPETITIVE LOSS PROBLEM

The National Flood Insurance Program's authorization is due to expire on June 30, 2004. On November 20, 2003, the House of Representatives passed the Flood Insurance Reform Act of 2003 (HR 253) and the Senate Subcommittee on Economic Policy recently marked up the companion bill (S. 2238). FEMA has characterized the disproportionate amount of claims paid on a very small percentage of NFIP-insured properties as the most significant factor that drives increases in the cost of flood insurance. Having more flood-prone homes and businesses insured by the NFIP is an effective way to reduce the Federal burden of disaster assistance.

Both the House and Senate bills authorize augmentation of the existing Flood Mitigation Assistance grant programs to focus on repetitive loss problem, and both bills authorize the transfer of funds from the National Flood Insurance Fund (generated by premium and fee income). The Flood Mitigation Assistance program is mature, with virtually all states currently active to some degree, therefore new funds can be used immediately. Because the NFIP must be reauthorized and extended before June 30, 2004, action on the bills is expected before work on appropriations is completed.

—ASFPM requests that the Subcommittee monitor progress on the Flood Insurance Reform Act of 2004. If the S. 2238 passes prior to final action on the fiscal year 2005 budget, ASFPM urges the Subcommittee to include in the fiscal year 2005 budget the authorized transfer of funds from the National Flood Insurance Fund to the National Flood Mitigation Fund.

—Continue to Retain A Separate Account for the Flood Mitigation Assistance Program

The ASFPM appreciates direction in the fiscal year 2004 appropriations that FEMA maintain the Flood Mitigation Assistance Program (FMA) funds separate from other mitigation funds. FMA was authorized by the National Flood Insurance Reform Act of 1994, which also created the National Flood Mitigation Fund as a separate account. FMA is not supported with general funds, but is funded entirely by a portion of the service fee collected from the 4.4 million flood insurance policies. Therefore, the ASFPM is concerned with the Administration's proposal to combine FMA funds with other mitigation funds, even to achieve accounting efficiencies. To ensure accountability to the policyholders and to ensure that these funds are used only for the explicit purposes authorized, the FMA funds are best kept separate. In particular, how FMA is administered must not be changed. FMA is specifically intended to support cost containment for the NFIP, in part by addressing the problem characterized as repetitive losses, but also to mitigate against severe flood damage and imminent threats due to coastal erosion.

—ASFPM urges the Subcommittee to clarify—again—that Flood Mitigation Assistance Program funds in the National Flood Mitigation Fund are not to be commingled with pre-disaster mitigation funds.

MONITOR HOW THE DEPARTMENT OF HOMELAND SECURITY ADDRESSES NATURAL HAZARDS AND MITIGATION

Millions of Americans are at risk—every day—of experiencing floods, tornados, earthquakes, hurricanes, wildfires, severe winter storms, and other natural hazards. From a broad perspective, ASFPM is disturbed that the Department of Homeland Security has deliberately diminished focus on natural hazards. Despite continued verbal assertions of commitment to FEMA's all-hazards mission, DHS has reduced cohesiveness of programs and reduced staff who deal with hazards and mitigation. The following are specific concerns: transferring FEMA funds to areas of DHS that are not under the jurisdiction of the Under Secretary for Emergency Preparedness & Response; detailing FEMA staff out of that directorate; and reducing support for the vital network of State and local public safety and disaster mitigation officials.

—ASFPM urges the Subcommittee to monitor DHS proposals and actions that affect FEMA programs and staff to prevent unwise and unnecessary reduction in

FEMA's effectiveness, which in turn will jeopardize State and local efforts to deal with natural hazards and mitigation.

PREPARED STATEMENT OF THE INTERNATIONAL ASSOCIATION OF EMERGENCY MANAGERS

Chairman Cochran, Ranking Member Byrd, and distinguished members of the Subcommittee, thank you for this opportunity to provide a statement for the record regarding the fiscal year 2005 budget proposal for the Department of Homeland Security.

My name is Daryl Lee Spiewak, and I am the emergency programs manager for the Brazos River Authority in Waco, Texas. I am a certified emergency manager, a certified Texas emergency manager, and a Texas certified floodplain manager. I currently serve as the President of the International Association of Emergency Managers (IAEM). Our over 2,000 members include emergency management professionals at the State and local government levels, the military, private business and the nonprofit sector in the United States and in other countries. Most of our members are city and county emergency managers who perform the crucial function of coordinating and integrating the efforts at the local level to prepare for, mitigate the effects of, respond to, and recover from all types of disasters including terrorist attacks.

We respectfully submit suggestions on two particular issues relating to the Department of Homeland Security budget for 2005.

Emergency Management Performance Grants (EMPG)

- Reject administration request to cap at 25 percent amount which can be used for personnel.
- Request that the funding cut be rejected and the amount increased.
- Request the program retain all hazards emphasis, including terrorism.
- Urge that funding be specifically designated in the Appropriations Bill and maintained as a separate account.

Hazard Mitigation Grant Program (HMGP)

- Urge the Committee to return the funding level to 15 percent of certain eligible disaster costs.

In addition, we would like to offer our support for the Administration's request for \$200 million to continue the Map Modernization program and for the \$150 million request to continue the PreDisaster Mitigation program.

Emergency Management Performance Grants

The Emergency Management Performance Grants (EMPG) are pass-through funds to State and local emergency management offices to provide a foundation for basic emergency preparedness and response capabilities. Congressional report language has referred to the program as "the backbone of the Nation's emergency management system." This funding has existed in the past under several different names such as the Emergency Management Assistance Program and State and Local Assistance Program which were actually more appropriate names. This program is different from most grants, in that it is a continuing program with deliverables and requirements which must be met in order to receive funding the following year.

We very much appreciated the support of the House and Senate Appropriations Committees for EMPG in the fiscal year 2004 Department of Homeland Security Appropriations Bill. Congress specifically designated funds in a separate account, increased the amount from the fiscal year 2002 level to \$179 million; specifically indicated the funds could continue to be used for personnel costs and supported the all hazards approach. The House Report recognized that "State and local emergency managers rely on these funds for a variety of expenses, but predominately for personnel who plan, train, coordinate, and conduct exercises and other functions essential to effective preparedness, mitigation, response, and recovery efforts."

Reject Cap on Expenditures for Personnel.—Since the purpose of the program is to provide support for State and local emergency management personnel, the Administration's request to cap the amount of funds which can be used for personnel at 25 percent of each grant is puzzling. Since the functions of emergency management are almost 100 percent personnel driven, such as planning, coordinating, exercise design, training, and public education, the effect of the 25 percent cap would be devastating. States have estimated that this cap would result in potential losses of up to 60 percent of their emergency management staff. In some localities it would

result in the elimination of whole programs. We would be cutting capacity at the very time we need to be building capacity.

Perhaps to put this proposed cap in perspective one could consider the effect on the functioning of a Congressional office or a Congressional Committee if directions were given to only spend 25 percent of the funds received for running the offices on personnel and administrative costs.

Reject Funding Cut and Increase Funding.—Historically, funding for EMPG has been inadequate. The program was intended to be 50 percent Federal and 50 percent State or local funding. Currently many jurisdictions receive 20 percent or less. Some jurisdictions do not receive any EMPG monies due to inadequate funding levels. State and local emergency management programs are in desperate need of financial support if they are to continue to meet the requirements of all hazard planning and coordination as well as implement the President's homeland security strategy in States, counties, cities and neighborhoods across America. The new security concerns arising from the current world situation make the coordination and unifying role served by emergency managers more important than ever. Given continued support and funding, emergency managers have the skills, the expertise, and the willingness to rise to the planning and coordinating challenges presented by the full range of hazards affecting their communities.

We respectfully request that the \$9 million reduction in the President's request be rejected and that the funding be increased. A 2004 study by the National Emergency Management Association (NEMA) indicates that at the 50–50 shared cost level there is a \$245 million shortfall.

Maintain the All Hazards Approach.—Legislative language is included in the Administration's 2005 request giving "priority to homeland security activities." The simple fact is that almost all emergency management activity creates a generic capacity to deal with crises. For nearly 50 years, the Federal Government has provided funding assistance to State and local governments to support a comprehensive national emergency management system. During that time, the Federal emphasis has shifted on numerous occasions and our members have adjusted programs accordingly. There is no doubt that "homeland security" (currently, although we believe, incorrectly, defined as terrorism) has priority today, but the proposed language certainly has the potential to limit the ability of the emergency management system to adjust to changes in the future and is therefore problematic.

Hazard Mitigation Grant Program

Restore Hazard Mitigation Grant Program (HMGP) to 15 percent. The Hazard Mitigation Grant Program in the Emergency Preparedness and Response Directorate provides post disaster mitigation funding. The program is authorized in Section 404 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Public Law 93–288) and the monies are provided from the President's Disaster Relief Fund. We appreciate the House and Senate Appropriations Committees retaining the program rather than terminating it as requested in the Administration's Budget requests in fiscal year 2003 and fiscal year 2004. However, the fiscal year 2003 Omnibus Appropriations bill changed the formula used to determine hazard mitigation funding from 15 percent to 7.5 percent of eligible disaster costs. In order to reduce future disaster costs, commitments must be made to both pre-disaster and post disaster mitigation. Citizens and elected officials are most receptive to undertaking projects and initiatives that reduce the impacts of future disasters immediately after a disaster has occurred. Without the HMGP funding, those opportunities will be missed.

The House unanimously passed H.R. 3181 in November of 2003 which would have restored the funding to 15 percent. This bill is pending in the Senate Environment and Public Works Committee and at this time it is not known if action will be completed given the limited time left in this legislative session. We, therefore, urge that the HMGP program be restored to 15 percent.

Flood map Modernization and PreDisaster Mitigation

IAEM supports the Administration's request for \$200 million for flood map modernization. Flood maps play a key role in disaster reduction, mitigation, and community planning and development activities. Many of the flood maps in place are 15 to 30 years old and do not reflect recent development and may contain inaccurate information about the floodplains as a result. FEMA estimated the cost of a multi-year map modernization plan at \$750 million over a 7-year period. We support this multi-year effort.

IAEM supports the Administration's request for \$150 million for predisaster mitigation. We believe that both predisaster and post disaster funds are important for reducing future disaster costs. We support administrative funds being available to

FEMA to administer the program and urge that FEMA review and streamline the application process.

Thank you for giving us the opportunity to provide this testimony. We would welcome the opportunity to provide additional information to the Subcommittee.

PREPARED STATEMENT OF THE NATIONAL EMERGENCY MANAGEMENT ASSOCIATION

Introduction

Thank you Chairman Cochran, Ranking Member Byrd, and distinguished members of the Committee for allowing me the opportunity to provide you with a statement for the record on the Department of Homeland Security (DHS) fiscal year 2005 budget. I am Edward F. Jacoby, Jr., President of the National Emergency Management Association and Director of the New York State Emergency Management Office. In my statement, I am representing the National Emergency Management Association (NEMA), whose members are the state emergency management directors in the 50 States and the U.S. territories. NEMA's members are responsible to their governors for emergency preparedness, homeland security, mitigation, response, and recovery activities for natural, man-made, and terrorist caused disasters.

At this time, the Department of Homeland Security has been in place for over a year and the state of emergency management in our Nation is of grave concern. Each day, State and local governments are responding to natural and man-made disasters, the threat of terrorism remains elevated while fortunately, actual terrorism incidents remain sporadic on U.S. soil. The multi-hazards emergency system continues to be the means to practice and exercise for devastating acts of terrorism, while at the same time preparing the Nation for hurricanes, tornadoes, hazardous materials spills, and floods. Yet, all-hazards preparedness may be a thing of the past as more focus is being placed on terrorism. We must ensure that our capability to deal with many hazards, including terrorism remains intact and that we do not shift our focus to preparedness for a single peril.

The capability to coordinate an effective response to an event does not change by the type of disaster. The all-hazards approach relies upon the maintenance of plans, trained personnel to carry them out, and supporting infrastructure in the form of emergency operations facilities with inter-operable communications. We must continue this approach in practicing and exercising for devastating acts of terrorism, as well as day-to-day emergencies. We cannot afford to lose the system we have in place to deal with all disasters in order to build new infrastructure for homeland security's sake.

The Department of Homeland Security budget provides critical support to State and local emergency management programs through actual dollars, grants, and program support. This year, NEMA would like to address three main issues with the proposed Federal budget for Department of Homeland Security.

- Extreme concern for the 25 percent cap on personnel use and the cut to the Emergency Management Performance Grant (EMPG) program;
- Support for continuing and enhancing the Homeland Security Grants, which must be coordinated and managed through the States; and
- Concern about the reduced formula for the post-disaster Hazard Mitigation Grant Program (HMGP).

EMERGENCY MANAGEMENT INFRASTRUCTURE FUNDING

The Emergency Management Performance Grant (EMPG) is the single all-hazards emergency preparedness grant program in support of capacity building at the State and local level. While the State and local government partnership with the Federal Government to ensure preparedness dates back to the civil defense era, increased responsibilities over the last decade have fallen on State and local governments. With the recent expanded focus on terrorism and the increased demands of the Federal Government to assist in the National Strategy for Homeland Security, EMPG is the vital source of funding to assist State and local governments in ensuring that the infrastructure is in place to address all of the traditional hazards that threaten communities—including terrorism.

More than any other intergovernmental program, emergency management and disaster response are a joint and shared responsibility among all levels of government. The increase or decrease in resources for one level has a direct impact on the other partners. For example, a decrease in the capability of local governments to respond to any disaster automatically passes the burden of cost and long-term redevelopment activities to the State, and then to the Federal Government. Unfortunately, the consequences of such policies are much more significant in terms of the effects of disasters on our citizens and communities. The inability to respond to life-threat-

ening emergencies by the local government cannot be replaced by efforts at the State and Federal levels. Likewise, the basic elements of comprehensive emergency preparedness cannot be replaced by narrow program funding for homeland security efforts.

The President's budget proposal will have a devastating impact on the Nation's emergency management system at the same time that responsibilities are increasing for new and emerging hazards. The proposal decreases funding for the EMPG program by \$9 million, increases the focus on terrorism, and most destructively, the proposal imposes a 25 percent cap on personnel uses of the EMPG grants. Over the last 2 years, Congress has affirmed the importance of EMPG in appropriations bills in language addressing the significance of the program and increased the levels of funding for the program twice. Prior to these increases in fiscal year 2003 and 2004, the program had been straight lined for over a decade. NEMA is appreciative of Congress' recognition of the EMPG program, but this year we respectfully ask that Congress not only address the programs shortfalls, but maintain the EMPG multi-hazard approach and the program's flexibility to be used for personnel without arbitrary constraints.

EMPG is the only all-hazards program that State and local governments can use to build their emergency management capacity. The grants can be used for personnel, planning, training, exercises, warning systems, emergency operations centers, public outreach, and interagency coordination. EMPG is a flexible program that allows State and local governments to tailor funds to address the specific risks and needs of their jurisdiction. While it is called a grant, EMPG is really a cost-share system which ties together the emergency management system of local, State, and Federal Governments. EMPG's modest Federal increases in 2003 and 2004 helped the program grow, but the program continues to be funded at greater levels by State and local governments. States are continuing to increase their out of pocket costs in order to ensure there is adequate funding for local programs. In fact, a 2004 NEMA study found that there is approximately a \$245.9 million shortfall in EMPG for all 50 States. This means that many communities that would like to implement a full-time, professional emergency management capability cannot do so because of shortfalls in Federal funding. Further, EMPG is primarily used as a pass-through program for local governments, so the shortfall affects our smallest localities that are often those most in need of emergency preparedness planning.

Changing the focus of the program to terrorism could severely hamper the ability of State and local government capabilities to respond to a wide range of events with a higher likelihood of occurring such as natural disasters, non-traditional disasters like the Columbia Space Shuttle explosion, Mad Cow disease, West Nile virus, civil unrest, and hazardous material incidents. An increased homeland security focus must be viewed as an enhancement to our basic emergency management capacity. Success in building vigorous and robust capabilities for homeland security will be sabotaged by taking away the basic building blocks of the emergency management system. While terrorism is a major focus at this time, we must balance preparedness efforts by integrating terrorism as one of the many threats facing our Nation, rather than the current approach of making all other preparedness efforts a subset of terrorism. Further, Homeland Security Presidential Directive 8 States that, "to the extent permitted by law, Federal preparedness assistance will be predicated on the adoption of statewide comprehensive all-hazards preparedness strategies." The all-hazards approach cannot be dismissed based upon the assumption that one threat is greater and more significant than the other. After all, no one really has a crystal ball to predict what the next disaster or emergency may be. However, last year there were no terrorism disaster declarations and 56 major disaster declarations, 19 emergency declarations, and 46 fire suppressions declarations. Our system for day-to-day public safety and homeland security must be mutually supportive and nimble enough to address any hazard.

The most significant attack on the way that emergency management functions in this country is the proposal to cap personnel costs for EMPG at 25 percent. The cap will result in immediate, near-term and long-term degradations in the Nation's ability to effectively address emergencies and disasters. Citizens and communities that handled emergencies locally may no longer be able to do so and the responsibility and costs will be passed to the next higher level of government. But the costs will be greater, more frequent, and more dramatic. A 2003 NEMA survey on EMPG found that 1,565.5 or 42.9 percent of state level full time positions are supported in part by EMPG funds. Eighty-three part-time state emergency management personnel are funded in part or entirely with EMPG funds. At the local level, 2,172 full-time positions and 1,184 part-time positions are supported by EMPG. States are reporting to NEMA potential losses of up to 60 percent of their emergency management personnel should this arbitrary cap be imposed. A snap-shot of the impact in

Mississippi shows that 75 percent of state emergency management personnel and 95 percent of local emergency management personnel are funded by the program and both programs would have to sustain significant cuts under the proposal. In West Virginia, the cap could cost the State 18 full-time employees from emergency management and 38 full-time employees in local positions for emergency management. While the Administration explains that this measure would allow for more training and exercises, we find it hard to understand how extra training and exercises could be accomplished with less man-power. Emergency management personnel, particularly at the local level, provide the coordination function for all disaster and emergency response. How can we expect the response to terrorism to be effective and efficient without proper coordination among responders?

The Federal Government must continue the commitment to ensuring national security through all-hazard preparedness. Without adequate numbers of State and local personnel to operate the all-hazards emergency management system, the infrastructure used to prevent, prepare for, respond to, and recover from all disasters will collapse. Congress must affirm the intent of the program and also ensure predictable funding levels for the program.

HOMELAND SECURITY GRANT PROGRAM

Congress has made significant attempts to ensure that the Homeland Security Grant Program is streamlined and provides greater flexibility. We appreciate the attention and funding that the Congress has given to ensuring emergency responders are adequately prepared for domestic terrorism threats. Emergency responders are better prepared today to face the various threats associated with terrorism because of the Federal commitment to address the war on terrorism that is being played out in our States, cities, and towns. States continue to take an all-hazards approach to disaster preparedness as we have integrated our domestic preparedness efforts into the proven systems we already use for dealing with both man-made and natural disasters.

Funding Levels

This year, we are concerned about the President's budget proposal for homeland security that would cut over \$600 million in funding that has been dedicated to improving emergency responder preparedness for homeland security. The Federal Government must maintain its commitment to ensure that homeland security preparedness continues and the Constitutional responsibility to maintain a national defense is not compromised. Continuity of effort can only be maintained by State and local governments with adequate Federal support, especially when it deals with the front line emergency responders. Reductions in funding will immediately be translated into reductions in prevention, protection, and preparedness activities. We cannot afford to lose the strides that we have already made in protecting our country by limiting funding, where more is still necessary to achieve the objectives in the National Strategy for Homeland Security. The funding level must be appropriately increased to address areas where shortfalls exist. Further, continued or increased funding should not take away from traditional all-hazards capacity building programs for public safety, public health, and emergency management.

One Stop Shop for Grants Information

The Congressionally created and appointed Advisory Panel to Assess Domestic Response Capabilities for Terrorism Involving Weapons of Mass Destruction (known as the Gilmore Commission) initially said a "Federal focal point and clearinghouse for related preparedness information and for directing State and local entities to appropriate Federal agencies is needed," in their first report to Congress on December 15, 1999. NEMA affirmed the notion of a single visible point of contact and coordination of information for State and local governments in the August 25, 2000 Resolution on States' Principles for a National Domestic Preparedness Strategy.

Congressional Legislation to Simplify the Grants Process

As Congress considers legislation to address and reform the Homeland Security Grants, we ask that you take NEMA's suggestions into consideration. The suggestions include the following:

- All efforts to increase emergency management capacity must be coordinated through the states to ensure harmonization with the state emergency operations plan, ensure equitable distribution of resources, and to synthesize resources for intra-state and inter-state mutual aid. Also, the Stafford Act, which governs the way disaster assistance is allocated, successfully uses States and Governors as the managers of Federal disaster relief funds for local govern-

- ments, which can become overwhelmed and in need of assistance when disasters occur.
- States understand the need to get funding quickly to the first responders and have long coordinated statewide and regionally to ensure adequate state assistance to local governments for emergency preparedness and response;
 - Each State must have a base minimum level of funding to ensure the capacity to respond to any event. Such capacity is necessary for homeland security because of the changing nature of the threat and also because of the importance our emergency system places on mutual aid to respond to events;
 - Traditional emergency management capacity building programs like EMPG must be continued as separate and distinct from the homeland security grants programs;
 - Duplicative requirements in the grants process must be eliminated and flexibility in the use of the grants must be enhanced; and
 - Federal streamlining is necessary to consolidate the Federal grant application process for homeland security funds in order to ensure that funding can be provided faster to first responders. The current application submission, review, and approval process is lengthy and should be reviewed for efficiency.

Fiscal Conditions and Match Requirements

Further, because the war on terrorism is a national emergency and States and local governments continue to be in the toughest fiscal situations since the deep recession in the early 1980s, we must be wary of programs that would require significant matches. In fact, for local governments to meet the match would be even more difficult given their fiscal constraints. If a significant match is required, the application of this initiative will only go to those agencies and governments that can fiscally afford the match and not necessarily where the need is greatest. If a match is necessary, we would suggest that the match be non-fiscal or in the form of a deliverable as opposed to soft or hard dollars. We also recommend continuation of the current match requirements for Emergency Operations Centers enhancements of 75 percent Federal and 25 percent State and local. Waivers may be a way for the Federal Government to also address the lack of capital for a match when State and local governments are experiencing fiscal distress.

Flexibility for Personnel to Manage the Program

Greater flexibility to use some of the first responder grants for personnel both at the State and local level to manage the programs is critical to completing the preparedness mission. As an existing funding stream, EMPG is used in part to fund State and local staff to manage critical programs including the homeland security grants. The First Responder Grants should recognize that personnel are necessary to manage these programs, particularly when rigid deadlines are set for obligating millions of dollars and accountability is paramount. State and local government, emergency management, and responder organizations are already working at a maximum capacity within existing resources and need Federal support for more than the purchase of equipment. Flexibility based on strategic approaches should be the norm, not single-issue, narrowly focused grants.

Standards and Strategy

NEMA has long supported the development of standards to ensure interoperability of equipment, communications, and training across State, regional, and local jurisdictions. In terms of establishing voluntary minimum standards for the terrorism preparedness programs of State and local governments, NEMA offers itself as a resource in this area. Our organization, along with other stakeholder groups such as the Federal Emergency Management Agency, International Association of Emergency Managers, National Governors' Association, National Association of Counties, International Association of Fire Chiefs, and others, has developed and implemented the Emergency Management Accreditation Program (EMAP). EMAP is a voluntary standards and accreditation program for State and local emergency management that is based on NFPA (National Fire Protection Association) 1,600 "Standard for Disaster/Emergency Management and Business Continuity Operations" (an ANSI or American National Standards Institute approved standard) and FEMA's Capability Assessment of Readiness (CAR). EMAP is currently conducting baseline capability assessments of all states, some of which are pursuing accreditation in conjunction with this initial assessment. The State of Florida and the District of Columbia were granted accreditation through the program. NEMA suggests that these standards already being collaboratively developed through EMAP be considered in the development of minimum standards for training, exercises and equipment. The EMAP baseline capability assessment process should also be considered

as a model when considering changes or refinements to other assessment processes conducted by the Department of Homeland Security.

Further, NEMA has called for a long-term strategy for our Nation's homeland security that becomes the "roadmap" for the future of our Nation on homeland security. Such an effort must define the "new normalcy" and also address what State and local governments must accomplish in order to be prepared for a homeland security event. NEMA sees a role for the Gilmore Commission or a similar body to undertake the development of such a National Long-Term Strategy for Homeland Security. Such an effort must include input from State and local stakeholders.

HAZARD MITIGATION GRANT PROGRAM & PREDISASTER MITIGATION

NEMA supports efforts by the Congress and the Administration to continue both pre- and post-disaster mitigation activities. The two-pronged effort can help to address Federal costs towards disasters, because both programs can help to lower overall disaster costs. NEMA calls on Congress to reauthorize the predisaster mitigation program before December 31, 2004 and to also restore the post-disaster Hazard Mitigation Grant Program (HMGP) formula to 15 percent.

Effective February 20, 2003, Congress changed the formula for post-disaster mitigation grants from 15 percent to 7.5 percent. This change limits the availability of funds for post-disaster mitigation and prevents the lessons learned from disasters from being immediately incorporated into mitigation projects to prevent losses of life and destruction of property. As a result, State governments no longer can offer property buy-outs or other mitigation measures to as many disaster victims. The months immediately following disasters provide unique opportunities to efficiently incorporate risk reduction measures in a very cost-effective manner, in many cases lowering the overall cost of the project by leveraging other funding sources including insurance settlements. We ask that you restore the formula to 15 percent this year in order to address mitigation needs.

Some of the most vivid examples of projects that were not funded in fiscal year 2003 because of the formula reduction include HMGP projects from recent disasters. These properties and projects will remain vulnerable with continued risk in future disasters. Some of these include:

- 3 acquisitions, 7 elevations, and 7 flood proofing projects for properties flooded during Hurricane Isabel and Tropical Storm Henri in Delaware;
- 3 outdoor warning siren proposals, one acquisition project for 18 structures, and one stormwater handling system improvement project as a result of a flood declaration in Kentucky;
- over 88 families who were flood victims remain untouched by post-disaster mitigation in West Virginia because of the formula change; and
- over \$18.5 million in projects resulting from Hurricane Isabel will remain unfunded in Maryland as a result of the lack of post-disaster funds.

The HMGP has proven to be a highly effective tool in steering communities toward risk reduction measures, in many cases breaking repetitive loss cycles that have cost other Federal disaster relief programs multiple times. Cost-benefit analysis is currently a requirement for predisaster mitigation programs. We must not lose these opportunities to initiate projects to enhance our communities and reduce future disaster costs.

EMERGENCY OPERATIONS CENTERS

In fiscal year 2002, \$56 million was appropriated to the Federal Emergency Management Agency to address Emergency Operations Centers (EOCs) improvements. EOCs are the coordination point for State and local government in the response and recovery of any disaster or incident. After September 11, 2001, NEMA's members saw an implicit and urgent need to upgrade the Nation's emergency infrastructure and to make it more redundant. After all, the New York City EOC was destroyed on that very day as it stood within the World Trade Center 7 Complex. The coordinated response effort of the NY State Emergency Management Office and the NY Office of Emergency Management was later moved to Pier 92 in New York City as a temporary EOC. However, losing the NYC EOC provided a valuable lesson to be learned by all States and localities on redundancy. The \$56 million was allocated to states to begin the planning process to assess necessary infrastructure and security improvements and security measures to be taken. Since then no dedicated Federal funding has been provided for the implementation of these plans. Many State and local facilities are out of date; do not have the interoperable technology to coordinate with the Federal Government or among State and local levels; and lack adequate security features. Federal assistance is necessary to match State and local commitments to upgrade their EOCs as an integral part of the Nation's emergency

response system. According to a 2003 NEMA survey, it is projected more than \$1.6 billion will be needed to construct and maintain State and local primary and alternate EOCS over the next 2 to 5 years. This includes the costs to consistently upgrade equipment and software, train personnel, and conduct operations during emergency and non-emergency situations.

CONCLUSION

As we continue to build national preparedness efforts through the Department of Homeland Security, we must not forget about the multi-hazard approach to incident management and the role it plays in preventing the loss of life and devastation to our communities on a daily basis. We must be prudent and thoughtful in addressing homeland security enhancements to our existing emergency preparedness and response system. In this year's appropriations process Congress will make critical decisions that shape the future of emergency management in this country. As you begin your consideration, we ask you to recognize the importance of the EMPG program in building capacity through people at the State and local level. I thank you for the opportunity to testify on behalf of NEMA and appreciate your partnership.

PREPARED STATEMENT OF THE NATIONAL FLOOD DETERMINATION ASSOCIATION

Mr. Chairman and members of the Subcommittee, The National Flood Determination Association (NFDA) strongly supports the \$200 million requested in the President's most recent fiscal year 2005 budget for map modernization. NFDA is a national nonprofit organization comprised of flood determination companies, their vendors, re-sellers and other industry associates involved in the making, distributing and reselling of flood zone determinations.

The flood zone determination industry is a key stakeholder in the map modernization initiative. By producing flood zone determinations for the lending industry to assist them with the compliance requirements of the National Flood Insurance Program (NFIP) and the National Flood Insurance Reform Act, NFDA recognizes accurate flood maps are an important part of compliance with requirements of the NFIP. Today, FEMA paper flood maps are the maps of record for compliance, and the flood zone determination industry is the single largest extensive user of the maps. In 2001 and 2002, our industry completed 24,507,632 and 30,211,047 flood zone determinations respectively, related to newly originated loans for the mortgage industry. In addition, we completed another 5,472,532 and 4,906,743 determinations for the same years for loans we were tracking on behalf of lenders that were affected by map revisions.

Map modernization is a positive initiative, not only for the flood zone determination industry, but for State and local communities as well. By employing state-of-the-art technology, such as Geographic Information Systems (GIS) and Geographic Positioning Systems (GPS), communities can map their flood risk digitally. As a result, the updated maps will be easier and more cost-efficient to update as conditions change. In addition, digital flood maps are dynamic visual tools for State and local officials, land-use planners, private businesses, environmental protection organizations and emergency management personnel to recognize and chart areas for future development and plan for public safety.

NFDA has been given the opportunity to provide feedback on the current FEMA maps, most of which are greater than 10 years old, in an effort to improve the quality of the existing maps as well as create some standards for the new maps to be published. These technical mapping meetings provide a communication forum that enables the end users of the maps, FEMA, and its contractors to identify practical solutions to the daunting challenge of maintaining and enhancing the accuracy and quality of the FEMA maps.

As a result of the success from the technical mapping meetings, NFDA strongly encourages map modernization representatives to establish an advisory committee comprised of stakeholders and FEMA and contractor representatives as a means of ensuring regular, consistent communication takes place regarding this initiative. In order for the new maps to be truly effective, it is critical to emphasize quality over quantity. The use of new flood studies to develop quality data rather than re-use of possibly out-of-date data is key to achieving truly accurate flood maps. Development of consistent mapping standards for all communities is also important. An advisory committee modeled on the technical mapping advisory council established for 5 years by the Flood Insurance Reform Act of 1994 would be able to review the metrics used for establishing standards, as well as make recommendations for enforcement of those standards in order to create and retain a quality product.

As strong supporters of FEMA, the National Flood Determination Association also strongly supports reauthorizing the National Flood Insurance Program for 3 more years. Multi-year reauthorization is important to the prevention of a program lapse similar to the one that occurred in January of 2003 when the NFIP was unauthorized for 13 days.

Additionally, NFDA asks that important programs such as the natural disaster programs remain within FEMA's jurisdiction. Removing such programs is a threat to FEMA's effectiveness, and it is important that FEMA is allowed to maintain its management without interruption.

In closing, our association has been an avid supporter of FEMA and its map modernization initiative since its inception, and is pleased to offer our continued support in the future. As a part of that support, we ask that the Committee appropriate the \$200 million requested for map modernization and reauthorize the NFIP for 3 more years.

PREPARED STATEMENT OF THE NATIONAL TREASURY EMPLOYEES UNION

Chairman Cochran, Ranking Member Byrd, distinguished members of the Subcommittee; I would like to thank the Subcommittee for the opportunity to comment on the fiscal year 2005 budget for the Department of Homeland Security (DHS) and specifically its impact on the DHS Bureau of Customs and Border Security (CBP).

As President of the National Treasury Employees Union (NTEU), I have the honor of leading a union that represents over 13,000 Customs and Border Protection employees who are stationed at 307 ports-of-entry across the United States. Customs and Border Protection officers, canine enforcement officers, and import specialists make up our Nation's first line of defense in the wars on terrorism and drugs as well as the facilitation of lawful trade into the United States. In addition, legacy Customs personnel are responsible for ensuring compliance with import laws and regulations for over 40 Federal agencies, as well as stemming the flow of illegal contraband such as child pornography, illegal arms, weapons of mass destruction and laundered money.

In 2003, legacy Customs Service employees seized over 2.2 million pounds of cocaine, heroin, marijuana and other illegal narcotics. Customs and Border Protection Officers also processed over 412 million travelers last year, including over 1 million cars and trucks. These numbers continue to grow annually. Over the last decade trade has increased by 137 percent. Legacy U.S. Customs Service personnel facilitate more trade, and interdict more drugs than any other agency within the Customs and Border Protection Bureau. The legacy Customs Service collects over \$20 billion in revenue on over 26 million entries involving over \$1.2 trillion in international trade every year. The legacy Customs Service also provides the Federal Government with its second largest source of revenue. Last year, the legacy Customs Service deposited over \$24.7 billion into the U.S. Treasury.

FISCAL YEAR 2005 BUDGET

The President's fiscal year 2005 budget requests a funding level of \$40.2 billion for the Department of Homeland Security and from that total \$6.2 billion is requested for the Bureau of Customs and Border Protection (CBP). The CBP includes the legacy inspection and border security personnel of the Customs Service, INS, Border Patrol and APHIS. The focus of the CBP is security at and in-between ports-of-entry.

Unfortunately, the President's request for the CBP represents a token increase from last year's appropriations for all of the agencies transferred into the CBP. NTEU believes that this recommendation is simply inadequate to meet the needs of Customs and other border security personnel, especially in light of their additional homeland security missions such as the Customs Trade Partnership Against Terrorism (C-TPAT), the Container Security Initiative (CSI), U.S. VISIT and the 24-Hour Rule that requires advanced transmission of accurate cargo manifest information to the CBP.

In addition to annual appropriations, Customs also receives funds from a user fee account known as the COBRA account. This user fee account funds all inspectors' and canine enforcement officers' overtime pay as well as approximately 1,200 Customs positions across the country. The COBRA account is funded with user fees collected from air and sea passengers entering the United States (except from the Caribbean and Mexico), commercial vehicles, commercial vessels/barges and rail cars. The COBRA fund was recently reauthorized and now will expire on March 31, 2005. However, the President's fiscal year 2005 budget does not address the future reauthorization of COBRA or the possible integration of the COBRA fees with other CBP

user fees. The COBRA fund must continue to be reauthorized or Congress must appropriate additional funds to make up for the loss of the user fees in the future.

Despite the increased threats of terrorism, the dramatic increases in trade resulting from NAFTA, and new drug smuggling challenges, CBP personnel has confronted its rapidly increasing trade workload and homeland security missions with relatively static staffing levels and resources. While staffing was increased in last year's supplemental and fiscal year 2004 appropriations, in the last 10 years, there simply have not been adequate increases in staffing and resource levels for inspectional personnel and import specialists to successfully conduct their missions. The events of September 11 brought attention to the fact that the Northern border, and especially the Nations' seaports, and the Southwest border are still in urgent need of additional personnel and resources.

In fact, Customs' recent internal review of staffing, known as the Resource Allocation Model or R.A.M., shows that the Customs Service alone needed over 14,776 new hires just to fulfill its basic mission and that was before September 11. In addition, in 2001 the Patriot Act called for a tripling of the number of Northern Border personnel from the roughly 2,300 personnel who were on the border in the fall of 2001 to 6,900 by the end of 2004, a number that DHS is far short of reaching. According to the testimony of Commissioner Robert Bonner before the 9/11 commission on January 28, 2004, the CBP currently has approximately 3,900 CBP personnel on the northern border.

Traffic volume at U.S. land ports-of-entry has steadily increased as our shared borders with Mexico and Canada have become more open as a result of the NAFTA and other trade initiatives. The steady increase of commercial and non-commercial traffic has led to increased wait times at many land ports-of-entry, particularly those along the Southwest border. Wait times along the Southwest border can often extend to 45 minutes or more during peak hours. Such lengthy delays can be both irritating and costly to businesses and the traveling public.

The lack of resources at ports-of-entry is also a problem along the Northern Border and at seaports. Port security, largely overlooked in the Homeland Security Act, must also be a priority of this committee. The fiscal year 2005 budget provides only \$50 million for port security grants as part of the Transportation Security Administration appropriation, a reduction of almost \$100 million in grant money for ports from the President's fiscal year 2004 budget. Each year more than 16 million containers arrive in the United States by ship, truck and rail. In the last 5 years alone, Customs has witnessed a 60 percent increase in trade entries processed, and this rate is expected to grow an average of 8 to 10 percent a year. Port security must remain a high priority for the Department of Homeland Security.

With increased funding for resources, modern technologies, such as Vehicle and Cargo Inspection Systems (VACIS), which send gamma rays through the aluminum walls of shipping containers and vehicles to enable Customs inspectors to check for illegal drugs or weapons of mass destruction, as well as decreasing the amount of time shipping containers are out of the supply chain, could be acquired. Other technologies, such as portable contraband detectors (a.k.a. Busters), optical fiber scopes and laser range finders can be invaluable to Customs personnel protecting our borders from terrorists and illegal drugs. However, adequate and consistent funding for personnel to operate these technologies has not been forthcoming. On a daily basis, CBP officers are being tasked with additional anti-terrorism, trade, immigration, agriculture and drug smuggling initiatives with little increase in across the board staffing, leaving many ports of entry with too few personnel to successfully carry out all of the DHS mission priorities.

CBP PERSONNEL ISSUES

CBP Personnel Overtime Cap

An aspect of the consolidation of legacy Customs, INS and APHIS inspectors into a single front-line border security position that needs to be addressed immediately by this subcommittee is the correction of the overtime cap language for all CBP employees. When legacy Customs employees joined together last March to form the Bureau of Customs and Border Protection, the Department and Congressional appropriators realized the differences in overtime systems between the various border agencies. Unfortunately, the fiscal year 2004 DHS Appropriations bill included a provision that, while intending to provide greater consistency in overtime earnings among the front line CBP workforce, has instead created additional problems for the CBP workforce, more specifically, legacy Customs personnel and the new CBP officers.

Specifically, the fiscal year 2004 DHS Appropriations bill states that all CBP employees are subject to a \$30,000 annual overtime cap (legacy Customs, INS, APHIS,

& new CBP officers). However, the fiscal year 2004 appropriations language does not address COPRA (Customs Officer Pay Reform Act) overtime earnings for legacy Customs personnel and new CBP officers. The original language of the COPRA law included a \$25,000 cap. However, for the past several years, the annual appropriations bills specifically amended COPRA to provide for an increase to \$30,000 as an overtime cap. Unfortunately, this year's (fiscal year 2004) appropriation does not contain this amendment and has had the unintended effect of re-instituting a \$25,000 cap for only those employees covered by COPRA (legacy Customs personnel and the new CBP officers).

Commissioner Bonner is well aware of this problem, as he indicated in a November 2003 Commissioner's message to all CBP employees stating that, "we believe that this disparity was not intentional and we have begun to take all necessary steps to correct it through the proper channels. At my direction, the CBP Office of Congressional Affairs is now working with the Department to address this inconsistency through a legislative correction." NTEU hopes that the Commissioner, working closely with the members of this subcommittee, can fix this situation both retroactively for legacy Customs employees this year and prospectively in the fiscal year 2005 DHS Appropriations bill.

FLETC 6 Day Training Issues

On January 1, 2002, at the request of the Federal Law Enforcement Training Center (FLETC), the legacy U.S. Customs Service implemented a 6-day a week training schedule for all basic training courses for Customs officers in order to accommodate the higher volume of employees being sent to FLETC as a result of the events of September 11.

Unfortunately, as a result of the 6-day a week basic training schedule, the legacy U.S. Customs Service, and now the Bureau of Customs and Border Protection (CBP) have refused to compensate legacy customs officers and the new CBP officers for their sixth day of basic training at FLETC. Legacy Customs officers and the new CBP officers receive no pay, either "straight time" or overtime pay for their work on the sixth day of basic training. While there may be disagreement as to what overtime system may be appropriate, it is outrageous that these employees are required to work 1 day a week for no pay at all.

This inequity has become even more egregious for legacy Customs inspectors due to a recent decision of the Bureau of Immigration and Customs Enforcement (BICE), that authorized the retroactive payment of FLSA overtime to legacy immigration inspectors who, like legacy Customs officers had been assigned to a 6-day workweek while attending their basic training at FLETC since January 1, 2002. Again, by forcing hundreds of newly trained legacy Customs inspectors and new CBP officers to work a sixth day without any compensation while their legacy INS counterparts receive FLSA overtime is certain to hinder the esprit-de-corps and development of the Department of Homeland Security's "One Face at the Border Initiative" which has merged the legacy Customs and INS inspectional workforces into one border security position within DHS. The committee needs to work closely with DHS and the CBP bureau to immediately correct this training pay inequity for legacy Customs employees and the new CBP officers.

One Face at the Border

As the subcommittee is aware, on September 2, 2003, Secretary Tom Ridge announced the creation of a new CBP officer position and the "One Face at the Border" initiative. Under this plan, a new position, the Customs and Border Protection Officer (CBPO) would combine the duties of legacy inspectors from Customs, INS and APHIS into a single front-line border security position at the 307 official ports-of-entry across the United States.

NTEU believes that combining the border protection responsibilities that were held by three highly-skilled specialists into a "super inspector" raises some serious concerns. Each of the job responsibilities from the three legacy inspection agencies is highly specialized and distinct. By utilizing one employee to perform all three primary and secondary inspection functions, will the agency lose the expertise that has made the United States border inspection personnel second to none?

NTEU believes that the CBP officer position was created with the assumption that the basic skill sets for legacy Customs and INS inspectors are similar and NTEU would have to agree with this statement as far as a primary inspection is concerned. However, it is in secondary inspections where expertise is needed. It is in secondary inspections where legacy Customs and INS experts "drill down" to seek the facts they have been trained to find.

CBP Officer Training

Prior to the creation of the CBP officer position, legacy Customs inspectors received 9 to 12 weeks of intensive basic training on Customs Service rules and regulations alone. Now, the new CBP officer will receive only 14 weeks of training for all Customs, INS, and APHIS rules and regulations. Under the new CBP officer training guidelines, legacy inspectors currently on the border will be transitioning into the new position in the spring of this year by way of classroom training, CD-ROM computer teaching and on-the-job training. While the new training will lead to a broader knowledge of the INS, Customs and APHIS rules and regulations of entry for passengers and goods entering the United States, there is a concern as to whether it will provide the specialized expertise necessary to ensure the successful accomplishment of the critical missions of the Department of Homeland Security.

Another aspect of the "One Face at the Border" initiative that needs more thorough scrutiny is the lack of details with regard to the secondary inspection process at ports of entry. Currently, legacy Customs and INS inspectors are "cross-trained" as to the most basic Customs and INS procedures for entry into the United States for passengers and goods. However, if a legacy Customs inspector is faced with a complicated visa entry situation at an airport or land border primary inspection station they have the ability to send the passenger to a more intensive secondary inspection where an experienced legacy INS inspector can make a determination as to the validity of a particular visa. It is unclear whether experts in visa issues or other specific Customs and INS border protection matters will continue to be readily available for secondary inspection. This issue is even more urgent in light of the fact that on January 5, 2004, DHS rolled out its new entry/exit visa processing system known as U.S. VISIT. Operating at 115 airports and 14 seaports across the country, and eventually expanding to the 50 largest land border ports of entry by the end of 2004, U.S. VISIT is currently being manned by only legacy INS inspectors because legacy Customs inspectors do not have the on the job experience to thoroughly determine the validity of a particular visa or passport. NTEU feels strongly that if border initiatives such as U.S. VISIT are to be successful, specific expertise must be maintained among the CBP officer ranks as it relates to Customs and INS regulations.

Law Enforcement Officer Status

In addition, legislative action that would help to ensure the retention of Customs and other CBP personnel could include granting law enforcement status for legacy Customs Inspectors, Canine Enforcement Officers and other border security personnel in the CBP. For example, legacy Customs Service Inspectors and Canine Enforcement Officers continue to be the Nation's first line of defense against terrorism and the smuggling of illegal drugs and contraband at our borders and in our ports. Legacy Customs Service Inspectors have the authority to apprehend and detain those engaged in terrorism, drug smuggling and violations of other civil and criminal laws. Canine Enforcement Officers and Inspectors carry weapons, and at least 3 times a year they must qualify and maintain proficiency on a firearm range. Yet, they do not have law enforcement officer status. They are being denied the benefits given to other Federal employees who they have been working beside to keep our country safe. Legacy Customs employees face real dangers on a daily basis, granting them law enforcement officer status would be an appropriate and long overdue step in recognizing and retaining the Customs personnel who continue to protect our borders from terrorism and drugs. There currently is a bill before the House HR 2442, which would grant law enforcement status to CBP personnel. Representative Filner introduced this bill and it currently has 101 cosponsors. I would ask the members of this subcommittee to cosponsor this very important legislation.

DHS Proposed Personnel Regulations

As the committee is aware, the Homeland Security Act of 2002 authorized the Secretary of Homeland Security and the Director of OPM to develop new human resources (HR) systems for Federal employees in the Department of Homeland Security in the areas of pay, performance management, job classification, labor-management relations, and disciplinary matters. As part of the creation of the new DHS HR system, a design team composed of DHS managers and employees, HR experts from DHS and OPM, and representatives from the agency's three largest unions, including NTEU, were assembled to develop a wide range of HR options for consideration by Secretary Tom Ridge and OPM Director Kay Coles James who will develop the new DHS HR system.

To support the effort to create the new DHS personnel system, the President's fiscal year 2005 budget provides the department with \$102.5 million to develop and implement a new performance-based pay system for DHS personnel including fund-

ing for a pay for performance pilot program within the Coast Guard. NTEU is strongly opposed to the \$102.5 million requested in the President's budget to fund the implementation of this ill-conceived program and believes that this funding would be better spent by this committee on additional staffing and equipment to protect our borders from terrorism.

As a member of the DHS Human Resources Design Team NTEU has always strongly advocated that in designing pay, classification and performance management systems for DHS, that the principles of credibility, transparency and accountability must be honored and applied to the DHS HR options that were introduced by Secretary Ridge and Director James in February. Unfortunately, the proposed DHS personnel regulations neither honored nor applied the principles that employees in the department deserve.

As the Committee is aware, the public comment period on the proposed DHS personnel regulations, closed on March 22, 2004. It is our understanding that DHS received over 2,000 comments during the past month from DHS employees, Members of Congress, employee representatives and the general public. From an initial review of the submitted comments, it can be safely said that the vast majority of the comments oppose the proposed pay and job classification system for DHS personnel.

The proposed DHS personnel regulations propose to implement a radical change to pay and job classification systems for DHS employees, and to increase the linkage between pay and performance. However, no reliable information exists to show that this system will enhance the efficiency of DHS operations and promote homeland security. Indeed, most of the key components of the system are not clearly determined in the proposed regulations. The proposed regulations consist only of broad statements concerning the creation of occupation clusters of related positions in the department and the ability of DHS/OPM to create a number of "pay bands" for each cluster that relates to skill level. The "pay band" ranges will be set by an extremely complicated formula of mission requirements, local labor market conditions, availability of funds, and pay adjustments received by other Federal employees.

The proposed pay system lacks the transparency and objectivity of the General Schedule. Critical decisions on pay rates for each band, annual adjustments to these bands and locality pay supplements and adjustments will no longer be made in public forums like the U.S. Congress or the Federal Salary Council, where employees can watch the process and have the opportunity to influence its outcome. Rather, these decisions would now be made behind closed doors by a group of DHS managers (sometimes in coordination with OPM) and their consultants.

If the proposed system is implemented, employees will have no basis to accurately predict their salaries from year to year. They will have no way of knowing how much of an annual increase they will receive, or whether they will receive any annual increase at all, despite having met or exceeded all performance expectations identified by the Department. The "pay-for-performance" element of the proposal will pit employees against each other for performance-based increases. Making DHS employees compete against each other for pay increases will undermine the spirit of cooperation and teamwork needed to keep our country safe from terrorists, smugglers, and others who wish to do America harm.

One thing is clear. The proposed pay system will be extremely complex and costly to administer. A new bureaucracy will have to be created, and it will be dedicated to making the myriad, and yet-to-be identified, pay-related decisions that the new system would require.

In the area of labor relations, NTEU is extremely disappointed by the proposed DHS personnel system. Despite the congressional mandate to protect an employee's right to collectively bargain, the proposed DHS personnel regulations are drafted as such to minimize the influence of collective bargaining so as to undermine the statutory right of employees to organize and bargain collectively. When Congress included provisions in the Homeland Security Act to protect employees' collective bargaining rights, Congress could not have intended those rights to be gutted as they are in the proposed regulations.

For example, the proposed regulations eliminate bargaining over otherwise negotiable matters that do not significantly affect a substantial portion of the bargaining unit, they eliminate a union's right to participate in formal discussions between bargaining unit employees and managers, and they drastically restrict the situations during which an employee may request the presence of a union representative during an investigatory examination. In addition, the proposed regulations set and change conditions of employment and void collectively bargained provisions through the issuance of non-negotiable departmental regulations, assign authority for resolving many labor-management disputes to the Homeland Security Labor Relations Board, composed exclusively of members appointed by the Secretary, and grant broad new authority to establish an entirely new pay system, and to determine each

employee's base pay and locality pay, and each employee's annual increase in pay, without requiring any bargaining with employee representatives.

The Homeland Security Act required any new human resources system for DHS employee "contemporary." Unfortunately, the labor relations and performance management proposals are, however, remarkably regressive. By proposing to silence front-line employees and the unions that represent them, DHS/OPM appear to have decided that employees and their representatives can make no contribution to the accomplishment of the essential mission of protecting the homeland. This backwards-thinking approach is at odds with contemporary concepts of labor relations.

In the area of due process for DHS employees the proposed personnel regulations make drastic changes. Included in the proposed regulations are provisions that bar the Merit Systems Protection Board from reducing or otherwise modifying any penalty selected by DHS, which would deprive employees of a chance to challenge excessive or unreasonable penalties, the proposed regulations eliminate the right of a union to submit serious adverse actions imposed against bargaining unit employees to an arbitrator, and they reduce an agency's burden of proof in adverse actions cases to a standard that would require DHS's decisions to be upheld even if they are more likely than not to have been improper.

In addition, the proposed DHS regulations would allow the Secretary of Homeland Security to determine an unlimited number of mandatory removal offenses or "deadly sins" that require mandatory termination for DHS personnel, without access to any independent review of the charges; the only review would be by an in-house entity. These proposed DHS "deadly sins" are even more Draconian than the IRS' deadly sins, which are subject to independent review and are set by statute, not subject to the whim of the current or future DHS Secretaries.

It is important to note that President Bush supports repealing the mandatory termination provisions currently in effect at the IRS and legislation drafted by the Administration to do this (H.R. 1528) has passed the House with strong bipartisan Congressional, as well as, Administration support. The Administration believes that the IRS needs more flexibility in this area. Since flexibility has been the primary goal of personnel changes at DHS, it is totally inconsistent to introduce procedures that take away all discretion by requiring mandatory penalties.

When Congress mandated that DHS employees be treated fairly and afforded the protections of due process, and authorized only limited changes to current appellate processes, Congress could not have envisioned the drastic reductions in employee rights that are in the proposed DHS personnel regulations. No evidence shows that current employee due process protections or the decisions of an arbitrator or the MSPB jeopardize homeland security. While there was support expressed in Town Hall meetings and focus groups for speeding up the adverse action and appeals process, there was no support for drastically altering the process in favor of management or otherwise reducing the likelihood of fair and accurate decisions.

Ideally, a new DHS human resource management system should promote esprit-de-corps so as to enhance the effectiveness of the workforce. Unfortunately, these proposals fall far short of that ideal. Instead, they will result in a demoralized workforce composed of Federal employees who feel as if they have been relegated to second-class citizenship. This system will encourage experienced employees to seek employment elsewhere and will deter qualified candidates from considering a career in DHS.

Thank you for the opportunity to share NTEU's thoughts on a number of extremely important issues concerning the Department of Homeland Security, its fiscal year 2005 Budget and its front line employees.

PREPARED STATEMENT OF THE UNIVERSITY OF MIAMI

Chairman Cochran, Ranking Member Byrd, and distinguished members of the Subcommittee, thank you for giving me the opportunity to provide testimony on the Disaster Resistant University initiative and to request continued funding in the fiscal year 2005 appropriations bill of your Subcommittee.

We very much appreciate the interest of Members of Congress in this program. It is a modest program with great benefits.

Request for fiscal year 2005

We respectfully request the following language in the fiscal year 2005 Department of Homeland Security Appropriations Bill Emergency Preparedness and Response section of the bill under the Predisaster Mitigation section.

The Committee directs Emergency Preparedness and Response (FEMA) to continue the Disaster Resistant University Program by providing continued support to

the pilot universities and those selected in fiscal year 2003 and fiscal year 2004 to implement mitigation efforts to reduce their vulnerabilities and improve protection of their students, employees, and the Federal investment in vital research.

Program Background

The FEMA Disaster Resistant University (DRU) Initiative was created to reduce the potential for large loss of life and hundreds of millions of dollars in key Federal research and billions of dollars in damage from natural disasters. The University of California at Berkeley was the prototype and founding member of the program. In October 2000, FEMA selected five additional universities to join Berkeley in the pilot phase of the program: the University of Alaska at Fairbanks, University of Miami, University of North Carolina at Wilmington, Tulane University, and the University of Washington at Seattle. The selected universities have two elements in common: a vulnerability to disasters and a commitment to improve protection of students, faculty and staff, and one of our most valuable assets, intellectual property. The pilot program was funded with \$700,000 in grants from predisaster mitigation funds and the U.S. Fire Administration.

Purpose of the Program

The purpose of the program is to help the Nation's colleges and universities facing the threat of natural disasters and acts of terrorism to assess their vulnerabilities and find ways to protect the lives of their students, faculty, and staff; their research; and their facilities. It will provide a framework and process for other universities to do the same.

The intent of the program was to assist universities by first providing a small grant for them to assess their vulnerabilities, devise appropriate plans, and set priorities and then to provide grants in following years of approximately \$500,000 each for the universities to take steps to reduce those vulnerabilities.

Need for the Program

The Federal Government funds \$19.4 billion annually in university research, according to the National Science Foundation statistics in 2001, the latest year available. This Federal investment in the vital intellectual property of the Nation should be protected.

In addition, universities are critical to the economic health of their surrounding communities. Their ability to resume operations quickly following a disaster greatly speeds the recovery of the entire community. For example, the University of Miami is the 3rd largest employer in Miami-Dade County and has a \$1.9 billion a year impact on the community; the University of Washington is the 3rd largest employer in the State of Washington and has a \$3.4 billion impact; the University of North Carolina at Wilmington is the 3rd largest employer in the area and is a \$400 million annual benefit to an eight county area; the University of California at Berkeley is the 3th largest employer in the Bay area and generates \$1.4 billion annually in the Bay area; Tulane University is the largest employer in Orleans Parish and the 5th largest in Louisiana with a \$1.5 billion gross impact on New Orleans; and the University of Alaska at Fairbanks is the largest civilian employer in the Tanana Valley. In addition, many universities operate medical schools which provide essential clinical services to the residents of their communities and adjacent areas.

Many recent events underscore the need for the program: the loss of many years of research at the Texas Medical Center as result of flooding from Tropical Storm Allison, the earthquake damage to the University of California at Northridge and the University of California at Los Angeles, the facility damage and loss of life at the University of Maryland as result of a tornado, hurricane damage to the University of North Carolina at Wilmington, the earthquake damage to the University of Washington at Seattle, and the declaration by the FBI that our universities are "soft" targets for terrorists.

Status of the Program

On December 31, 2003, FEMA published a Notice of Funds Availability (NOFA) for grant applications. As directed by Congress, \$500,000 is to be available to the six existing DRUs and \$100,000 each is to be available for six new ones to start the process. The funds are from the PreDisaster Mitigation Fund.

The applications were due to FEMA regions on March 1, 2004. The FEMA regions have completed preliminary reviews and forwarded the applications to FEMA headquarters. Panels will be reviewing the applications in late April and awards are expected in early June.

Forty-four universities and four consortia applied. Applications were received from six Historic Black Colleges and Universities (HBCU) and one tribal school. Applications were received from universities located in nine of the ten FEMA regions.

Although no additional funding has been made available since the original small grants in 2000, great progress has been made by the universities with the modest Federal investment. Participation in the DRU brought high level commitment and a framework for disaster planning and mitigation activities that helped universities focus and enhance efforts to protect their students, faculty, staff, vital research, and facilities.

Each university has made significant improvements in developing awareness campaigns on campus; assessing their risks, vulnerabilities, and mitigation options, prioritizing and implementing some of the mitigation options; updating emergency operations plans; and developing and implementing plans for business continuity. The universities have improved disaster resistant design specifications for buildings and their contents, incorporated disaster resistance into campus master planning, and partnered more closely with governmental and private entities.

These six pilot universities are making strong efforts to protect their over 120,000 students, over 60,000 employees, 1,550 buildings valued at over \$11,820,458,000, and \$1,600,710,000 in annual research.

The six participating Disaster Resistant Universities look forward to continuing their progress and to mentoring the six new universities which FEMA will be selecting soon.

Included in the applications from the six pilots for the fiscal year 2003 funding were projects such as protecting windows, tying down rooftop mechanical equipment, structural bracing for hurricane damage protection for buildings housing major research projects; seismic retrofit of the university police Department 9-1-1 dispatch center and emergency operations center; developing emergency plans for campus special needs populations; seismic evaluation of the power plant vital for research facilities; and improving nonstructural hazard mitigation in university laboratories, increasing data backup, and expanding business resumption planning into departments and research units.

Streamlining the Process

We are grateful that the process of getting out the fiscal year 2003 funding is underway; however, the new application process for the fiscal year 2003 funds was very time consuming. Some of the information required seemed much more appropriate for communities than a university. One pilot university estimated it took 200 hours of staff time to prepare the application and several spent more than 150 hours. One of the universities applying as a new selection for a \$100,000 grant devoted 150 hours of staff time. In addition the process is time consuming for State and local emergency management officials. We would like to work with FEMA on suggestions for streamlining the process while still maintaining high quality applications.

Summary of Congressional Interest

We very much appreciate the support Congress has given this program.

Fiscal year 2002

The Conference Report on the VA, HUD and Independent Agencies Appropriations bill for 2002 (House Report 107-272) contained the following language:

The conferees believe that many of the Nation's universities are vulnerable to disaster and urge FEMA to continue its Disaster Resistant University program and expand the scope to include safe-guarding university assets from acts of terrorism.

Fiscal year 2003

The Conference Report on the fiscal year 2003 Omnibus bill in the FEMA section of the VA, HUD and Independent Agencies stated the following:

The conferees are in agreement that FEMA should continue the Disaster Resistant University program and direct FEMA to carry out the direction contained in House Report 107-740.

House Report 107-740 stated the following:

Finally, the Committee notes that in September of 2000 FEMA selected five universities to join the University of California at Berkeley in the pilot phase of the Disaster Resistant University program: University of Alaska/Fairbanks, University of Miami, University of North Carolina/Wilmington, Tulane University, and University of Washington/Seattle. The purpose of the program is to help the Nation's colleges and universities facing the threat of natural disasters to assess their vulnerabilities and find ways to protect their research, facilities and the lives of students, faculty and staff. The Committee directs FEMA to continue the Disaster Resistant University Program with grants of \$500,000 to each of the six pilot Disaster Resistant Universities and \$100,000 each to at least six additional universities, including at least one HBCU, to join the program.

Fiscal year 2004

The Senate Report on the Department of Homeland Security Appropriations bill (S. Report 108-86) included the following language under the National Pre-Disaster Mitigation Fund which was funded at \$150,000,000.

The Committee encourages the Department to continue the existing Disaster Resistant University program at the fiscal year 2003 level.

The House receded to the Senate in the conference agreement.

We again thank you for the opportunity to provide written comment on the need for continued funding of this important program. We would welcome the opportunity to provide additional information or to discuss the program further with your staff.

PREPARED STATEMENT OF THE UPPER MISSISSIPPI RIVER BASIN ASSOCIATION

The Upper Mississippi River Basin Association (UMRBA) is the organization created in 1981 by the Governors of Illinois, Iowa, Minnesota, Missouri, and Wisconsin to serve as a forum for coordinating the five States' river-related programs and policies and for collaborating with Federal agencies on regional water resource issues. As such, the UMRBA has an interest in the budgets for the U.S. Coast Guard and the Federal Emergency Management Agency (FEMA).

Both the Coast Guard and the FEMA have vital functions specifically related to homeland security that must be adequately funded. But both also have other traditional missions that are equally important to public health and safety, economic well-being, and environmental protection. For the Coast Guard, these include activities such as aids to navigation, vessel and facility inspections, emergency response, and mariner licensing. For FEMA, key traditional missions include the National Flood Insurance Program, flood map modernization, hazard mitigation, and response to floods and other natural disasters. Nowhere are these services more important than on the Upper Mississippi River System, which supports a vital link in the inland waterway transportation system, some of the Nation's most productive agricultural land, population centers ranging from small towns to major metropolitan areas, and a nationally significant ecosystem.

COAST GUARD

Operating Expenses

A continuing priority for the UMRBA is the Coast Guard's Operating Expenses account. The President's fiscal year 2005 budget proposal includes \$5.173 billion for this account, an increase of almost 10 percent from the fiscal year 2004 enacted level. However, this net increase of \$455 million for Operating Expenses is more than fully consumed by specific increases tied to implementation of the Maritime Transportation Security Act (MTSA); increased personnel costs; and operating costs for new vessels, aircraft, and facilities related to the Coast Guard's saltwater responsibilities. These initiatives are important in their own right and will benefit a range of Coast Guard missions. However, it is also true that the Coast Guard's non-security missions will be under continued strain as the inflation-adjusted resources for these missions remain static or shrink.

When the Department of Homeland Security was formed, the UMRBA strongly supported the Coast Guard's stated objective of sustaining traditional missions near their pre-9/11 levels. These traditional missions are critical to the safe, efficient operation of the Upper Mississippi River and the rest of the inland river system. Under these mission areas, the Coast Guard maintains navigation channel markers, regulates a wide range of commercial vessels in the interest of crew and public safety, and responds to spills and other incidents. The beneficiaries include not only commercial vessel operators, but also recreational boaters; farmers and others who ship materials by barge; and the region's citizens, who benefit enormously from the river as a nationally significant economic and environmental resource.

Even prior to September 11, recent years had brought a number of changes to the way the Coast Guard operates on the inland river system, including elimination of the Second District; closure of the Director of Western Rivers Office; decommissioning the Sumac, which was the largest buoy tender on the Upper Mississippi River; and staff reductions. While the States understand the need for efficiency, the cumulative impacts of these changes must be carefully monitored, particularly in light of the increased demands that we are now placing on the personnel and assets that remain in the region. The UMRBA is quite concerned that staff reductions and resource constraints have combined to impair the Coast Guard's ability to serve as an effective, proactive partner.

Specifically, increased security demands have reduced the staff assigned to vessel inspections and limited the Coast Guard's investigation of reported spills. Sending a single person to conduct vessel inspections reduces the rigor of those inspections, and, in a worst case scenario, potentially puts the inspector at risk. Similarly, electing not to respond to reports of small spills means some of these spills will go uninvestigated and puts increased demands on local officials, who do not have the Coast Guard's expertise or resources. Moreover, it could result in costly delays should a spill turn out to be larger than first reported, an all-too-common occurrence. Temporary adjustments initially made to accommodate immediate security needs are now evolving into long term standard operating procedures. While everyone recognizes the need to adjust to our new security environment, it is essential for the Coast Guard to retain the capacity to perform its traditional missions on the Upper Mississippi River. Toward that end, the UMRBA supports the President's fiscal year 2005 budget request for the Coast Guard's Operating Expenses account, but urges Congress to ensure that sufficient resources from within this account are allocated to the Coast Guard's inland river work.

Research, Development, Testing, and Evaluation

Through its Research, Development, Testing, and Evaluation (RDT&E) program, the Coast Guard conducts cutting edge research in several critical areas, including oil spill prevention and response, risk assessment, and mariner safety. Of particular note, researchers at the Coast Guard's Groton, Connecticut Research and Development Center have made invaluable contributions to state-of-the-art fast water spill response, in situ burning, and human error reduction. However, the President is now proposing to shift the Coast Guard's RDT&E funding to the Department of Homeland Security's Science and Technology (S&T) Directorate. This proposal represents precisely the kind of diminution of the Coast Guard's non-security missions with which the UMRBA and others have repeatedly expressed concern. Research on innovative oil spill recovery equipment or new methods for combating crew fatigue will simply be lost in the department-wide S&T Directorate, with its overwhelming focus on homeland security issues. Moreover, the President's proposal appears to be inconsistent with Section 888 of the Homeland Security Act, which calls for "the authorities, functions, and capabilities of the Coast Guard to perform its missions . . . [to] be maintained intact." The UMRBA urges Congress to provide adequate and direct funding to the Coast Guard's multi-mission RDT&E program in fiscal year 2005.

Reserve Training

The President is requesting \$117 million for Coast Guard Reserve Training in fiscal year 2005. The UMRBA States are keenly aware of the importance of the reserve forces. During major flood events on the inland rivers, reservists have consistently provided exemplary service, augmenting the Coast Guard's capabilities and helping to protect public health and safety. More recently, many reservists have been called to active duty, enabling the Coast Guard to meet many new security-related demands. On the inland rivers, this has included increased patrols near critical facilities and development of security plans for key inland ports. The UMRBA urges Congress to fund Reserve Training at \$117 million in fiscal year 2005, thereby helping to maintain a Coast Guard reserve that can effectively execute both homeland security- and natural disaster-related missions.

Boating Safety Grants

The Coast Guard's boating safety grants to the States have a proven record of success. The Upper Mississippi is a river where all types of recreational craft routinely operate in the vicinity of 15-barge tows, making boating safety all the more important. As levels of both recreational and commercial traffic continue to grow, so too does the potential for user conflicts. This is particularly true with major events like the Grand Excursion 2004, during which flotillas of boaters will retrace President Millard Fillmore's 1854 steamboat journey from Rock Island, Illinois to the Twin Cities.

Boat safety training and law enforcement are key elements of prevention. However, the future of this successful grants program is uncertain. Following the pattern of recent years, the President has requested \$59 million in fiscal year 2005 funding for boating safety grants to the States. This is the amount historically authorized without annual appropriation from the Boat Safety Account, which is funded by a tax on fuel for recreational motor boats. Successive Administrations have not typically exercised their option to request an additional \$13 million in annual appropriations for the grants. However, the authority for the funding from the Boat Safety Account has expired and must be extended if the program is to continue in fiscal year 2005. Such a provision is currently being considered as part of the pend-

ing Highway Bill. The UMRBA urges prompt reauthorization of the Boating Safety Program, and funding of this important work at \$72 million annually.

FEDERAL EMERGENCY MANAGEMENT AGENCY (EMERGENCY PREPAREDNESS AND
RESPONSE DIRECTORATE)

Hazard Mitigation

UMRBA is particularly interested in FEMA programs that help mitigate future flood hazards. Mitigation, which is the ongoing effort to reduce or eliminate the impact of disasters like floods, can include measures such as relocating homes or community facilities off the floodplain, elevating structures, and practicing sound land use planning. Mitigation planning and projects are essential to reducing the Nation's future disaster assistance costs. Given the importance of mitigation, UMRBA supports the Pre-Disaster Mitigation (PDM) grant program, which was created in fiscal year 2003 and for which the President is requesting \$150 million in fiscal year 2005. While the PDM grant program is still relatively new, it holds promise for enhancing communities' ability to prevent future damages, particularly in areas that have not experienced a major disaster and thus have not had access to post-disaster mitigation assistance through the Disaster Relief Fund. In addition, pre-disaster mitigation assistance is an effective means of meeting the ongoing need in all communities to plan for future floods and reduce their vulnerability before the next flood disaster.

FEMA is still in the process of awarding fiscal year 2003 grant funds, and fiscal year 2004 grant guidance has not yet been released. In fiscal year 2003, each State in the country was provided \$248,375 for planning grants. The balance of the \$150 million appropriated in fiscal year 2003 is being allocated nationally as competitive grants, in three phases. While fiscal year 2003 competitive grants have not yet been awarded, the review process has concluded. A total of nearly \$6 million in PDM competitive grants will likely be awarded, from fiscal year 2003 funds, to communities throughout the five States of the Upper Mississippi River Basin. Although the PDM grant program has gotten off to a slow start, it holds promise. Thus, UMRBA supports the President's fiscal year 2005 funding request of \$150 million for the PDM program.

Flood Map Modernization

Flood maps are not only used to determine risk-based National Flood Insurance Program premium rates, but also provide the basis for local regulation of flood hazard areas and for State and local disaster response planning. However, most flood maps are over 15 years old and are rapidly becoming obsolete. Many flood maps are outdated by the effects of land use changes in the watersheds. When outdated maps underestimate flood depths, it can often lead to floodplain development in high risk areas. It is therefore important that flood maps be updated on an ongoing basis and in a timely way.

The President's fiscal year 2005 budget proposes \$200 million for FEMA's Flood Map Modernization program. While funding for flood maps has increased substantially since the Map Modernization initiative began in fiscal year 2003, there are growing concerns about the adequacy of the original time and cost estimates. For instance, producing updated and accurate maps often requires that new studies be conducted. However, the existing map modernization budget is only sufficient to fund actual mapping costs and will not adequately cover the costs of necessary associated tasks, such as new flood elevation studies or levee certifications. In fiscal year 2004, FEMA Region 5 was allocated \$12 million for map modernization and Region 7 was allocated \$7.28 million. Given such constrained funding and the fact that mapping needs are being prioritized based on population, rather than flood risk or need, it is not clear when relatively sparsely populated counties along the Mississippi River will be mapped. Ironically, the Federal Government, through the U.S. Army Corps of Engineers, recently spent approximately \$17 million to develop new flood profiles for the Upper Mississippi and Lower Missouri Rivers. Unfortunately this updated information cannot be fully utilized until sufficient funding is made available to modernize and digitize the flood maps for river communities. Thus, the UMRBA urges Congress to provide adequate funding for map modernization, including sufficient funding to develop new maps for the Upper Mississippi and Lower Missouri Rivers based on the new flood profiles.