

DEPARTMENT OF HOMELAND SECURITY APPROPRIATIONS FOR FISCAL YEAR 2005

TUESDAY, FEBRUARY 10, 2004

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

The subcommittee met at 10:02 a.m., in room SD-106, Dirksen Senate Office Building, Hon. Thad Cochran (chairman) presiding.
Present: Senators Cochran, Stevens, Specter, Domenici, Gregg, Craig, Byrd, Inouye, Leahy, Harkin, Mikulski, Kohl, and Murray.

DEPARTMENT OF HOMELAND SECURITY

STATEMENT OF HON. TOM RIDGE, SECRETARY

OPENING STATEMENT OF SENATOR THAD COCHRAN

Senator COCHRAN. The hearing of our committee will please come to order.

Today we begin our review of the fiscal year 2005 budget request for the Department of Homeland Security. I am pleased to welcome to the hearing the Secretary of the Department of Homeland Security, the Honorable Tom Ridge.

Under the Secretary's leadership, this new department, which became operational not quite 1 year ago, has undertaken the challenge to improve the safety and security of the United States. Merging some 180,000 employees from 22 separate agencies into a new department has been a very challenging endeavor. Recent events have underscored our awareness that challenges still lie ahead as the department continues its work to prevent terrorism, to reduce the Nation's vulnerability to terrorist acts, and to increase our disaster response capabilities.

While we all understand that more will be done, the administration with the active support of this committee and the Congress is succeeding to improve our intelligence-gathering capabilities; achieve a greater degree of coordination and cooperation among all those involved in homeland security; develop and deploy new detection technologies; and heighten security of our borders, ports, transportation systems, and other critical infrastructure.

We will review this year's budget request and work with you, Mr. Secretary, to provide the resources the department requires to manage its responsibilities and to successfully carry out its mission. For fiscal year 2005, the President's budget requests \$40.2 billion to fund programs and activities of the department, including

mandatory and discretionary appropriations, user fee collections, and trust funds.

At this point, I am very pleased to yield to other senators on the committee, first to my distinguished friend from West Virginia, who is the ranking Democrat on this subcommittee, Senator Byrd, for any statements he might wish to make.

STATEMENT OF SENATOR ROBERT C. BYRD

Senator BYRD. Thank you, Mr. Chairman, my colleagues on the committee, and welcome, Mr. Secretary.

As we approach the 1-year anniversary of the creation of the Department of Homeland Security, this subcommittee will be holding a series of hearings on the President's request for your agency. These hearings will focus not just on the budget request for the department, but also on the effectiveness of the department in using the resources that have been available to it to make this country safer. I look forward to your testimony on efforts to secure the homeland by other Federal agencies, by State, regional, and local governments, and by the private sector.

ALERT LEVEL CHANGE

On Sunday, December 21, you raised the Nation's terror alert level to orange. In justifying this action you said, and I quote, "The strategic indicators, including Al Qaeda's continued desire to carry out attacks against our homeland, are perhaps greater now than at any point since September 11." In explaining why you thought there was a high risk of terrorist attack, you said, and I quote, "Information indicates that extremists abroad are anticipating near-term attacks that they believe will rival or exceed the scope and impact of those that we experienced in New York, at the Pentagon, and in Pennsylvania 2 years ago."

That was a pretty sobering assessment. When I read your testimony, I note that the President claims he is seeking a 10-percent increase for your department. I thought perhaps the administration had finally gotten the message that it was time to back up the President's rhetoric on homeland security with real resources.

FISCAL YEAR 2005 BUDGET INCREASE

But, Mr. Secretary, I was disappointed to learn that when one looks at the details in the President's budget, the 10-percent increase is just another puffed-up gimmick. The fact is that the Department of Homeland Security receives only a 4-percent proposed increase in discretionary spending, only slightly more than enough to cover inflation and the 2005 pay raise.

In the fiscal year 2004 Homeland Security Appropriations Act, Congress approved advanced appropriations of \$2.5 billion for Project BioShield for the period from fiscal year 2005 to fiscal year 2008. In your budget presentation, you include the entire \$2.5 billion as 2005 spending, despite the fact that those funds are supposed to last 4 years.

Your own budget documents show that you expect to spend only \$890 million of the \$2.5 billion in fiscal year 2005. After adjusting the budget request for that gimmick, the increase in the fiscal year

2005 budget is only 4 percent. So that means that the President is seeking a 4-percent increase when you believe that the threat of another terrorist attack is higher than at any time since September 11.

I share the view, Mr. Secretary, that this Nation is at risk of more terrorist attacks. We continue to be vulnerable to a wide range of potential threats. On December 15, 2003, the advisory panel to assess domestic response capabilities for terrorists involving weapons of mass destruction issued their final report. The panel, which was headed by the former Republican Governor of Virginia, James Gilmore, concluded that the department must learn from history without falling into the trap of fighting the last war by concentrating too heavily on the tactics and techniques used by the September 11 terrorists.

Yet in this budget, 97 percent of the budget for the Transportation Security Administration is for aviation security with a focus on more airline hijackings. What about the security of our ports? What about our buses, our trains? Why does the President propose to reduce grants to ports for improved security by over 60 percent, when over 95 percent of all overseas trade coming in or out of the country moves by ship? Why does the President refuse to increase resources for securing cargo on passenger aircraft?

Eight days ago, in this very room, Senate employees were quarantined and decontaminated for an attack with a dangerous toxin, ricin. Clearly, the risks of a chemical or biological attack in this Nation remain high. According to the EPA, over 100 chemical plants located throughout the country could affect over 1 million people if the plants were attacked.

In February of 2003, the National Infrastructure Protection Center, which is now part of your department, issued a threat warning that Al Qaeda operatives also may attempt to launch conventional attacks against the U.S. nuclear and chemical industrial infrastructure to cause contamination, disruption, and terror. Nuclear power plants and industrial chemical plants remain viable targets. And yet, Mr. Secretary, the President's budget does not include the request of the Post Office for \$779 million to develop biodetection systems that would help protect citizens across the Nation and for ventilation and filtration systems to protect their employees. The President also proposes to cut by 10 percent the HHS program designed to equip and train State and local health agencies to detect and respond to biological or chemical attacks.

FUNDING FOR FIRST RESPONDERS

In June of 2003, the Council on Foreign Relations' report, authored by Former Senator Rudman and others, entitled, "Emergency Responders: Drastically Underfunded, Dangerously Unprepared," asserted that America will fall approximately \$98 billion short of meeting emergency responder needs in the next 5 years, if current funding levels are maintained.

The Federal Emergency Management Agency, part of your department, in a report entitled "A Needs Assessment of the U.S. Fire Service," found that only 13 percent of the fire departments have the equipment and training to handle an incident involving chemical or biological agents. And yet, Mr. Secretary, the Presi-

dent's budget proposes to cut grants that equip and train police, fire, and emergency medical care personnel by \$729 million. Fire grants alone are to be reduced by 33 percent.

In addition to these resource issues, this Subcommittee will also examine the effectiveness of our homeland security programs. We will ask questions about your methods for collecting and sharing intelligence. Just last week, we learned that the White House had been the target of a ricin attack. Sharing information with State and local law enforcement is a critical ingredient to effective deterrence.

We will also ask if the department is doing everything possible to make sure that State, local, and regional governments are effective partners in deterring a terrorist attack. We will ask whether we are providing the right incentives, including money, to make sure that chemical and other industries are doing their fair share to make this country more secure.

CAPPS II

Finally, we will closely examine your plan to implement CAPPS II, a new information system for screening airline passengers. And I encourage you not to implement the new system until the requirements of the law have been met.

Mr. Secretary, you and the 179,000 employees in your department are to be commended for your efforts to preserve our freedoms, to protect America, and to secure our homeland. We share your vision. I share your belief that we are a vulnerable Nation. We will ask many questions in an effort to understand what more needs to be done and what needs to be done differently in order to respond to the terrorist threat. We look forward to your testimony.

Senator COCHRAN. Senator Gregg, you are recognized for any opening statement you may have.

STATEMENT OF SENATOR JUDD GREGG

Senator GREGG. Well, Mr. Chairman, first, I appreciate your holding this hearing. And I appreciate Governor Ridge's attendance. And I have a lot of questions. I have obviously been involved in this issue, as many members of this panel have, for a long time. And just to highlight a couple of them quickly, I am very concerned about the discussion as to how this money is going out to first responders.

THREAT-BASED DISTRIBUTION

I am totally supportive of the department's effort to do a threat-based distribution. I think we need to look at the history of this. The original concept here was created by the Domenici-Nunn bill, which the Defense Department had. And the idea was we were going to train the top 162 cities first and make them capable of handling a major threat event. That whole concept was carried forward under the prior committee that had jurisdiction over first responders, which was my committee, CJS. We set up the first responder money. And we wanted to make it a threat-based approach.

This idea that we are just going to put money across the board to every community in America, we cannot afford that. What we need to do is focus it. And I congratulate the department for that. And I hope you will give us some more expansive thoughts on that and assure us that it is a threat-based approach for distribution there.

ENTRY-EXIT

Secondly, I am concerned about the exit-entry issue. The technology appears to me to be serious problems with that technology. And I am not sure that Customs and the Border Patrol activities are going to get the technology they need. I would like to get an update on that.

COUNTERTERRORISM COMMUNICATION

I am concerned about the communication efforts in the area of counterterrorism. There appears to be lapses there. And the bioterrorism issue is our problem. We, as a Congress, have not passed BioShield. You have given us a proposal. We have not passed it. You should have that in hand. And if you want to castigate us on that, we deserve it. And please do today.

AIRPORT SECURITY

And I am very concerned about the amount of money we are spending on airport security, as Senator Byrd outlined, and whether or not we are effectively addressing the threat coming across our borders by focusing so many resources on airport security. Anybody who goes through airport security today knows a lot of it is regrettably mindless security, which we have to get a handle on. Literally, you go into some of these airports, and you will have 20 or 30 security people standing there for an airport that has 20 flights a day. And it does not seem to have much relationship, especially now that we have secured the cockpit doors and these planes cannot be used as missiles any longer, but can still be blown up, of course.

But the ports are a threat. Other entry points are a threat. And are we over-weighting our security efforts to airports, to the transportation of individuals versus transportation of cargo through ports or in airplanes?

So there are a lot of questions. I look forward to hearing your answers and thoughts. And I would like to hear from you, so I will not take any more time. Thank you.

Senator COCHRAN. Thank you, Senator.

Senator Inouye.

STATEMENT OF SENATOR DANIEL K. INOUE

Senator INOUE. Mr. Chairman, I request that my full statement be made part of the record.

Senator COCHRAN. Without objection, it is so ordered.

Senator INOUE. I just want to state that, as one living far away, I am a constant air traveler. And as such, I have been in a position to note differences, if any. And I must commend the Secretary, because there has been much improvement in our security system, as

far as the air operations are concerned. Little things, such as they are not giving any preference to big shots, which I think is a clear indication of better discipline. The operation is much smoother. It moves faster and, I believe, much more effective.

PREPARED STATEMENT

Secondly, coming from the ocean, I am naturally concerned about port security. I commend you for the increase in your funding there. But as my colleague from West Virginia indicated, I hope that improvements can be made on the grand picture.

With that, I would like to thank you, Mr. Secretary.

Secretary RIDGE. Thank you, Senator.

[The statement follows:]

PREPARED STATEMENT OF SENATOR DANIEL K. INOUE

Mr. Chairman, I look forward to discussing with Secretary Ridge the fiscal year 2005 budget for the Department of Homeland Security. In my review of the budget documents I was pleased to note the emphasis placed on port security, an issue of great importance to my state. However, I am concerned by many of the planned program consolidations and reductions that will impact state first responders. I am interested to learn how you will ensure that the Federal Government maintains the intent and results of the current programs that are proposed for consolidation.

Senator COCHRAN. Thank you, Senator.

Senator Stevens.

STATEMENT OF SENATOR TED STEVENS

Senator STEVENS. Well, thank you, Mr. Chairman, Mr. Secretary. I join my colleague from Hawaii, Senator Inouye. I think the two of us spend more time on airplanes than any other member of the Senate. And there is no question that the system is improved. It was my privilege to spend some time with the members of our Nation who manage airports over the recess right after Christmas. And that was the general consensus, that everything has improved.

But one of the things that almost everyone there expressed a hope was that we would analyze this now and see what is the threat. The threat in the beginning was perceived to be one thing. We basically have equipment now to examine for metal, for guns, for knives. But we are dealing with many substances now that those people who manage airports would like to work with you in order to see how we could address the possible broad spectrum of threats that affect us now.

NATIONAL ALERT SYSTEM

The only other question, if I am not here, Mr. Chairman, I would like to put it on the record, pertains to the national alert system. The Appropriations Committee provided specific money for a study concerning the national alert system, which currently still deals only with radio.

And we affirmatively believe that the mechanisms of communications now are so—there are such a myriad of methods now that there ought to be some consideration given to a ubiquitous system that no matter what form of communication you listen to or use, you would receive a message, whether it is over a cell phone or a blackberry or a computer or your radio or the television or cable,

that every system would have an announcement of items of national concern. Not local concern. Leave that to the local people to decide what they want to do. But the national alert system, I think, needs to be reviewed. And we asked for a study. And my question pertains to when we will receive that study.

Thank you very much, Mr. Chairman.

Senator COCHRAN. Thank you, Senator.

Senator Harkin.

STATEMENT OF SENATOR TOM HARKIN

Senator HARKIN. Thank you, Mr. Chairman. I would like to ask that my full statement be made a part of the record.

Senator COCHRAN. Without objection, it is so ordered.

Senator HARKIN. Just a couple of comments, Mr. Secretary. Again, as we all know, we cannot protect the Nation perfectly against every conceivable threat. And, therefore, we have to make choices and devote our limited resources to those threats that we judge to be most likely and most serious. So this poses some very difficult choices for our first responders, those people out on the front lines.

I made it a point, when this department was created, when I was appointed to this subcommittee, to go around the State of Iowa, to talk with the Governor, his staff, others in State Government. We visited each of 99 counties in Iowa to talk to the local emergency management personnel, the firefighters, police, EMS people, other officials. I wanted to find out what was on their minds, what they thought was most important, what they thought was working, what was not.

Again, aside from all the other things, I was told by almost all these people that the biggest challenges they face today are the same they faced prior to 9/11: Crime, methamphetamine, natural disasters. FEMA is now a part of Homeland Security. It has become a really remarkable, world-class organization dealing with fires, floods, tornadoes, things that happen every year. We cannot renege on our commitment to help people in need due to these natural disasters. That is why I and others have fought so hard to keep the fire grant program.

INCREASED BURDENS ON FIRST RESPONDERS

The first responders in Iowa would tell me that they are frustrated. When the alert level changes, they learn about it from CNN and not from the department. They do not know why the alert level is raised or what kind of threats they ought to be looking for. They tell me they are obliged to respond to vague mandates they do not fully understand, taking time away from other priorities. Often these mandates are unclear and costly.

At the same time, some current reporting requirements are onerous and illogical. One county emergency manager in Iowa told my staff that he is required to report on contingency plans in case there is a tidal wave. And as he understands it, he is not allowed to answer "not applicable."

And again, these increased burdens are coming at a time when State and local governments are hurting. Many are already laying off police, fire and emergency management personnel. The vast ma-

jority of firefighters in the United States are volunteers. Increased training requirements are needed. And they are burdensome. And at the time, local governments just do not have the wherewithal to do this.

AGRO-TERRORISM

One last thing I would just mention is agro-terrorism and the focus on the subject of agro-terrorism and what can be done with a small amount of agricultural commodities. I am concerned that perhaps we are not focusing enough on the subject of agro-terrorism and what could be done to interrupt our food supply, to contaminate food. Not that it might kill a lot of people, but just to spread terror, from things that could be done to our food supply chain.

PREPARED STATEMENT

With that, Mr. Secretary, thank you. I compliment you on the job you are doing very well down there and look forward to working with you to keep this going.

Thank you, Mr. Chairman.

Secretary RIDGE. Thank you, Senator.

[The statement follows:]

PREPARED STATEMENT OF SENATOR TOM HARKIN

President Kennedy said that “to govern is to choose.” We cannot protect the Nation perfectly against every conceivable threat. We have to choose. We have to devote our limited resources to address those threats we judge to be the most likely and most serious. This poses difficult choices for Congress and the Administration, as well as for local communities. It poses especially difficult choices for the first responders, those men and women who are truly on the front line—and whose lives are on the line when emergencies arise.

One of my highest priorities since being appointed to the Homeland Security Appropriations Subcommittee has been to address directly the needs of these front-line professionals all across Iowa. My staff and I have had numerous conversations with the Governor of Iowa, with his staff, and with others in State government. I also asked members of my Iowa staff to visit each of the state’s 99 counties to talk with local emergency management personnel, firefighters, police, EMS and other officials. I wanted to get the best ideas from these front-line professionals: What do they think is most important when it comes to homeland security. What do they think is working, and what is not.

These meetings have been extraordinarily valuable to me. Security is on people’s minds. Not surprisingly, Iowans were more than eager to share their insights and priorities. And their input has shaped my own approach to homeland security issues here in Washington.

When the creation of a new Department of Homeland Security was first proposed, I supported the effort. We knew then that balancing, and probably shifting, among competing priorities would be a challenge. We must do all we can to protect the America from terrorist threats.

But, at the same time, it remains vitally important that we protect Americans from other, more likely hazards. It is important that we not focus exclusively on large cities and major strategic assets. Frankly, I am extremely concerned about the shift of priorities in this proposed budget away from rural areas. Rural communities will continue to face major challenges. But, under this budget, they will face those challenges with fewer resources.

It is a mistake to redirect funds from badly needed current programs. That just creates new holes in our homeland security infrastructure. In fact, wherever possible, we should aim to expand and strengthen existing emergency-response mechanisms. We should increase the capacity of local authorities to prevent or respond to terrorist threats and to deal more effectively with the much more common threats and emergencies they face.

Iowans told my staff that the biggest challenges Iowans face today include many of the same problems they faced in June of 2000: crime, the methamphetamine scourge, natural disasters.

Over the past several years, FEMA, now part of Homeland Security, has become a truly remarkable, world-class organization for dealing with fires, floods, tornados, and earthquakes. These things occur every year, regardless of other threats, and they continue to threaten lives and livelihoods. We cannot renege on our commitment to help people in need due to these natural disasters. This is exactly why I and others have fought hard to ensure that the fire grant program is retained.

At the same time, first responders in Iowa tell me that they are frustrated. When the alert level changes, they learn about it from CNN, not from the Department of Homeland Security. They don't know why the alert level is raised, or which kinds of threats they ought to be looking out for. They are obliged to respond to vague mandates that they don't fully understand, taking time away from other priorities. Often, these mandates are unclear—and costly. While some funding is flowing, communities are unsure how exactly they should be spending it, and they fear spending it in a way that might not meet a later mandate.

At the same time, some current reporting requirements are onerous and illogical. One county emergency manager in Iowa told my staff that he is required to report on contingency plans in case there is a tidal wave—and, as he understands it, he is not allowed to answer “not applicable.” I suspect that if a tidal wave big enough to cause damage in Iowa were to hit the United States, our least concern will be inadequate tidal wave planning in rural Iowa!

These increased burdens are coming at a time when State and local governments are hurting. Many already are laying off police, fire, and emergency management personnel. The vast majority of firefighters in the United States are volunteer. Increased training requirements for these personnel, while useful, can be extremely burdensome. We are losing firefighters in Iowa. If we at the Federal level are going to create mandates, then funds must follow those mandates.

Finally, I would like to mention the subject of agri-terrorism. As my colleagues know, a major agri-terrorism event could easily cause billions of dollars in losses. Anyone who has spent time in rural America knows the difficulty in trying to guard against every avenue of vulnerability. The key to protecting U.S. agriculture is making sure that our intelligence and response capabilities are in place both to prevent acts of terrorism in the first place, and to respond quickly should an attack occur. I think we are still falling short on response. I am very disappointed not to see more resources directed to building the capacity of our agricultural first-response system. We really need to take a hard look, and make sure we are doing all we can to protect U.S. agriculture and rural communities.

I have been working closely with my State government—particularly with the state Homeland Security director, Ellen Gordon—to identify appropriate state and Federal responses to agri-terror. Iowa has been working overtime trying to map out a comprehensive plan to deal with this very difficult issue. I applaud their good work. And I look forward to working with Secretary Ridge and with my colleagues to give greater focus and priority to the threat of agri-terrorism.

Senator COCHRAN. Senator Mikulski.

STATEMENT OF SENATOR BARBARA A. MIKULSKI

Senator MIKULSKI. Thank you very much, Mr. Chairman and Mr. Secretary. Mr. Chairman, I, too, ask unanimous consent that my full statement be in the record.

Senator COCHRAN. Without objection, it is so ordered.

[The statement follows:]

PREPARED STATEMENT OF BARBARA A. MIKULSKI

First of all, Mr. Secretary, I want to thank you for your personal visit to Maryland when Hurricane Isabel hit last September. It was of a magnitude that we have not seen for more than 80 years in Maryland. And your personal visit and the excellent response of FEMA is indeed appreciated. I'm here to thank you on behalf of the people of Maryland for coming to the State and touring the hard hit areas and for your team doing such a good job.

I'd also like to thank the Department of Homeland Security and all of our security agencies for averting another terrorist attack on the United States of America. Through classified briefings and others, I know that the threat over the holidays

was indeed real. The fact that we were sitting here today having this hearing with no TV cameras shows that something must be working right. But for what you did over the holidays—and when I say you, I mean every single person who worked overtime—while we were sitting there having turkey and opening presents, there were people putting themselves out there. So I just wanted to say thank you, again, on behalf of the people of Maryland and all of us here, for all that you do to keep us safe.

I have four areas of concern, however, that I want to address in the Department of Homeland Security fiscal year 2005 budget: High Threat Urban Area funding, Fire Grants, Port Security, and Coast Guard funding.

First of all, I am very concerned about cuts to grant programs for State and local governments. The funding request for key first responder programs is down to \$3.2 billion, which is \$474 million less than last year. The State block grant program, which is distributed by formula, is reduced from \$1.7 billion to \$750 million. The Fire Grant program is reduced from \$750 million to \$500 million. However, I am happy to see an increase in grants to high threat, high density urban area funding, which is doubled to \$1.45 billion.

The High Threat Urban Areas funding is extremely important. The Mayor of Baltimore recently said that “Cities are on the front line of homeland security, but in the back of the line funding. . . . The Administration and Congress should act now to direct appropriate homeland security funds to cities and eliminate the bureaucracy of a middle man.” So while I applaud the President for recognizing the critical funding needs of our high threat, high-density regions, I hope I can work with you and the Members of the Committee to ensure that this money is getting where it is needed most: in the hands of the police, firefighters, and other emergency responders on the front lines.

I am very concerned about the Fire Grant program, which is one of the true grassroots programs that we have. Senator Bond and I worked so hard on Fire Grant funding when FEMA was in our VA–HUD bill. However, this year’s budget calls for \$500 million in funding, which is \$246 million less than the 2004 level and \$400 million less than the authorized level. I believe there is a compelling need to fund this program at its authorized level. In 2003 the U.S. Fire Administration received over 20,000 applications totaling \$2.5 billion in requests. We know from FEMA and the National Fire Protection Association that at least 57,000 fire fighters lack personal protective clothing. That item in and of itself speaks to the enormous need in this area.

Another area of concern is the budget request for port security grants. President Bush’s request calls for \$46 million in Port Security Grants, which is well below last year’s level of \$124 million. The Coast Guard estimates that \$5.4 billion is needed for port security improvements. I want to echo again comments about Baltimore and how deeply concerned we are about the fact that our ports continue to be vulnerable. And it’s not only about money, but it’s also about a smarter, more efficient strategy for protecting our critical infrastructure.

I am very supportive and proud of our U.S. Coast Guard, which is truly one of the most efficient and effective of all Federal agencies. The men and women of the Coast Guard put their lives on the line everyday to apprehend drug smugglers, protect our marine resources, and safeguard our environment. However, since September 11th they have been called on more than ever to protect our borders and ports. We need to provide the Coast Guard with the resources to meet these new challenges. Yet, the Guard operates a fleet of ships airplanes that are nearing the end of their useful life. In fact, some of their ships date back to World War II. That’s why I am a strong supporter of the Coast Guard Deepwater Program, which would replace these antiquated systems with cutting edge technology.

And last, but not at all least, I would hope that you would comment on one of the biggest changes that you are proposing: the combining of 24 grant programs into a new office called the Office of State and Local Government Coordination and Preparedness. I presume the fire grants move over there. I believe you talk about it on page seven of your testimony. This is a big deal because people have complained about the need for a more efficient and effective coordination between Federal, State, and local governments, particularly as it relates to resources like we talked about—better communication and coordination.

But I’d like to know where you’re heading with this consolidation. And also, what will it mean? Will it be a disruption for all those who know how to apply? Is this going to be a whole new set of rules, regulations, and trade routes that our first responders will have to learn to be able to come to Washington for help? Or is this really going to solve the problems that mayors and governors have raised with you? But again, a really heart-felt gratitude for all that you do. I look forward to your testimony today.

Senator MIKULSKI. First of all, Mr. Secretary, thanks are in order. I want to thank you for your personal visit to Maryland when Hurricane Isabel hit. It was of a magnitude that we have not seen for more than 80 years in Maryland. Your personal visit and the excellent response of FEMA is appreciated. I am here to thank you on behalf of the people of Maryland for coming and for your team doing such a good job.

Additionally, I would like to thank the Department of Homeland Security and all of our security agencies for averting another attack on the United States of America. Through classified briefings, I know that the threat over the holidays was indeed real. And the fact that we are sitting here today having a conversation with no TV cameras shows that something must be working right. I would like to thank you for what you did over the holidays—and when I say you, I mean every single person who worked overtime. While we were sitting at home having turkey and opening presents, there were people who were putting themselves out there. So I just wanted to say thank you, and again on behalf of the people of Maryland and all of us, for everyone who worked so hard.

In terms of where we are in homeland security, I want to echo concerns about the fire grant program, which is one of the true grassroots programs that we have. And, of course, Senator Bond and I worked so hard on that program when FEMA was over in our VA/HUD bill. The cut is \$246 million from last year. And I would like to hear your elaboration on it.

FEMA and the National Fire Protection Association found that at least 57,000 firefighters lack personal protective clothing. That item in and of itself, where we have to protect the protector, speaks to the enormous need.

PORT SECURITY

The other is the whole issue of port security, which, again, echoing my comments, affects a Maryland port. We are deeply concerned about the fact that our ports continue to be vulnerable. And it is not only about money, but it is also about a more efficient strategy.

GRANT CONSOLIDATION

And last but not at least, I would hope that you would comment on the fact that one of the biggest changes is that you propose combining 24 grant programs into a new office called the Office for State and Local Government Coordination and Preparedness, one of which is moving FEMA over there. I presume the fire grants move over there. And I believe you talk about it on page seven of your testimony.

This is really a big deal, because people have complained about the need for more efficient and effective coordination between our State and local governments, particularly resources, like we talked about, communication coordination. But to move 24 grant programs, I would like to know where you are heading and also what will it mean. Will it be a disruption for all those who knew how to apply? Is this going to be a whole new set of rules, regs, trade routes that they have to learn to be able to come to Washington,

or is this really going to solve the problems that mayors and governors have raised with you?

But again, a really heartfelt gratitude.

Secretary RIDGE. Thank you, Senator.

Senator COCHRAN. Thank you, Senator.

Senator Murray.

STATEMENT OF SENATOR PATTY MURRAY

Senator MURRAY. Thank you very much, Mr. Chairman. And thank you to Senator Byrd and all of our colleagues for their comments today. I welcome you, as well, Mr. Secretary, and appreciate the tremendous job you are doing for our country. And I especially want to echo the comments of Senator Mikulski and thank you and everyone in your department for all of the work you do tediously every day to protect all of us. We all do appreciate it.

PORT SECURITY

I agree with my colleagues. A lot has been done in the area of airport security. All of us know tremendous changes have been made. Where I continue to have a tremendous concern is in the area of port security. And I know you joined the President last week in Senator Hollings's backyard at the Port of Charleston. And the White House issued a press release and described the event as the President focusing on seaport and cargo security. But I noticed that only a couple of minutes of his speech actually talked to that. And I think that kind of rhetoric without the backup is deeply concerning to me and to everyone, really, in this country.

We saw last week that a small bit of ricin shut down three buildings here on this campus for an entire week. A container coming into one of our terminals with an explosive device or any kind of biological agent could have a devastating effect obviously on human life, but a huge impact on the economy, if any of our ports or all of our ports were to shut down for any amount of time.

OPERATION SAFE COMMERCE

And I think you know what I am concerned about is that the backup is not there for the words and the rhetoric that the administration is focused on port security. I noticed in the President's budget request that a very promising security initiative, called the Operation Safe Commerce is killed in the President's budget. That is a program that is just beginning. And the first cargo ship actually with that in place is coming into my home State in Tacoma in just a couple weeks. And I think it is just not a good way to go, to kill that before it has even gotten started.

MARITIME TRANSPORTATION ACT

Another example is the President's budget director last week on the Budget Committee told me that the White House is committed to implementing the Maritime Transportation Act, the law that ensures that all of our ports and all the vessels calling on them have approved security plans. Mr. Bolton said the President was committed to implementing that, but his budget only provides 7 per-

cent of the funding that the Coast Guard testified to us they would need to implement that.

COAST GUARD

And the third example is that the administration is adding new homeland security duties to the Coast Guard's mission without providing them the support necessary to accomplish those tasks, as well as to deal with its traditional missions that are so critical. We all know the Coast Guard is stretched thin. They are working long hours. They are a dedicated group of people. But I think we need to back up what we are asking them to do in terms of homeland security duties and provide them with the funds. So I will be asking you about that today.

CUTS IN GRANT FUNDING

I share with my colleagues the concern about first responder grants that are being cut. And I want to mention as well the emergency management planning grants that go out to communities are being cut and restricted. If our communities cannot plan for a disaster, they will not know what to do if something occurs. And I think it is really important that we maintain our focus and our funds in that direction.

So those are some of the issues that I will raise in the question and answer period. But again, Mr. Secretary, thank you for the job you do for our country.

Senator COCHRAN. Thank you, Senator.

[The statement follows:]

PREPARED STATEMENT OF SENATOR PATTY MURRAY

I want to join you, Senator Byrd, and the rest of our colleagues in welcoming Secretary Ridge today. He has been handed a tough task in a very difficult time. I know he is committed to keeping our country safe, and I thank him for his leadership.

Mr. Secretary, I want to work with you to ensure our budget will actually deliver the security we both seek for our country.

Just last week, you joined President Bush at an event in Senator Hollings' backyard at the Port of Charleston.

A White House press release described the event this way—quote—"President Bush Focuses on Seaport and Cargo Security." He stood in front of a Coast Guard cutter and a container barge, yet he only focused on port security for about two minutes of his 30 minute speech.

Sadly that seems par-for-the-course for this White House.

The President offers a few words about port security here and there, but does not make the financial commitment we need to actually keep our ports safe.

And, the latest example came just last week with the President's budget request.

The President wants to kill a promising port security initiative called Operation Safe Commerce.

Mr. Secretary, as you know, our largest ports have been working to improve cargo security through Operation Safe Commerce for the past 2 years. In fact, the first cargo ship using this innovative program will arrive at the Port of Tacoma later this month, setting a new standard for port security. The President's budget would end Operation Safe Commerce.

That's just one disappointing example in this budget.

Here is another example: Last week the President's budget director told me the White House is committed to implementing the Marine Transportation Act. That's the law which will ensure all of our ports—and the vessels calling on them—have approved security plans.

Mr. Bolton said the President was committed to implementing MTSA, but his budget only provides 7 percent of the funding the Coast Guard says is required.

And, here's a third example, the Administration is adding new Homeland Security duties to the Coast Guard's mission without providing the support necessary to accomplish these new tasks as well as its traditional mission.

Mr. Secretary, we all agree that the Coast Guard is doing an admirable job balancing its many missions. However, the Coast Guard is stretched thin, and this budget stretches it further.

These brave men and women are working longer hours and doing more, but the President's budget offers no relief.

It's one thing to give a speech in front of our Coast Guard assets and quite another to actually provide the men and women of the Coast Guard with the tools they need to do the job.

Words won't help protect our Nation's seaports, but—

—Operation Safe Commerce,

—adequate support for the Coast Guard,

—and funding for marine security plans will make our ports safer.

And that is my focus today.

I do have other concerns with this budget beyond port security, for example:

I am concerned that first responder grants would be cut by more than \$800 million.

I am also concerned that Emergency Management Planning Grants would be cut and restricted, putting our emergency management and response system in jeopardy.

These are some of the issues I hope to explore with the Secretary this morning.

Thank you Mr. Chairman.

INVITATION TO SECRETARY RIDGE TO MAKE A STATEMENT

Mr. Secretary, we have a copy of the statement you prepared. It will be made a part of the record. We invite you to make any additional statement you think would be helpful to our understanding of the budget request. You may proceed.

Secretary RIDGE. Senator, if I might just highlight some of the points for my opening address and summarize it briefly.

Senator COCHRAN. That will be fine.

STATEMENT OF SECRETARY TOM RIDGE

Secretary RIDGE. Thank you.

Mr. Chairman, Senator Byrd, members of the subcommittee, I am certainly grateful for the opportunity to appear before you today and present the President's budget and priorities for the Department of Homeland Security in the coming year.

With the creation of the Department of Homeland Security, that charge was given to us, 22 different agencies and nearly 180,000 employees, brought together to pursue a single mission. The recent ricin scare serves as a very difficult and poignant and relevant reminder that terrorism is a threat that we must confront each and every day with the same commitment and the same sense of urgency we all remember from the day our Nation was attacked 2 years ago.

As we prepare to celebrate the first year of the department, it is important to remind the public that it has been with the steadfast support of this Congress and the resources you have provided that have made it possible for the department to not only carry out a vigorous and ambitious slate of security initiatives, but also to say to Americans with confidence today that we are indeed safer.

ACCOMPLISHMENTS ACHIEVED BY THE DEPARTMENT OF HOMELAND
SECURITY

We have strengthened airline security, increased vigilance at our borders and ports, forged unprecedented partnerships across the private sector and with State and local government, improved information sharing, launched robust efforts to engage citizens in preparedness efforts, and distributed funds and resources for our dedicated first responders.

FISCAL YEAR 2005 BUDGET REQUEST

To highlight an observation made by Senator Byrd, his analysis of the budget is correct. If you include the entire BioShield amount within the \$40.2 billion, it is a 10-percent increase. If you add the nondiscretionary money and some of the fee increases we request, it is about a 6-percent increase. And then just with the discretionary money appropriated by Congress, it is about a 4.4-percent increase. We believe the increase in funding will provide the necessary resources we need to expand and improve existing projects and programs, as well as build new barriers to terrorists who wish to do us harm.

PREPARED STATEMENT

I think the balance of my testimony highlights the areas that we have sought an increase, Mr. Chairman. But since you have the testimony as part of the record, I assume some or all of it has been digested. I think it would probably be even more useful for all of us just to engage in the kind of conversation, the question and answer that has been so fruitful in the past. If my entire statement is included as part of the record, I would conclude by again thanking my colleagues in public service for the opportunity to appear before you and look forward to the ensuing conversation.

[The statement follows:]

PREPARED STATEMENT OF TOM RIDGE

INTRODUCTION

Mr. Chairman, Senator Byrd and Members of the Subcommittee: I am honored and pleased to appear before the Committee to present President Bush's fiscal year 2005 budget for the Department of Homeland Security. Before beginning to outline our fiscal year 2005 budget request, I want to thank you for the strong support you showed for the Department in the fiscal year 2004 budget and for the fact that that appropriation was passed in time for it to be signed by the President on October 1, 2003—the first day of the fiscal year.

The \$40.2 billion request represents a ten percent increase in resources available to the Department over the comparable fiscal year 2004 budget and reflects the Administration's strong and continued commitment to the security of our homeland. The fiscal year 2005 budget is a \$3.6 billion increase over fiscal year 2004, and it includes increased funding for new and expanded programs in border and port security, transportation security, immigration enforcement and services, biodefense, incident preparedness and response, and the implementation of a new human resources system that will reward outstanding performance. The budget also continues our momentum toward integrating intelligence, operations and systems in a way that increases our Nation's security.

The Department of Homeland Security has made great organizational strides during the first year of operations. Nearly 180,000 employees and a budget of \$31.2 billion were brought under DHS less than a year ago. The Department established a headquarters operation and successfully began operations on March 1, 2003—bringing together the legacy agencies and programs that now make up DHS. Customs,

border and immigration activities have been reformulated into new agencies that will increase the effectiveness of our dedicated employees. DHS continues to create new ways to share information and intelligence within the Department and between levels of governments, and horizontally across agencies and jurisdictions. Already, over 350 different management processes have been consolidated to 130, and DHS has begun consolidating 2,500 support contracts into roughly 600.

While DHS invested considerable time to make the many organizational improvements that will improve our effectiveness, much was also accomplished programmatically. The fiscal year 2003 Performance and Accountability Report provides a comprehensive discussion of our accomplishments of the past year. We believe that in the twelve months since the creation of the Department, we have made substantial progress. Through the hard work of our dedicated and talented employees, America is more secure and better prepared than we were one year ago.

We have achieved many results since our creation, including:

- improving the collection, analysis and sharing of critical intelligence with key Federal, State and local entities;
- allocating or awarding over \$8 billion to state and local first responders to help them prevent and prepare to respond to acts of terrorism and other potential disasters;
- strengthening border security through the “One face at the border” initiative, which will cross-train officers to perform three formerly separate inspections—immigration, customs and agriculture. This will allow us to target our resources toward higher risk travelers;
- instituting innovative new systems like US VISIT to identify and track foreign visitors and students and to screen for possible terrorist or criminal involvement;
- safeguarding air travel from the terrorist threat by hardening cockpit doors, instituting 100 percent checked baggage screening; and training more than 50,000 Federal passenger and baggage screeners;
- increasing safeguards on maritime transportation and port infrastructure;
- expanding research and development in the defense of our homeland, through the creation of programs such as the Homeland Security Advanced Research Projects Agency (HSARPA) which has already engaged hundreds of private companies and universities in developing new cutting-edge technologies;
- launching an ambitious, collaborative effort involving input from employees at all levels, unions, academia, and outside experts to design a modern human resources system that is mission-centered, fair, effective and flexible;
- initiating a five-year budget and planning process and commencing the development of an integrated business and financial management system (Project eMerge²) to consolidate the 50 different budget execution systems, 43 different general ledgers, and 30 different procurement systems inherited by DHS; and
- successfully transferring more than \$50 billion in assets, \$36 billion in liabilities and more than 180,000 employees to the Department.

FISCAL YEAR 2005 BUDGET REQUEST

The fiscal year 2005 budget for the Department of Homeland Security builds upon the significant investments to date to our safeguard against terrorism, while also sustaining the many important departmental activities not directly related to our fight against terrorism. The President’s budget clearly demonstrates the continuing priority placed on the Department of Homeland Security in providing total resources for fiscal year 2005 of \$40.2 billion. This is an increase of 10 percent above the comparable fiscal year 2004 resource level, \$9 billion (29 percent) over the 2003 level and \$20.4 billion (103 percent) over the 2001 level.

STRENGTHENING BORDER AND PORT SECURITY

Securing our border and transportation systems continues to be an enormous challenge. Ports-of-entry into the United States stretch across 7,500 miles of land border between the United States and Mexico and Canada, 95,000 miles of shoreline and navigable rivers, and an exclusive economic zone of 3.4 million square miles. Each year more than 500 million people, 130 million motor vehicles, 2.5 million railcars, and 5.7 million cargo containers must be processed at the border. Conditions and venues vary considerably, from air and sea ports-of-entry in metropolitan New York City with dozens of employees to a two-person land entry point in North Dakota.

During fiscal year 2005, we will continue to strengthen our border and port security. Our budget seeks over \$400 million in new funding to maintain and enhance border and port security activities, including the expansion of pre-screening cargo

containers in high-risk areas and the detection of individuals attempting to illegally enter the United States. Our budget also includes an 8 percent increase for the Coast Guard to upgrade port security efforts, implement the Maritime Transportation Security Act, and enhance other activities.

Specifically, our budget includes an increase of \$25 million for U.S. Customs and Border Protection's Container Security Initiative (CSI) which focuses on pre-screening cargo before it reaches our shores. We are also seeking an increase of \$15.2 million for Customs Trade Partnership Against Terrorism (C-TPAT). C-TPAT focuses on partnerships all along the entire supply chain, from the factory floor, to foreign vendors, to land borders and seaports. To date, nearly 3,000 importers, 600 carriers, and 1,000 brokers and freight forwarders are participating in C-TPAT, surpassing the Department's original goal of participation of the top 1,000 importers. In order to further protect the homeland against radiological threats, the budget seeks \$50 million for next generation radiation detection monitors.

As well as continuing development for secure trade programs, the President's budget also seeks an increase of \$20.6 million to support improvements for the National Targeting Center and multiple targeting systems that focus on people and/or goods. These systems use information from diverse sources to provide automated risk assessments for arriving international air passengers, shipments of goods to our country, and land border passenger traffic.

The United States Visitor and Immigrant Status Indicator Technology (US VISIT) program's goals are to enhance the security of our citizens and our visitors; facilitate legitimate travel and trade across our borders; ensure the integrity of our immigration system; and respect the privacy of our welcomed visitors. US VISIT represents a major milestone in our efforts to reform our borders. DHS deployed the first increment of US VISIT on time, on budget, and has met the mandates established by Congress as well as including biometrics ahead of schedule. The budget seeks a total of \$340 million in fiscal year 2005, an increase of \$12 million over the fiscal year 2004 level. Through fiscal year 2005, over \$1 billion will be used to support this initiative.

Our budget also seeks an increase of \$64.2 million to enhance land-based detection and monitoring of movement between the ports, and \$10 million to plan, procure, deploy and operate unmanned aerial vehicles. In addition, the budget request for U.S. Immigration and Customs Enforcement (ICE) includes an increase of \$28 million to increase the flight hours of P-3 aircraft. The P-3 has already proven itself to be a key asset in the battle against terrorism as demonstrated in the days immediately following the September 11, 2001 attacks when P-3s flew airspace security missions over Atlanta and Miami.

The Coast Guard funding increase includes over \$100 million to implement the Maritime Transportation Security Act, to support the Coast Guard's ability to develop, review and approve vessel and port security plans, ensure that foreign vessels meet security standards, improve underwater detection capabilities, and increase intelligence capacity. The budget also maintains the Coast Guard's ongoing Integrated Deepwater System initiative, funding the program at \$678 million, an increase of \$10 million over the fiscal year 2004 funding level.

ENHANCING BIODEFENSE

The President's fiscal year 2005 budget reflects \$2.5 billion for Project BioShield that will be available in fiscal year 2005 to encourage the development and pre-purchase of necessary medical countermeasures against weapons of mass destruction. Project BioShield allows the Federal Government to pre-purchase critically needed vaccines and medications for biodefense as soon as experts agree that they are safe and effective enough to be added to the Strategic National Stockpile. The Administration is moving forward in purchasing the most important countermeasures and high on the list are next-generation vaccines for both smallpox and anthrax.

The Department's efforts to improve biosurveillance will involve the Information Analysis and Infrastructure Protection (IAIP) and Science and Technology (S&T) directorates. In S&T, the budget requests \$65 million increase to enhance current environmental monitoring activities, bringing the total fiscal year 2005 investment in this area to \$118 million. One key component of this initiative will be an expansion and deployment of the next generation of technologies related to the BioWatch Program, a biosurveillance warning system. In IAIP, \$11 million increase is included to integrate, in real-time, biosurveillance data collected from sensors throughout the country and fuse this data with information from health and agricultural surveillance and other terrorist-threat information from the law enforcement and intelligence communities.

The National Disaster Medical System (NDMS) is responsible for managing and coordinating the Federal medical response to major emergencies and federally declared disasters. For 2005, FEMA's budget includes \$20 million for planning and exercises associated with medical surge capabilities. In addition, the budget transfers funding (\$400 million) for the Strategic National Stockpile to the Department of Health and Human Services to better align the program with that agency's medical expertise.

IMPROVING AVIATION SECURITY

We have made great strides to improve the safety of the aviation system from acts of terrorism. For example, we have made significant investments in baggage screening technology—over \$2 billion to purchase and install Explosive Detection System machines (EDS) and Explosive Trace Detection machines (ETD) to the Nation's airports from fiscal year 2003 to fiscal year 2005; hardened cockpit doors; deployed 45,000 Federal passenger and baggage screeners at the Nation's airports; and trained pilots to be Federal Flight Deck Officers. The President's fiscal year 2005 budget seeks to enhance our efforts in this regard and would provide an increase of \$892 million, a 20 percent increase over the comparable fiscal year 2004 level, for the Transportation Security Administration (TSA). Additional funding for TSA supports aviation security, including efforts to maintain and improve screener performance through the deployment of technology.

The Department implemented a substantially improved air cargo security and screening program last year, and the President's budget sustains funding to continue program deployment and screening technology research. In addition, the fiscal year 2005 budget seeks a total of \$61 million to accelerate development of more effective technologies to counter the threat of portable anti-aircraft missiles.

ENHANCING IMMIGRATION SECURITY AND ENFORCEMENT

Comprehensive immigration security and enforcement extends beyond efforts at and between the ports-of-entry into the United States. It extends overseas, to keep unwelcome persons from reaching our ports, and to removing persons now illegally residing in the United States. The Administration is committed to stronger workplace enforcement in support of the President's temporary worker proposal announced January 7, 2004.

The requested increases include \$186 million for U.S. Immigration and Customs Enforcement (ICE)—whose appropriated budget overall increases by about 10 percent—to fund improvements in immigration enforcement both domestically and overseas, including more than doubling of current worksite enforcement efforts and approximately \$100 million increase for the detention and removal of illegal aliens. Detention and Removal of illegal aliens present in the United States is critical to the enforcement of our immigration laws and the requested funding will expand ongoing fugitive apprehension efforts, the removal from the United States of jailed illegal aliens, and additional detention and removal capacity.

Our proposal for ICE also includes an increase \$78 million for immigration enforcement. As part of the President's proposed new temporary worker program to match willing foreign workers with willing U.S. employers, enforcement of immigration laws against companies that break the law and hire illegal workers will increase. The fiscal year 2005 President's Budget includes an additional \$23 million for enhanced worksite enforcement. This more than doubles existing funds devoted to worksite enforcement and allows ICE to hire more Special Agents devoted to this effort. With these resources, ICE will be able to facilitate the implementation of the President's temporary worker program initiative by establishing a traditional worksite enforcement program that offers credible deterrence to the hiring of unauthorized workers. Without such a deterrent, employers will have no incentive to maintain a legal workforce.

Our budget also seeks \$14 million to support our international enforcement efforts related to immigration, including enabling ICE to provide visa security by working cooperatively with U.S. consular offices to review visa applications.

We are a welcoming Nation, and the hard work and strength of our immigrants have made our Nation prosperous. Within the Department, the U.S. Citizenship and Immigration Service (CIS) has improved the administration of immigration benefits to the more than seven million annual applicants. For fiscal year 2005, the President's budget seeks an additional \$60 million, for a total of \$140 million, to achieve a six-month processing for all immigration applications by 2006, while maintaining security.

INCREASING PREPAREDNESS AND RESPONSE CAPABILITY

Though the primary mission is to protect the Nation from terrorism, the Department's responsibilities are diverse. The ships that interdict threats to our homeland are also used to help mariners when they are in distress and protect our marine resources from polluters and illegal fishing. While we must be prepared to respond to terrorist attacks, we are more often called upon to respond to natural disasters.

To support the Department's efforts to respond, the President's Budget includes an increase of \$10 million, for a total of \$35 million in fiscal year 2005, for the Homeland Security Operations Center (HSOC). Pursuant to the Initial National Response Plan, the HSOC integrates and provides overall steady state threat monitoring and situational awareness and domestic incident management on a 24/7 basis. The HSOC maintains and provides situational awareness on homeland security matters for the Secretary of Homeland Security, the White House Homeland Security Council and the Federal community. In addition, the HSOC provides the Department's critical interface to all Federal, State, local & private sector entities to deter, detect, respond and recover from threats and incidents.

The National Incident Management System (NIMS) is designed to ensure that all levels of government work more efficiently and effectively together to prepare for, respond to, and recover from domestic emergencies and disasters, regardless of cause. For fiscal year 2005, the Department requests \$7 million to ensure that the major NIMS concepts involving incident command, coordination, communication, information management, resource management, etc., are incorporated into and reflected in FEMA's national disaster operational capability. This funding will provide for plan development, training, exercises and resource typing at the Federal, State, and local levels.

SUPPORTING STATE AND LOCAL FIRST RESPONDERS

The Department has initiated consolidation of the two principal offices responsible for administering the grants awarding process for emergency responders and State/local coordination, the Office of State and Local Government Coordination and the Office of Domestic Preparedness. This consolidation provides an opportunity to tie all DHS terrorism preparedness programs together into a cohesive overall national preparedness program designed to support implementation of State Homeland Security Strategies.

The fiscal year 2005 budget continues to support the Nation's first responders and seeks a total of \$3.6 billion to support first-responder terrorism preparedness grants with better targeting to high-threat areas facing the greatest risk and vulnerability. For fiscal year 2005, funding for the Urban Area Security Initiative (UASI) doubles from \$727 million to \$1.45 billion. Since March 1, 2003, DHS awarded or allotted over \$8 billion to support state and local preparedness. Between fiscal year 2001 and the fiscal year 2005 budget request, over \$14 billion in assistance will be made available for programs now under DHS. Our request for fiscal year 2005 is slightly higher than funding sought for these programs in fiscal year 2004.

INVESTING IN HUMAN CAPITAL AND BUILDING DEPARTMENTAL INFRASTRUCTURE

Our employees are our single greatest asset and we are committed to investing in the development and motivation of our workforce. To support our efforts in creating a model personnel system, the President's fiscal year 2005 budget seeks \$133.5 million for the implementation of a new DHS human resources system that is mission-centered, fair, and flexible by rewarding top performers. The fiscal year 2005 budget specifically provides additional resources that will be used for training supervisory personnel to administer a performance-based pay system and to create the information technology framework for the new system. Our new system will ensure that DHS can manage and deploy its resources to best address homeland security threats and support information technology tools for workforce management.

We also seek additional funds to invest in the Department's core infrastructure. Our budget request seeks a total of \$56 million, an increase of \$17 million to support a new resource management system. This funding will support the design, development, and implementation for a single Department-wide financial management system. It will provide decision-makers with critical business information, e.g., budget, accounting, procurement, grants, assets, travel, in near "real-time" and eliminate stovepipes within existing systems and processes.

An increase of \$45.1 million is also sought to continue expanding the DHS presence at the Nebraska Avenue Complex (NAC). These resources will enable DHS to perform tenant improvements to the facility and relocate U.S. Navy operations, pursuant to congressional authorization, from the NAC to leased facilities.

CONCLUSION

We have a dedicated and skilled team in DHS who understand that what they are doing is important. We have the support of our partners in government and the public and private sectors. I thank the Congress for its support, which has been critical to bringing us to this point.

Our homeland is safer than it was a year ago, but we live in dangerous times and cannot count on times to change. That is why the Department of Homeland Security was created, and why we are moving forward. I am grateful to be here today to talk about the work we are doing to make America a safer home for us, for our children and generations to come.

Thank you for inviting me to appear before me today, and I look forward to answering your questions.

STATUS OF RICIN INCIDENT INVESTIGATION

Senator COCHRAN. Mr. Secretary, thank you very much. I think one of the most recent events that has attracted everybody's attention here in Washington and certainly affected this very building we are having the hearing in today is the ricin incident that was discovered in the office of Senator Bill Frist here in the Dirksen Building. Could you tell us what the status of that investigation is? Has it been determined whether this toxin was delivered by mail or in what way this happened, or are we still trying to determine these events?

Secretary RIDGE. Senator, it is my understanding that the focal point of the investigation initially has been with the Capitol Police. The FBI has and is prepared to continue to assist. I do not believe there are any further developments beyond what has been transmitted in the newspapers. We still have no idea who may have been responsible for it. To my knowledge, to date we have not identified if it was a letter that was in which the contents were contained that broke open during the screening process. So again, it is an ongoing investigation. And I think your Capitol police have the lead.

As it was related to me, I am not sure there is enough of the ricin that has been preserved for more detailed analysis. And that will probably impede the investigation somewhat. But even if it is true, obviously the resources of the FBI, the Capitol Police, and others are committed to trying the very best to identify the source.

INTERNATIONAL FLIGHT CANCELLATIONS

Senator COCHRAN. One other recent event that Senator Mikulski mentioned was during the holiday season; there were several international flights that were canceled. Suspicion of possible terrorist activity was reported in the news as the reason for that. We heard from some airline executives and ambassadors from foreign countries how cancellation of flights like this caused disruption of service and make it difficult for the traveling public to make plans in the future. But, we understand the overriding importance of trying to guarantee the safety of our homeland.

Do you think the department was justified in the cancellation of these flights and whether this indicates that we are under continued threats of terrorist activity in the use of intercontinental flights in the future?

Secretary RIDGE. Senator, the decisions to cancel those flights were obviously made in consultation with our allies in Great Britain and in France and in Mexico. Obviously, we note from the very

outset the extraordinary inconvenience it causes probably a couple thousand passengers. We understand that.

Trying to put it in context, I dare say that this week in international aviation there will probably be more cancellations for mechanical failure and for weather than were seen when we canceled it for potential terrorist activity. So we do try to put it in context but clearly with the understanding that we need to try to keep commercial aviation both safe and flying.

FEDERAL AIR MARSHALS ON INTERNATIONAL FLIGHTS

A couple of concerns that were expressed to you by the ambassadors had to do with the executive amendments that I directed to be sent out specifically to the airlines with regard to the ability upon request to put Federal air marshals on those international flights. While I do not regret the decision to send that directive out, it would have been more appropriate had there been more time to send the notification out through diplomatic channels first, rather than dealing directly with the airlines. So I understand that completely.

Since that time, however, our discussions with, again, Air France, Great Britain, British Airways, and others, we are working on a protocol, one that will give us an opportunity to deal government to government first. We all agree that is the best way to do it, to share intelligence about these flights and review that as far enough in advance as we possibly can to avoid either delays or the cancellations in the future. But given the threat stream reporting that we saw, it was a collective judgment that, under all the circumstances as we knew them, it was a collective decision to cancel those flights. And I think it was a very appropriate decision.

AVIATION SECURITY

A continuing concern we have, Senator, with regard to aviation security is reflected in the threat streams where there are continuing references from multiple sources, in spite of the additional security measures we have taken on domestic and international flights, that terrorists would still seek to target those flights for possible terrorist actions. So we are mindful that they do like to go back to targets and tactics that they used previously. That is why our guard remains up and remains vigilant.

TERRORIST THREAT INTEGRATION CENTER

Senator COCHRAN. I am going to ask one other question and hope that all Senators will be aware that we will have ample opportunity to ask whatever questions any senator has. But, I am going to limit my time to 5 minutes and hope other Senators will do that as well in the first round of questions, and then we can go back and revisit any issues that remain important to discuss.

Let me ask you one final question in this round, and that is your evaluation of the effectiveness of the intelligence-gathering center that was created in the Department of Homeland Security to integrate and bring together intelligence that is available to the department to assess the threat status that we may face, the potential terrorist attacks that may be planned by others. It is the Ter-

rorist Threat Integration Center (TTIC). What is your evaluation of that? Is it working? Do you have the funding that you need, if this budget request is followed, to carry out the intelligence role that the department has established for itself?

Secretary RIDGE. Senator, the Congress has been very generous to the Department in providing several hundred million dollars to set up the Information Analysis and Infrastructure Protection Directorate. That is our analytical arm. And it is through those dollars that we expanded probably \$15 million or \$20 million last year as our contribution to the Terrorist Threat Integration Center. We have analysts in that Threat Integration Center. It is the coordination point for information from the entire intelligence community as it relates to homeland security issues.

We are very comfortable with the relationship. Congress has vested in us the authority and the responsibility to go back to anywhere we deem necessary within the intelligence community to put intelligence requirements on the CIA or TTIC to give us more additional information, if we have questions and seek answers.

So as the TTIC evolves and as our agency matures, the relationship gets better and better every day.

Senator COCHRAN. Thank you.

Senator Byrd.

UNDERFUNDED AND UNDERSTAFFED IMMIGRATION SYSTEM

Senator BYRD. Mr. Chairman, Mr. Secretary, our immigration system is underfunded and understaffed. The Bureau of Immigration and Customs Enforcement has just over 13,000 criminal investigators to, among its many other responsibilities, locate and remove 8 million to 12 million illegal aliens. Following the passage of the 1986 amnesty for 2.7 million illegal aliens, the INS had to open temporary offices, hire new workers, and divert resources from enforcement areas to process amnesty applicants. The result was chaos that produced rampant fraud.

IMPACT OF PRESIDENT'S AMNESTY PROPOSAL

The backlog of immigrant applications is even larger today, six million and rising. The President's amnesty proposal would dump another eight million immigrant applications on an already beleaguered immigration system.

It took only 19 temporary visa holders to slip through the system to unleash the horror of the September 11 attacks. The President's amnesty would shove 8 million illegal aliens through our security system, many of whom have never gone through any background check. If there are no new resources in the budget to implement the President's amnesty proposal, the implementation of the reform proposal would create incredible stresses on an already overly stressed border security system. It is a recipe for disaster.

While I note that the budget has several modest proposals to deal with existing shortcomings, could you explain to the committee how much additional money is included in the President's budget to implement the President's amnesty proposal?

Secretary RIDGE. Senator, there are, as you pointed out, increases in several areas within the budget, not specifically related to the President's proposal, inasmuch as the President laid out

some principles, recognizing the reality of several million undocumented aliens who present in this country, recognizing that we need to validate their presence, which is far different than pushing them to the front of the line for citizenship purposes, and also recognizing the need that once he stated the principles, that this is an issue of high visibility and probably considerable controversy. And whether we can get it done this year or next year remains to be seen.

But I think the President offered the proposal, understanding that once the Congress worked its will around the principles that he enunciated, that there would be adequate resources, depending on the kind of program that Congress enacted to enforce it. Senator, I could not agree with you more. Our ability to take the President's proposal and to fashion a satisfactory conclusion will require an investment of resources for enforcement. That number, that amount remains to be calculated based on the kind of program that the Congress, working with the administration, designs.

I will tell you in the meantime, Senator, the increases that are reflected in this budget are for detention beds, are for more surveillance equipment along the borders. We are going to use in pilot form this year, Senator, some additional technology along the borders to deal with, as best we can, the continued flow of illegal immigrants across the border. But I think the broader issue of the resources necessary to make sure that the President's initiative and the congressional initiative is fully enforced. That is a discussion to be had at a later date.

Senator BYRD. To be had when?

Secretary RIDGE. At a later date, Senator.

LEGACY INS PROGRAM FUNDING

Senator BYRD. Yes. Well, I understand that. The increases for a number of the programs in the budget are directed to ongoing and long underfunded legacy INS activities, and not to the President's new initiative. I recognize that there are increases in your budget for fugitive operations and the institutional removal program, legal program backlog elimination. But these increases merely reflect the direction of much-needed additional dollars to perform the tasks that your agencies must do in any event.

For instance, from 1992 to 2002, the number of worksite enforcement investigations dropped from 1,063 to just 13. These activities represent ongoing programs which your department inherited upon the abolition of the long-maligned Immigration and Naturalization Service. What new resources are you requesting specifically, understanding that the Congress has yet to act, of course, if it does, when it does? What new resources are you requesting that specifically will be used to implement an alien amnesty program in the event that such is legislated into law?

REQUEST FOR FUGITIVE OPERATIONS TEAMS

Secretary RIDGE. Senator, there are two areas of increase that we requested to help with contemporary enforcement of the law as it exists today. It does not speak to any changes in the law that may exist tomorrow. But we have requested an increase of \$50 million for 30 additional fugitive operations teams so that the people

we have identified as absconders, those individuals who have either had their hearing and have been determined after the hearing process basically to be persona non grata, to exit this country, or those who refuse to show for their hearing and therefore lost any legitimacy to their presence. We want to basically nearly triple the amount of those teams. So there is \$50 million for that.

REQUEST FOR WORKSITE ENFORCEMENT

I believe, Senator, we have asked for an additional \$20-some million to assist with more agents to deal with workforce enforcement. So the additional dollars for the detention beds, for the fugitive operations team, and for the workplace enforcement are consistent with the needs based on the law as it exists. But as I said before, clearly, once Congress works its will, if it chooses to do so, around the President's initiatives, matching willing worker with willing employer, will obviously need additional resources. That cannot be denied.

RESOURCES REQUIRED TO IMPLEMENT THE PRESIDENT'S AMNESTY PROGRAM

Senator BYRD. Well, looking at the plan that has been proposed by the President, Mr. Secretary, how much do you believe would be necessary to implement the President's principles, as set forth in that plan?

Secretary RIDGE. Senator, at this point, it would be the grossest form of speculation. And I choose not to engage—the Senator has asked a serious question. He deserves a serious answer. And at this juncture, since the President has just articulated some principles that he would like to see embodied in a piece of legislation, again, it really depends on the legislation and the mandates associated with the legislation for us to determine how many additional agents we might need, perhaps the use of additional technology along the borders. So it is very difficult for us to make that determination at this point, Senator.

Senator BYRD. Are you suggesting, Mr. Secretary—

Secretary RIDGE. Well, the only thing I could tell you, Senator, is we will need more.

Senator BYRD. I would expect that answer. Are you suggesting that there are no estimates around what the President's plan would cost?

Secretary RIDGE. I suggest to you, Senator, that we can in time develop some internal estimates, but we have no final figures now, again, because we do not know what mandates or the requirements that Congress may impose on the Executive Branch in order to fulfill the goals of the legislation.

Senator BYRD. Thank you, Mr. Chairman. I will pursue this a bit further.

Senator COCHRAN. Thank you, Senator.

Senator Gregg.

Senator GREGG. Thank you, Mr. Chairman.

Governor, I call you Governor—

Secretary RIDGE. Good.

Senator GREGG [continuing]. Because as a former Governor, we all recognize that is the most significant position.

Secretary RIDGE. I have a response, Governor.

AL QAEDA

Senator GREGG. On 9/11 we were attacked, obviously. And the attack was generated by the Islamic fundamentalist movement, which is called al Qaeda, which has a lot of different forms that it has mutated into across the world. What is the number one threat today that your agency considers it must address in the area of an attack on our country? Where does it come from and what is it?

Secretary RIDGE. Are you talking, Senator, necessarily the individuals or the type of attack?

Senator GREGG. First the individuals.

Secretary RIDGE. Clearly al Qaeda.

SOURCE OF MOST SIGNIFICANT THREAT TO THE UNITED STATES

Senator GREGG. Where do you—what do you see as the source of the most significant threat to our country? And what do you see as the potential target or type of threat which they represent?

Secretary RIDGE. Senator, we still look at al Qaeda as the major international terrorist organization that we need to combat and to deal with. But as—I think you used the right word in your question. There are a lot of mutations that have developed. I mean, al Qaeda can be seen as, one, a very close group of very disciplined leaders who have had tactical control over and operational control of the attacks on 9/11.

But since that time, we have obviously disrupted their communications. We have decapitated a lot of their leadership. And one of the concerns that, I think, all of us have is that the individual cells, many of whom have been loosely connected to the al Qaeda structure now, because of the decapitation, because of the difficulty in communication, may have a tendency to operate on themselves, operate on their own rather than having a direct control from bin Laden and that small group of people associated with planning that attack.

So again, it is al Qaeda, the organization. But over the period of time we have identified obviously the change in its structure and, therefore, probably the change in the kind of terrorist groups that are prepared to operate even independently.

The same notion of Jihad, but not quite as directly connected to al Qaeda. And we know they train thousands in Afghanistan. The extremist schools have been pumping out students of hatred, who look at this country as evil and vile and have joined different forms of the Jihadist movement.

Senator GREGG. It is still Islamic fundamentalism.

Secretary RIDGE. Correct.

PRIMARY THREAT, TARGET, AND DELIVERY SYSTEMS

Senator GREGG. And what do you see, the second question was, what do you see as the primary threat, target, delivery systems?

Secretary RIDGE. First of all, from an operational point of view, Senator, when it comes to research and development, we need to spend a great deal of time just looking at weapons of mass destruc-

tion, massive catastrophic effects, radiological, nuclear, biological, and chemical. The threat reporting stream that we pay attention to still on a regular basis identifies aviation, still talks about potential biological attacks. There continue to be, on a fairly consistent basis, generic references to just about every kind of attack imaginable under WMD weapons.

And so while we have focused on aviation security that was the congressional focus, that is what TSA was initially focused on, we have also gone out now to start worrying about vulnerabilities that exist elsewhere that could be used as either a target or a mechanism to deliver any of those kinds of weapons.

Senator GREGG. That being laid down as a premise—and I obviously think you are absolutely right, and you are the expert, and I think you are on track—which is the threat is fundamentalist Islam and the threat is the potential that they use a weapon of mass destruction or some mutation of that against us, what then becomes the priorities within your department as to how to respond to that?

And should not counterintelligence be the number one event? Because, obviously, we cannot tolerate a weapon of mass destruction attack. And should not the capacity to deal with weapons of mass destruction be the number two? Or what is your prioritization of how you respond to those two items of threat, the people who would cause it and what it involves?

Secretary RIDGE. Well, clearly, our primary responsibility in dealing with the environment that you and I agree exists is to prevent, deter, respond, and prevent the terrorist attack. But the point of that spear is the military and the CIA and the FBI. We do have a role in preventing the attack in that when we get actionable information or information that is relevant to protecting a particular site in this country, we are obliged, and it is part of our mission, to take action to protect that site.

REDUCING VULNERABILITY TO TERRORIST ATTACKS

But basically, our primary mission is to help reduce our vulnerability to those kinds of attacks. That is the primary mission of the Information Analysis Unit, because we have been given the charge by Congress to take whatever information we get that we deem credible, map it against the potential vulnerability, and make sure that we do everything possible to harden that particular target or targets to reduce the risk of a potential attack.

So I think we have set priorities in our Science and Technology Directorate. Some of the first grants have gone out to deal with the technology of detection and protection. And so as we take a look to combat a potential biological attack, we are expanding again, because the Congress has given us hundreds of millions of dollars to conduct this research. The technology of detecting a bioagent, be it in a community, in a subway, in a form of transportation, is something that is a very, very high priority. The technology of protection is equally as important to us, because in the event we ask our first responders to get out and assist those who have been impacted by a biological event, we want them to not only know the kind of environment they are going into, but be protected against the effects of that environment.

So we have set priorities in the science and technology area. We have set process of setting priorities in the critical infrastructure piece. We cannot, Senator, possibly expect that—we have to set priorities when it comes to infrastructure protection.

We have targeted, for example, in chemical facilities. We have already conducted, I think, nearly 20 site visits of the largest facilities that we believe, if they were a target of a terrorist attack, would have the most catastrophic consequences, particularly in the loss of human life and developing standards of security and prevention that we would think these companies need to apply at these specific places. We are going to develop those standards for energy and telecommunication sites and the like.

So we have set priorities within each individual unit. Although generically, every day we worry about different forms of attack from a weapon or weapons of mass destruction.

Senator COCHRAN. The time of the Senator has expired.

Senator Harkin.

Senator HARKIN. Thank you, Mr. Chairman.

CUTS IN GRANTS TO STATES TO UPGRADE THEIR PUBLIC HEALTH SYSTEMS

Mr. Secretary, I understand that grants to States to upgrade their public health systems are being cut by \$105 million in the fiscal year 2005 budget to provide funds for your biosurveillance initiative. Mr. Secretary, our State and local public health infrastructure has been allowed to deteriorate. These funds to upgrade our State and public health systems are necessary, not only to protect Americans from bioterrorism but also to protect Americans from natural outbreaks of disease, like SARS and West Nile Virus.

In my own state, we have used these funds to increase the number of epidemiologists in the field and increase the number of scientists in our labs. With a cut in their State funding grant, they will have to make cuts in these important programs.

Why has the administration chosen to cut funding for public health improvements when we still have a long way to go before our public health system is where it should be?

Secretary RIDGE. First of all, Senator, I cannot speak necessarily to the Health and Human Services budget. I am aware of a biosurveillance initiative that both Secretary Thompson and I are working on that is part of the President's budget that I believe is—while it may be viewed as simply an anti-terrorism initiative, it is really a public health initiative. And that is the biosurveillance piece that Secretary Thompson and I announced about a week or 10 days ago, where, through a combination of funds from the Department of Homeland Security and from Health and Human Services totaling nearly \$275 million, that we will connect multiple sources of information from hospitals, pharmacies, veterinary clinics, and the like to determine to have a national surveillance system.

And I think public health experts would agree that the most important thing we can do in terms of public health is to identify, as early as possible, whatever bioagents are plaguing a community or communities. Now that is whether it is a terrorist has conducted a biological attack or that mother nature threw something at us.

So again, I think the \$275 million that is part of the President's budget is a very, very significant improvement in the country's and the public health community's ability to detect and therefore respond more quickly and save more lives. So I think it is a very significant initiative. And I really cannot speak to other adjustments that may have been made in that budget, because I do not know.

Senator HARKIN. I was just concerned about the cut in the funds for the public health system. It seemed like that \$105 million cut was shifted to biosurveillance. I have no problem with it. I agree with everything you have just said. I was just concerned about the cuts.

Secretary RIDGE. Senator, I am sorry. I did not mean to interrupt.

Senator HARKIN. That is okay.

Secretary RIDGE. Congress was very generous, I believe, in 2002, maybe it was the supplemental, where there was, I think, \$2.2 billion sent out to the States and locals. And it is my understanding that some of that money is yet to be called down. It is still awaiting allocation to the States or the communities. So again, I cannot speak to that specifically, but that is my understanding.

AGRO-TERRORISM CONCERNS

Senator HARKIN. I will take a look at that. My last question had to deal with what I raised in my opening statement. And that was about agro-terrorism, as we have called it here. You know, again, we have seen what has happened with mad cow disease. But diseases do not have to jump to humans to cause widespread panic. A gallon of suspicious milk would cause every parent in America to demand answers from the government immediately. It is not just a Midwestern issue. We have 10,000 hogs that are trucked out of North Carolina every day. And as we know, meat slaughtered in one place might wind up all over America within 24 hours from one point.

So I guess my question is: In this budget, can you assure us that the needs of the rural areas and farm communities will continue to be met? And just briefly, are you satisfied that you are integrating this agriculture and the possibility of agro-terrorism possible threats in the future, that you are fully integrating this into your threat assessments?

Secretary RIDGE. Well, first of all, Senator, I will assure you that any information that we have with regard to agro-terrorism where credible and corroborated, we communicate to the people that need to know. Secondly, I believe there is a rather substantial initiative in the budget for the Department of Agriculture that speaks to address some of the legitimate concerns that you have identified today.

And thirdly, you should know that we are working on an interesting project that Homeland Security will fund in part with Iowa's governor and Homeland Security advisor, where you are pulling together a multiple State consortia to deal with the transfer of information and analysis, I guess using some of the labs. And I think his Homeland Security advisor has been or is scheduled to come in town so we could work the funding requirements out and collabo-

rate our work in the Homeland Security with the Department of Agriculture.

Senator HARKIN. I was glad to hear you are working with the multi-state partnership for security and agriculture.

Secretary RIDGE. Right.

Senator COCHRAN. The time of the Senator has expired.

Senator HARKIN. Thank you.

Senator COCHRAN. Thank you, Senator.

Senator Stevens.

NEW DHS REGULATIONS SUPPLEMENTAL FUNDING REQUIREMENTS

Senator STEVENS. Thank you very much, Mr. Chairman. As I indicated, I would like to put a question concerning the national alert system and also, Mr. Secretary, or Governor, if you prefer, I have a copy of a letter that our Governor, former Senator Murkowski, wrote to you. And I would like to put it in the record and ask you if you have responded to that, if you would give me a copy of the response to his letter.

I want to ask you a little bit more mundane question, though. Your bill, appropriations bill, was approved in the regular order. As Senator Byrd and I said, it went across the floor, went to conference, was signed by the President separately before the omnibus bill. How is your department doing? Are we looking forward to any kind of a supplemental request from your department before October 1?

Secretary RIDGE. No, sir.

[The information follows:]

LETTER FROM FRANK H. MURKOWSKI

STATE OF ALASKA,
OFFICE OF THE GOVERNOR,
Juneau, February 9, 2004.

Hon. TOM RIDGE,
Secretary, U.S. Department of Homeland Security,
Washington, DC.

DEAR MR. SECRETARY: Alaskans have great respect for the Department of Homeland Security's (DHS) mission to protect the Nation against further terrorist attacks, guard our borders and airports, and protect our critical infrastructure. At the same time, DHS is also charged with protecting the rights of American citizens and enhancing public services. These sometimes conflicting obligations seem to require that the DHS be ever mindful of the impacts new regulations will have on the U.S. economy. Providing for the Nation's security while maintaining economic stability within our country is indeed a challenge. I don't envy the task.

Please let me relate my perception of how some recent DHS actions have impacted Alaska as well as the Nation's security. On August 2, 2003, the Bureau of Customs and Border Protection (CBP) published in the Federal Register a notification suspending the Transit-without-Visa (TWOV)/International-to-International (ITI) program. This suspension requires all international passengers transiting Alaska to obtain a U.S. visa for a 2-hour technical fuel stop, even at a special, secure transit facility. The new visa requirement caused Cathay Pacific Airways to move all passenger operations from Ted Stevens Anchorage International Airport (Anchorage) to Vancouver, British Columbia, Canada to avoid that burden.

On December 22, 2003, the DHS increased the threat level to "Orange" status. The increase in threat level immediately suspended Progressive Clearance. The threat level was reduced to "Yellow" status on January 9, 2004; however, Progressive Clearance suspension remained in effect until February 6, 2004. Suspension of this program requires Korean Air to do full clearance at the first port of entry, even if the "entry" is merely a refueling stop for almost all passengers. The airline must download all of the bags, forcing the passengers who would otherwise never leave

the secure transit facility, to instead leave that area and proceed to an unsecure area to claim their bags.

Not only does the airline have to upload all the bags again, but all passengers, having been forced to leave the sterile CBP processing area, must be rescreened. This requires an extended ground time and doubles ground handling costs incurred in Anchorage.

On December 5, 2003, the CBP published a Final Rule in the Federal Register to implement a new regulation requiring all carriers, foreign and domestic, to submit electronic manifests to CBP for all cargo destined for the United States. These new regulations will put an extreme hardship on the cargo carriers transiting Alaska between Asia and Europe, and places Alaska's key role in that transit at risk. Again, these carriers have to option to move operations to a foreign country to avoid new security regulations.

These new regulations have already caused the loss of 14 weekly international passenger flights and could cause the loss of up to 54 international cargo flights per week to the State of Alaska.

The State Department and the DHS have stated their intention to reinstate the TWOV/ITI programs and operate as the "Air Transit Program". But to date, CBP has not advanced the program further.

Anchorage is one of only six airports in the Nation that currently conform to Customs and Border Protection facility requirements. Anchorage has spent a great deal of money to reconfigure our international passenger terminal to ensure it meets the requirements to maintain the ITI and TWOV programs.

The TWOV and ITI programs operate in Anchorage differently than any other airport in the Nation. Anchorage is a technical stop for Cathay Pacific between Hong Kong and Toronto. All passengers participating in the ITI and TWOV programs arrive and depart on the same carrier, same flight, and same aircraft from the same gate.

The suspension of this program has been detrimental in two ways to the United States. The first and foremost was a reduction in overall border security; the United States lost the ability to scrutinize and crosscheck these passengers against all U.S. security databases.

The second is the negative economic impact to the State of Alaska, as well as the city of Anchorage. The loss of these Cathay Pacific flights cost the State over \$1.1 million each month. It has also caused many of the airport tenants to reduce staff that normally support these flights.

In summary, Anchorage has a secure passenger transit facility that conforms to CBP technical requirements. We have securely processed these passengers for years into the terminal building and right back onto the same aircraft. We believe that the program increases U.S. security overall.

In the Final Rule (RIN 1651-AA49) CBP's own analysis shows the new Advanced Cargo Information provision will cost air carriers substantial amounts of money to implement. CBP estimates the total annualized cost to air carriers could range from \$345 million to \$4.7 billion. These costs include not only implementation of new systems, procedures, and equipment but also the cost of delays and service degradation.

All Asia-Europe flights currently transiting Alaska have the option of flying instead through Russia enroute to Europe. At this point, the routing through Alaska is more efficient and economical for the carriers. It may be less efficient and more costly than flying through Russia after implementation of these regulations.

A single wide-body cargo tech stop is worth approximately \$25,000 to the local economy in airport fees, airport services, crew lodging, and fuel in Alaska. Each week Anchorage and Fairbanks have 54 international in-transit flights. Flights rerouted through other airports would cost the State economy \$1,350,000 each week and \$70,200,000 each year.

All of these new regulations are intended to increase the level of security; however, if the new regulations cause carriers to avoid entering the United States we lose on two fronts. One, the economic loss from the business going to another country, and secondly, and more importantly, we lose the opportunity to have a cursory review, under existing programs, of the passengers and cargo on these flights transiting Alaska. The unfortunate outcome of these flights rerouting to other countries is a reduction in the overall level of security.

I request that you please review the overall impacts of all new regulations, but specifically these three regulatory programs. I ask that the DHS/CBP permanently reinstate the TWOV/ITI and Progressive Clearance programs for international passenger flights transiting Alaska and exempt international-to-international transit cargo freighter flights operating through Alaska from the cargo manifest require-

ments. Granting our request not only protects U.S. economic interests but also improves and enhances U.S. intelligence and total security.

Sincerely yours,

FRANK H. MURKOWSKI,
Governor.

Senator STEVENS. Thank you very much.
Thank you very much, Mr. Senator.
Senator COCHRAN. Senator Mikulski.

CONSOLIDATION OF GRANT PROGRAMS INTO THE OFFICE FOR STATE
AND LOCAL COORDINATION AND PREPAREDNESS

Senator MIKULSKI. Thank you very much, Mr. Chairman.

Mr. Secretary, as I indicated, I am disappointed in the funding for both fire grants and port and cargo security. But we will be arguing those within the committee. I would like to come back to some of the policy issues raised in your testimony and on your plans. This goes to the fact that one of the biggest changes in the Homeland Security budget that is proposed is the combining of 24 grant programs from TSA, FEMA, Office of Domestic Preparedness, into something call the Office for State and Local Coordination and Preparedness.

Could you tell me, number one, what is the rationale? And how will this make it more efficient and effective? Because this is a whole new thing. And, of course, you are aware of the mayors' criticisms that money from Homeland is not getting down to them.

Secretary RIDGE. Senator, there are several parts to your question. I hope I can address all of them in my response. During the past year, consistent with the President's national strategy, but also consistent with many of the concerns that I have heard from your colleagues in Congress, there has really been publicly expressed a preference to be able to go to one place within the Department of Homeland Security to access all the grants for State and locals.

And heretofore, it was scattered over three or four different units. And so the consolidation of the 24 grants within this new office gives us an opportunity, one, I think, to develop a much more effective delivery system and hopefully in time to make the awarding of the grants simpler. There will always be a question of how much. And that is always going to be debated on the Hill as to how much money should be put in the grant programs.

But the Congress has said, and the President wants us, once the dollar determination is made, is get the dollars out as quickly as possible. We think it will certainly help with coordinating the planning and the implementation and clearly the assessment. Several Senators have commented today that we need to start looking at the effectiveness of the dollars we have sent out to the community.

So what we will set up within this new department, there will be a single portal. There will be one website that folks can go to get the information they need. They will develop relationships, I think the personal-professional relationships with the people in this one unit. We will draw down on the expertise from TSA and FEMA to make sure that the grant programs are administered as effectively as possible.

We told our friends in the fire community, even though the fire grant program is moving from FEMA to the new facility, it will still be peer review. The grants will still be made specifically to the firefighters. And they will not see effectively any change. And the debate will continue to be how much money they put in the program.

IMPACT OF TRANSFER OF GRANT PROGRAMS FROM FEMA

Senator MIKULSKI. Mr. Secretary, may I jump in here?

So is FEMA moving to this office—

Secretary RIDGE. No.

Senator MIKULSKI [continuing]. Or categories of FEMA, like the fire grant program and the emergency management performance grants?

Secretary RIDGE. Yes. Those grants will be moved to this new unit. But FEMA still operates under the Emergency and Preparedness Response Unit of the department. And FEMA continues to maintain authority over grants that relate to natural disasters, the administration of the natural disaster relief programs, the natural mitigation program. They are still responsible for flood mapping. So they retain some of their traditional responsibilities. But some of those programs that had to do with terrorism and preparedness for terrorist event move into this new unit within the department.

Senator MIKULSKI. What about the criticism of the mayors?

DELIVERY OF STATE AND LOCAL DOLLARS

Secretary RIDGE. The mayors have voiced publicly and privately on many times their frustration with the delivery mechanism to get the dollars that you appropriated, that we requested, you appropriated to get it down to them. I would assure you, Senator, that we are prepared to deliver those dollars. The logjam that we need to break, if not blow up, has to do with the communications between the mayors and the governors and how they distribute those dollars. Because we have asked the governors to take the lead in developing a statewide strategy.

Congress has said 20 percent can stay in the State capital. The other 80 percent has to flow through down to the mayors. Their frustration, I think, is legitimate. I think there are many reasons for it. We are going to take a look at some of the States where the money has been practically all distributed, where people are not complaining, to see if we can develop some best practices that we will go back to the governors with and get them to use them. And if we need to put it in terms of a regulation so that they distribute the dollars that way, we will.

I plan on meeting with the governors privately, when they come into town in a couple weeks, to address that very legitimate frustration that some of the mayors have directly. We need to do everything we can to avoid just sending out grants to thousands and thousands of municipalities because we will never be able to build a statewide and then a national infrastructure. So the mayors are right. We have to do a better job of getting the money to them. We are prepared to distribute it, but we need to work with the mayors and the governors to come up with a better distribution mechanism.

Senator MIKULSKI. Well, just two points, Mr. Secretary. First of all, I am glad that you are going to meet with the Governors. You are part of that unique organization. And I think you understand their needs. And what we saw with hurricane Isabel, for example, it was a statewide catastrophe. And we needed Governor Ehrlich's response and local response. So we need you to work with the Governor and figure out how to effectively coordinate.

The second thing, in terms of this new one stop shop, I would really invite your staff to meet with mine so that we truly understand it. A lot of us have put a lot of effort into establishing these grant programs. And the idea of a one-stop shop seems very attractive. But we also want to know how that also enables this effective coordination. Because if we do not coordinate, this is not going to work.

So thank you very much. And again, many thanks for all that you helped us with.

Secretary RIDGE. Thank you, Senator.

Senator COCHRAN. Thank you, Senator.

Senator Murray.

Senator MURRAY. I would be happy to defer to Senator Domenici, if he would—

Senator COCHRAN. Senator Domenici.

Senator DOMENICI. Well, thank you very much. Am I on? Can you hear me?

Senator COCHRAN. Yes, sir. Thank you, sir.

Senator DOMENICI. First, Mr. Secretary, it is nice to be with you.

Secretary RIDGE. Thank you, sir,

Senator DOMENICI. I do not get an opportunity to visit with you very often. I am very proud of what you have been doing. I am fully aware it has not been an easy thing.

FEDERAL LAW ENFORCEMENT TRAINING CENTER (FLETC) IN ARTESIA,
NEW MEXICO

The reason I am going to bring a very small issue to you is because I do not think continuing to communicate with the department brings results. No aspersions. But in our State of New Mexico, we have an institution called FLETC, the Federal Law Enforcement Training Center, Artesia, in New Mexico. FLETC-Artesia is a pretty big place, which grew over a decade from a college center to a fully run and operated Federal law enforcement training center.

Needless to say, that part of New Mexico is very proud of it, as we are. We are now training, expanding the training base. As you know, hundreds of new U.S. marshals are being required to be trained. FLETC is also the campus chosen to provide training for airline pilots who choose to carry firearms in the cockpit, and that is an election. FLETC provides this training to Federal flight deck officers, in addition to the basic advance training.

Now feedback from these trainees who have been in Artesia is almost universally positive. The training site is pretty new, pretty good. The places to live in are pretty fine. It is a small town, nonetheless. Artesia is about 3 hours from any large city. Now when we started FLETC-Artesia, that was a big plus. Now it is beginning to be well known, maybe that's a good thing.

But I will tell you what will make it a plus and keep it a very reasonable facility for training your people. It is the capacity to have flight service enhanced so that people can get there easier than just riding on a bus.

You know that this entire committee and then the Congress went out on a limb. We said we will not earmark funding for the new department. Therefore, you got it all. You probably were glad to have it. Now after a year and a half, you are probably thinking that, maybe they should have given me some direction on a few of these; I would not be having so much trouble. In any event, we could have gotten earmarked funding for this FLETC, because we have invested a huge amount of tax dollars.

AIR SERVICE TO ARTESIA, NEW MEXICO

FLETC put out a request seeking feedback from airlines who might provide service. My understanding is that there has been a response, and it was positive. The estimates are that it would take about \$800,000 to provide the service for the rest of the year. This would make a rather fantastic facility available for the extra training beyond the few hundreds that we train for—as people who watch our borders and the like.

I am not sure you know about it. But can I lay it before you today and assume you will know about it after this discussion. You can pass it on to somebody to look at it.

Secretary RIDGE. Senator, I am now nearly fully briefed. I know a lot more than I did when I walked into the hearing room. And one question I would like to just ask you is whether or not, from your perspective, that the facilities at Artesia are being fully used. In other words, if we enhanced the ability to get more people there for the training program, do the existing facilities have the present capacity to train more people?

Senator DOMENICI. The answer is yes. What is happening is, that it is such a good facility, but for its distance, it is almost full all the time. We are constantly being harped upon by internal observers that we ought to take some of the people that are there and put them somewhere else so they would not have to travel.

Secretary RIDGE. Senator, since you raised it to my attention, it becomes my responsibility to look into it and get back to you. And I will.

[The information follows:]

ENHANCING FLIGHT SERVICE/TRANSPORTATION FOR TRAINEES TO FLETC

In the post September 11, 2001 period, there has been real, sustained growth in the use of all FLETC training centers, including the Artesia, NM center. Although the absence of regular and reliable service to the Artesia area has been an obstacle to wider use of that location in the past, recently we have increased utilization to almost capacity because the FLETC Glynco site is at maximum capacity and the agencies need to train within specific timeframes. FLETC is experimenting with conducting more basic training programs at Artesia in fiscal year 2004 and there has been increased use of the site for Flight Deck Officer training, among others, for specialized training. With this in mind, FLETC will track closely the issues and usage of the Artesia site and report back their findings in fiscal year 2005. Should the travel service continue to be a problem, the Department will consider looking at other possible solutions.

Senator DOMENICI. I appreciate it.

Now what about the time? Am I out?

Senator COCHRAN. If Senator Murray has no objection, you can ask another question.

CONSTRUCTION OF NISAC FACILITY AT KIRTLAND AIR FORCE BASE

Senator DOMENICI. All right. Let me ask a question with reference to a project that is called NISAC, N-I-S-A-C. You may recall, when you first came into this job, you were still in some temporary office. We brought some people from Sandia and Los Alamos, and they showed you this computerization, computerized program, that gets put to use and continues to be upgraded.

Anyone whom you would assign to run the office could locate every piece of infrastructure in the United States and then locate them vis-à-vis themselves and others. For example, if they were to take out a dam, what are the repercussions. A little machine shows you what happens. This big dam is broken down. It will tell you water will go as far as L.A. One of the bad things about it, we hope nobody else gets it. So far, it just belongs to you, to us.

But it is terrific from the standpoint of, answering a hypothetical question with reference to what happens if something else happens, either in the electricity system or energy system, the water system. This facility is adjacent to Sandia National Labs. One of the items that transferred from the Department of Energy to the Department of Homeland Security with this act was an appropriation of \$7.5 million for the construction of a NISAC facility at Kirtland Air Force Base to be used by your department for the purposes intended.

So I am just going to inquire and put it in here in writing what happened, why the delay, and why is it not moving ahead? What is the status of the \$7 million that we set aside? When can the committee expect Homeland Security to break ground on this NISAC facility, which the record, as I reflect it, would clearly indicate is your baby? You are going to use it. It is not going to sit there.

Secretary RIDGE. Senator, I remember their presentation. You know better than most the extraordinary work that the national labs have done for 60 years for this country, the variety of different ways. And you also know that our department is happily tied in with the national labs in several very meaningful ways.

I cannot give you the specific answer to that question either, but it is incumbent upon me to do so. And I will.

[The information follows:]

CONSTRUCTION OF NISAC FACILITY AT KIRTLAND AIR FORCE BASE

IAIP continues to move forward with the plans to build the facility, giving full consideration to the elements of the program and our obligation to comply with NEPA and other Federal statutes applicable to Federal construction projects.

Senator DOMENICI. Thank you very much.

Secretary RIDGE. Yes, sir.

Senator DOMENICI. Thank you, Mr. Chairman.

Senator COCHRAN. Thank you, Senator.

Senator Murray.

EFFORT TO IMPROVE CARGO SECURITY THROUGH OPERATION SAFE
COMMERCE

Senator MURRAY. Thank you very much, Mr. Chairman.

Mr. Secretary, as I mentioned in my earlier comments, the country's three largest cargo centers, load centers, have been working with the Department of Homeland Security and some of the private sector clients for the last 2 years in an effort to improve cargo security through Operation Safe Commerce. The ports of Seattle and Tacoma, the ports of Los Angeles, Long Beach, and New Jersey and New York have been really enthusiastic partners and are anxious to be meaningful contributors to the overall port security effort. And they are continuing to offer their facilities, their expertise, their goodwill, both domestically and abroad, to ensure our success.

As you know, taxpayers have already committed to \$75 million for Operation Safe Commerce with the goal of really learning what works and what does not when it comes to securing containers. Unfortunately, because of the delay in funding Operation Safe Commerce, this pilot program is just now getting off the ground. But nonetheless, the load centers involved with this important program should have strong data about best practices, technology, and hardware this year.

So I was really shocked when I saw the White House was eliminating this port security effort in their budget. And I wanted to tell you I think that is really shortsighted and really abandons the progress that our governments, our ports, our shippers in the private sector have been working really, really hard to achieve.

STATUS OF OBLIGATION OF FUNDS APPROPRIATED FOR OPERATION
SAFE COMMERCE

So I wanted to ask you two questions this morning. First of all, only \$58 million of the \$75 million that Congress appropriated for Operation Safe Commerce has been obligated. Can you give us a time line for when the last \$17 million that was appropriate is going to be obligated?

Secretary RIDGE. Senator, I cannot. I know that they draw down against the appropriation based upon their expansion of the pilot and whether or not sitting within the Department are invoices to be paid. I could not tell you, unless I go back and check. But I will certainly be pleased to do so.—

Senator MURRAY. If you could have someone get back to us, because—

Secretary RIDGE [continuing]. It is clearly the intent of Congress with the appropriations over a 2-year period to have three very robust and very comprehensive pilots. I think that is also the reason that there is no funding in 2005. These are pilots. There are to be lessons learned. And again, \$75 million for three pilot programs is a very, very substantial investment. We still need to see what lessons we learned and whether or not they are applicable to ports across the country.

Senator MURRAY. Well, Mr. Secretary, I can tell you that if we do not continue to fund that in the next year, much of the progress that has been made, much that is just now being implemented, we will not be able to get the results back. And as you know, the point

of Operation Safe Commerce was to find out what works out there and then be able to apply it to the other ports. If we do not find out what works, if we do not have the risk analysis back, if we do not have the results back, it will never get—the lessons learned will never be shared. And we will never have lessons learned.

So I was really surprised that the administration is working to kill this program in the budget.

Secretary RIDGE. Well, I do think that if they need additional money on top of the \$75 million, clearly a couple of those communities would have access to substantial additional dollars under the Urban Area Security Initiative that would be a follow-on.

Senator MURRAY. If you are planning on funding it under that, that would put them against all first responders. I think port security, and I think you would agree with me, is such a high concern that we cannot start pitting these people against other really important issues. We need to fund this, fund it specifically, get the answers back.

And again, this program, private sectors come together, ports have come together. Everyone is working very hard. They are just now beginning to learn what they need to do. And I think we should not shut them off.

Secretary RIDGE. Well, Senator, it will be incumbent upon me to get back and answer that first question to see where the additional \$17 million are to be applied to the existing programs.

[The information follows:]

TIMELINE FOR OBLIGATING THE LAST \$17 MILLION APPROPRIATED FOR OPERATION
SAFE COMMERCE

TSA anticipates that the Request for Applications for the \$17 million appropriated in fiscal year 2004 for Operation Safe Commerce (OSC) is on track to be released early this summer, with final award anticipated in the fall. This funding will be used to build on current OSC pilot projects, and may include other supply chains. The expenditure of the remaining funds will be fully coordinated within the Department and Congress to ensure that the cargo security efforts through OSC are integrated into broader departmental initiatives to secure the cargo supply chain security.

Senator MURRAY. Well, would you agree that it would be wise to continue this program in the next fiscal year in order for us to learn what we can, to make sure that we are doing all we can to secure our ports?

Secretary RIDGE. Senator, it has been my impression that three pilots at \$75 million, there ought to be some lessons learned with this infusion of very, very significant dollars.

Senator MURRAY. Well—

Secretary RIDGE. And I guess the reason that the dollars were terminated is that we felt that you did have the collaboration. It is a great program. You do—one of the things that the Coast Guard has done historically very well, probably better than any other agency, is on a day-to-day basis they work with the private sector quite well. But you have three major ports, 2-year funding stream, \$75 million. And the view is that is quite a bit of experimentation. There ought to be plenty of lessons learned after those \$75 million are spent on pilot programs.

Senator MURRAY. Well, because the funding was delayed, they are just at the point now of beginning to implement. The first con-

tainer ship comes in in a few weeks to the Port of Tacoma that is—that they will begin to be able to analyze it. I know that the programs, the CSI and the C-TPAT are also out there.

But I am positive you are aware of a recent GAO study that is called Preliminary Observations on Efforts to Target Security Inspections of Cargo Containers that those two programs do. It is very critical of the methodology that is incorporated in the customs and border protection initiatives. And I am happy to share that with you. It is extremely critical.

CONTINUATION OF OPERATION SAFE COMMERCE

But I think the point of Operation Safe Commerce is that we can learn from what they are doing to make sure that we are doing the reporting and analyzing, inspection, analyzing the risk levels. And if we do not continue this program, we are not going to have the information to do what is right in the future. We can be spending a lot of money in a lot of areas in ways that do not work.

Secretary RIDGE. Well, it is conceivable, Senator, and I do not offer this as the answer to the concern you have, but in the budget we are asking for more money for personnel to support our National Targeting Center. And I think there is a direct link between the lessons you learn dealing with the supply chain coming into ports and the National Targeting Center, which is at the heart.

Senator MURRAY. Yes. I have been around long enough to know that if you do not name it, it does not get funded.

Secretary RIDGE. Well, I think when you have a new department and a department particularly that relies on the notion that we will never be able to inspect all 22 million containers that come into this country every year, and we have three major pilot programs out there, that there are lessons learned and that we ought to—if there is a possible connection, we ought to try to make it. I do not know if there is. It just seems to me, Senator, that after a couple years, there ought to be a couple lessons learned after \$75 million has been spent.

Senator MURRAY. Again, only \$57 million has gone out. We still are waiting for the rest of it. And I think that we should not judge too soon on that. But I am happy to work with your office and supply information.

Mr. Chairman, let me ask one more quick question under my time.

FUNDING FOR IMPLEMENTATION OF THE MARITIME TRANSPORTATION SECURITY ACT

The budget that was sent over includes \$100 million for the implementation of the Maritime Transportation Security Act, MTSA. Admiral Collins testified before us last September that it would take \$7.3 billion over 10 years to implement the MTSA, including \$1.5 billion this year. I am very concerned that the President's request is 7 percent of what the commandant told us he needs to succeed. Do you share that concern?

Secretary RIDGE. Well, again, I do not have the understanding of the context with which the commandant shared that information with you. It is my understanding, however, that the sum that he was talking about included the additional security measures that

would need to be employed at ports and vessels. That is not a sum that was necessary for the Coast Guard to conduct the studies at ports of interest or the safety security studies on vessels.

So I think there is sufficient money in here for the Coast Guard to do its work. The gap is a place where we need to have a public debate as to whether or not it is the taxpayer's responsibility to fund, continue to fund port security or whether or not, since these basically are intermodal facilities where the private sector moves goods in and out for a profit, that they would be responsible for picking up most of the difference.

So I think the dollars that we received this year empowers the Coast Guard and gives them the manpower to do port assessments and to look at 10,000 vessels and to do the security analysis. I think the gap is——

Senator MURRAY. Are you suggesting that it is——

Secretary RIDGE [continuing]. The dollars for security.

Senator MURRAY. So if I heard you correctly, you are saying that the private industry must now come up with this \$7 billion over the next 10 years to implement the security for our Nation?

PRIVATE SECTOR SHARE OF PORT SECURITY

Secretary RIDGE. Well, we have an \$11 trillion economy. Much of it is driven through imports and exports. Major companies use our ports. I can only refer back to the Federal investment, the State investment, and local investment in the ports of Philadelphia and Newark. There is plenty of public money in these ports already. They provide the land. They buy the cranes. They in many instances employ the personnel. So the notion that there is not much of a public investment in the courts, I do not think is, based on my experience in Pennsylvania, it is not accurate.

At some point in time in the distribution chain—and my view is that ports are part of the supply chain and the distribution chain of the private sector——

Senator MURRAY. Well, Mr. Secretary——

Secretary RIDGE [continuing]. That they ought to be able to defray some of the expenses associated with it.

Senator COCHRAN. The time of the Senator has expired.

Senator MURRAY. Mr. Secretary, just let me comment very quickly. I am listening to your logic, but I would just respectfully say that if one terminal or port in this country said, we are not going to ante up the money, we do not have it, and a terrorist used that weak link to come into this country, all of us would be paying for the consequences of that.

Secretary RIDGE. Well, Senator, this will be debated, obviously, in this subcommittee and on the floor of both chambers, and I am sure Congress has been generous. I think there is over a half a billion dollars out in port grants. I think this year the budget allows for nearly \$50 million in port grants. I think it is going to be very important at some time in the near future that we engage the very appropriate public debate as to how much additional taxpayer financing should go into a piece of infrastructure that basically supports the private sector.

They have a commercial and business interest in securing their supply chain. And I think, again, we will continue to provide, there

is no doubt in my mind we will continue to provide some Federal resources, no doubt in my mind that States and local communities are going to continue to support their port authorities and their ports. But I also think we need to elevate the discussion so we determine what the role of the private sector is to help secure that infrastructure for themselves.

Senator MURRAY. I look forward to that debate. Thank you.

Secretary RIDGE. Thank you.

Senator COCHRAN. Senator Specter.

Senator SPECTER. Thank you, Mr. Chairman.

Mr. Secretary, on Friday I landed at Tom Ridge Airport in Erie. And I want to report to you that it is a great airport.

Secretary RIDGE. Thank you, Senator.

WAY TO RECONFIGURE THE CALCULATION FOR HIGH-RISK AREAS TO INCLUDE THE TOM RIDGE AIRPORT AND ERIE, PENNSYLVANIA

Senator SPECTER. I then went to a meeting of first responders and heard the concern that among the 50 high-risk areas, Erie is not included, largely because of the population factor. But they have a port, and they have access to a border with Canada. And my question to you is: Is there some way to reconfigure that calculation to include the Tom Ridge Airport and Erie?

Secretary RIDGE. Senator, the funding streams that Congress has generally supported the past 2 years through the Office of Domestic Preparedness had one portion that went to the States that was driven strictly by population, another portion that went to urban areas, where the Congress gave the department the flexibility to look at population density, critical infrastructure, the threat level, and make the appropriation.

One of the adjustments, based on our thinking in terms of how we can better direct those dollars is to look at that one pool of money that historically goes to the States by formula, notwithstanding that every State, large or small, should get a certain level of funding, but to see, based on a broader statewide analysis of critical infrastructure, that those States should get actually more money depending if the critical infrastructure is in there.

Senator SPECTER. Mr. Secretary, I am hesitant to interrupt you, but there is very limited time and I want to ask you three more questions.

Secretary RIDGE. Yes.

Senator SPECTER. I would like you to take a look to see, if you might, we can figure the high-risk areas to include Erie. When you talk about the general fund, the minimum for each State is three-quarters of 1 percent, which means that 40 percent of the funding, general fund and first responders, is taken off on the small States. And that has a very disproportionate share. For example, in Pennsylvania per capita we receive \$5.83, and Wyoming receives \$38.31. And that is the fund where we have to look to a city like Erie, community like Erie.

Last August, I visited some 33 counties on first responders and designated one of my top deputies to review our State. What can you say about providing a little more equity for the general fund, especially when Erie is not a high-risk area and has to limit its intake from the general fund?

Secretary RIDGE. Well, Senator, I think our strategic decision to deal with that issue, not community-specific but to deal with the notion that every State should still get some minimum funding, but not all of that money in that program should be allocated strictly on population. Now that our agency has matured and now that we have strategic plans from the individual States every governor has submitted a strategic plan based on their needs, we have asked for the flexibility to distribute those dollars differently than just on a strict funding formula.

FLEXIBILITY IN AUTHORITY TO DISTRIBUTE FUNDS TO HIGH-RISK AREAS

Whether or not Congress gives us that flexibility to do so, so that States like Pennsylvania would have more resources to support communities such as Erie, or I would say Senator Levin would tell you support communities like Port Huron, which is a small community of 30,000 people, that has chemical farms, energy infrastructure, and all kinds of basically critical infrastructure, and they get nothing either.

So that is our response to the need to address some of the needs of smaller communities.

Senator SPECTER. The issue of your authority, Mr. Secretary, has been a discussion which you and I have had on many occasions. And as more information is coming to light about September 11, there are more indicators, more evidence, that if all of the information had been collected in one spot, 9/11 might well have been prevented.

And I know that there has been a change with the FBI and the CIA and other intelligence agencies to try to have better coordination. And this is a very involved matter. But I would appreciate it if your department, if you would give us an answer in writing, because we do not have time to go into it now, as to your evaluation as to how it is working.

As I am sure you will remember, when we passed the bill in October of 2002 and the House of Representatives had left and it was take it or leave it in the Senate and I wanted to offer an amendment to give you the authority, as Secretary, to direct and have the critical authority, the issue went all the way to the President. And it was either get the bill in its form without having that authority and you or having it deferred until the spring. But I would like your evaluation as to how that is working.

HOW THREAT DETERMINATIONS ARE MADE

And the final question I have within my 5 minutes, Mr. Chairman, is: What can you tell us within the bounds of security as to how you make the risk assessment on the different gradations? There is obviously enormous concern about whether, when, where there will be another 9/11. It has sort of recessed from our minds as time passes. But I know it is very much on your mind and very much on the President's mind. And you took some extra precautions recently over the holiday season. And you had made a comment that you thought that the precautions you took may well have averted another 9/11. And I think the expression you used

was that you had a gut reaction to come to that sense or that conclusion.

Secretary RIDGE. Right.

Senator SPECTER. I would be interested to know, and I think everybody would be interested to know, how you make the threat assessments, where you think we are generally at risk today, and, to the extent you can specify, how you think the precautions which you took may have prevented another 9/11.

Secretary RIDGE. Senator, I will try to be brief, but it does call for a fairly lengthy—

Senator SPECTER. Oh, take your time. My time is over. Take your time.

Secretary RIDGE. Thank you, Senator. First of all, every single day, at least three times a day, there is formal interaction between the intelligence community, and that includes the Department of Homeland Security. Every morning the Attorney General, the FBI Director, the CIA Director, the Deputy, the Secretary of Homeland Security, and others meet with the President, Vice President, to go over the threat information from the previous day.

Twice a day, later on that morning and in the afternoon, by secure video, the intelligence community examines the threats of that particular day, but obviously looks back at the reporting stream for previous days to see whether or not there was additional corroboration, whether or not they render any judgments with regard to the credibility, but over a period of time, Senator, through that process and that constant interaction at the Terrorist Integration Center, the interaction of the professional analysts, the CIA, even on ad hoc basis.

PROCESS FOR RAISING THREAT LEVEL

At some point in time prior to about a week or so prior to when we raised the threat level in December—I say a week. I do not recall specifically. But at some point in time, the volume of the reporting, the nature of the reporting, assessments based on the credibility of the reporting were such that we began to look at the possibility of raising the national threat level. That process over a 24-, 36-hour period then led to the meeting of the President's Homeland Security Council. And that is Secretary of State and the Secretary of Defense and the Attorney General, the FBI Director, the Secretary of Transportation, yours truly.

It is then discussed among these principals. And based upon that discussion, we made the decision to recommend to the President for the foreseeable future we raised the threat level. That, in very short fashion, is the process that we engage in to raise in.

I note it is a process we have engaged in the past where we didn't raise it. And it had been 6 months since we took the national threat level up.

Finally, Senator, I would say to you and your colleagues on the committee and, for that matter, the entire country, as we do, as this department works with the private sector to harden certain chemical facilities and energy facilities and the like, as we continue to do a better job of informing State and local law enforcement, as we continue to do our job, I believe we will raise the threshold even higher to go to the next threat level. Because initially, the national

warning system was based simply on what we heard and perceived to be the threat. But there is also a risk analysis that we can now, because of the Department, have to plug into that equation.

That may be the threat, but what is the risk based on, the precautionary or preventive or security measures that have been in place? You could have the same threat with no security, and you might want to raise it. You could have the same threat level but with more security and say, we are comfortable enough, given the present circumstances, perhaps to target information privately to a particular place, a particular site, but not take the entire country up.

That would be the goal, because we are quite aware of the fact that raising the level nationally is a blunt instrument. Normally it requires a labor intensive response. But as we build permanent security measures across-the-board at the State and local level and in the private sector, it should be more difficult to take it up, because we will have reduced the risk by adding additional security measures.

Senator SPECTER. Thank you.

Senator COCHRAN. Your time has expired, Senator. Thank you.

Senator Leahy.

Senator LEAHY. Thank you, Mr. Chairman. And I will put my post-statement in the record.

[The statement follows:]

PREPARED STATEMENT OF SENATOR PATRICK J. LEAHY

Mr. Secretary, I want to thank you for coming to testify before us today.

We are entering the second year of this subcommittee and in that time there have been many changes to your department and there are new challenges facing the country. I appreciate your appearance here to discuss the Administration's priorities in the new fiscal year.

For the past year, you have supervised many constituents of mine who are former employees of the Immigration and Naturalization Service and who now work for the Bureaus of Customs and Border Protection, Immigration and Customs Enforcement, and Citizenship and Immigration Services.

A year ago, I praised them to you and told you they would exceed your expectations—I trust that they have done so.

At the same time, you and others at the Department told me that you would make full use of these excellent employees, and that the Vermont workforce would not decline as part of the reorganization. You have kept that pledge, and I look forward to continuing to work with you to ensure that these employees contribute to protecting and enhancing our Nation.

I would like to turn however to President Bush's proposed homeland security budget for fiscal year 2005 that was sent up here by the Administration and share with you a few of my concerns.

I was extremely disappointed that the budget drops the all-state minimum formula, which I authored, from the State Homeland Security Grant Program administered by the Office for Domestic Preparedness (ODP). This formula assures that each state's first responders receive a minimum of .75 percent of those grants to help support their basic preparedness needs.

Not only would this change result in the loss of tens of millions in homeland security funding for the fire, police and rescue departments in Vermont and other small- and medium-sized states, but also deal a crippling blow to their efforts to build and sustain their terrorism preparedness.

Mr. Secretary, you and I have spoken many times in public and private on how to fairly allocate domestic terrorism preparedness funds to our states and local communities. We both agree that each State has basic terrorism preparedness needs and, therefore, a minimum amount of domestic terrorism preparedness funds is appropriate for each state. We both agree that highly populated, highly threatened and highly vulnerable areas have terrorism preparedness needs beyond those basic

needs for each state. Most importantly, though, we both agree that homeland security is a national responsibility shared by all states, regardless of size.

On January 28, I spoke with Sue Mencer, the Executive Director of the new Office of State and Local Government Coordination and Preparedness (SLGCP), about the merging of organizational units within the Homeland Security Department. During our exchange I mentioned the importance of the all-state minimum requirement and Ms. Mencer assured me that the fiscal year 2005 DHS budget proposal would include the .75 percent all-state minimum.

You can imagine my surprise, then, when I read in the President's budget proposal that the grants to States for addressing State and local homeland security requirements and Citizen Corps activities and law enforcement terrorism prevention grants would be allocated among the states based on population concentrations, critical infrastructures, and other significant terrorism risk factors. Not only was I troubled to see that grants to States for addressing State and local homeland security requirements and Citizen Corps activities and law enforcement terrorism prevention grants had been cut by nearly \$1 billion, but without the all-state minimum protection for smaller states, there is no assurance of funding under these programs.

I wrote the all-state minimum formula to guarantee that each State receives at least .75 percent of the national allotment to help meet their national domestic security needs. I strongly believe that every state—rural or urban, small or large—has basic domestic security needs and deserves to receive Federal funds to meet those needs.

After the terrorist attacks of September 11, 2001, we have worked together to meet the needs of all State and local first responders from both rural and urban areas. Now, however, it appears that the President wants to shortchange rural states, rolling back the hard-won progress we have begun to make in homeland security. Our fire, police and rescue teams in each State in the Nation deserve support in achieving the new homeland security responsibilities the Federal Government demands.

I ask that you support a budget supplement amendment to restore the .75 percent minimum to the State Formula Grants Program. I look forward to speaking and working further with you and my colleagues on this matter.

Representatives of urban states have argued that Federal money to fight terrorism is being sent to areas that do not need it and is "wasted" in small towns. They have called the formula highly politicized and insisted on the redirection of funds to urban areas that they believe face heightened threat of terrorist attacks.

What critics of the all-state minimum seem to forget, though, is that since the September 11 terrorist attacks, the American people have asked ALL State and local first responders to defend us as never before on the front lines in the war against terrorism. Vermont's emergency responders have the same responsibilities as those in any other State to provide enhanced protection, preparedness and response against terrorists. We must ensure that adequate support and resources are provided for our police, fire and EMS services in every State if we expect them to continue protecting us from terrorists or responding to terrorist attacks, as well as carry out their routine responsibilities.

Most of the cuts to the formula-based and law enforcement prevention grants were made to increase to \$1.4 billion the discretionary grants for use in 50 specific high-threat, high-density urban areas. While I recognize that enhancing the security of those urban areas represents a critical national priority, I cannot support both a drastic reduction in the formula-based and law enforcement prevention grants and a barring of small states' access to even a portion of the more than \$2.7 billion that the formula-based and law enforcement prevention grants and Urban Area Security Initiative grants would total.

Fostering divisions between states ignores the real problem: the President has failed to make first responders a high enough priority. We should be looking to increase the funds to our Nation's first responders. Instead, we see the President proposing to cut overall funding for our Nation's first responders by \$800 million. These cuts will affect each state, regardless of size or population.

The Hart-Rudman report on domestic preparedness argued that the United States will fall approximately \$98.4 billion short of meeting critical emergency responder needs over the next 5 years if current funding levels are maintained. Clearly, the domestic preparedness funds available are still not enough to protect from, prepare for and respond to future domestic terrorist attacks anywhere on American soil.

Senator LEAHY. Governor Ridge, it is always good to have you back here.

Secretary RIDGE. Senator, thank you.

Senator LEAHY. I have not flown into the Tom Ridge Airport, but——

Secretary RIDGE. You do not have that many flight options, Senator. But——

Senator LEAHY. Should you come to Burlington, Vermont, feel free to stop by the Leahy Center.

PROPOSAL TO DROP THE ALL-STATE MINIMUM FORMULA FOR ALLOCATING STATE HOMELAND SECURITY GRANT FUNDS

Governor, I have to state that I really was disappointed that the President's proposed budget for fiscal year 2005 drops the all-state minimum formula. I authored that. They dropped it from the State homeland security grant. And you probably do not need reminding, but this says that each State will receive a minimum three-quarters of 1 percent of those grants to help support the first responders basic preparedness.

I thought I would bring this up because with the makeup of this subcommittee, that would affect all but, I think, one or two on this subcommittee. So it may be more than a passing interest. But more than that, it would result in the loss of millions of dollars in homeland security funding for fire, police, rescue departments in small and medium-sized States. I think it would create a crippling blow for their efforts to build and sustain their terrorism preparedness.

And these small States, each have a particular need that may be different. Some are like my State. They are a border State. Others have major ports in them, may have natural—or may have energy facilities important not just to their State but to the rest of the country. And you and I have spoken about how to fairly allocate domestic terrorism preparedness, funds to our States and local communities. You have been very forthcoming on that, as have your staff.

I thought we had agreed that fire, police, emergency medical rescue teams in each State deserve support in carrying out the new homeland security responsibilities that the Federal Government demands of it. So I was surprised, knowing that on the one hand these States are being required to carry out these demands. You read that in the budget there will be allocated among the States based on population concentrations, critical infrastructures, and other significant terrorism risk factors, as determined by you.

IMPACT ON RURAL STATES

I believe it means the administration wants to shortchange rural States, wants to roll back the hard-won progress we have begun to make in homeland security by slashing the protections in the all-state minimum. Now I am strongly committed to the critical national priority of enhancing urban areas. I have supported legislation, especially some of the particularly targeted urban areas where we are today in New York City and elsewhere.

But I cannot go and tell rural areas that, sorry, you are not big enough to have to worry, even though, if I was planning a terrorism attack, I would know that, for example, attacking the Tom Ridge Airport is going to get as much international coverage as attacking JFK or LAX, because it is a United States airport within our boundaries.

So would you agree that homeland security is a national responsibility shared by all 50 of the States regardless of their size?

Secretary RIDGE. Senator, yes. I think one of the challenges for the Department of Homeland Security is to integrate the capacity we have within our States and local communities, match it up with the Federal effort to combat terrorism. So there is a shared fiscal responsibility. There is a shared operational responsibility. It is a national plan, not just a Federal one.

Senator LEAHY. But then in these States they have to do a certain amount of minimum—I do not know whether it was the State of Idaho or West Virginia, Vermont. There is only one State smaller than Vermont in population, Wyoming. But whatever the State is, they have to do a certain amount of minimum preparation, communications. Whether it is in a State of half a million or four million, they have to do certain basic things. You have to have basic ideas for planning, for response equipment, fire, police, and so forth.

SUPPORT OF FUNDING TO RESTORE THE THREE-QUARTERS OF 1
PERCENT MINIMUM TO THE STATE FORMULA GRANTS PROGRAM

So if you accept the fact that there are certain minimum things that have to be done wherever we are, would you support a budget supplement amendment to restore the three-quarters of 1 percent minimum to the State formula grants program, which include the State homeland security grant program, the Citizen Corps, and the law enforcement terrorism prevention grants program?

Secretary RIDGE. Senator, I would much prefer the approach as embodied in the President's budget, that as we take a look at the dollars that have historically been allocated to States Strictly on a formula, that the Secretary be given the flexibility, understanding that he has just testified now and believes that there ought to be some minimum that goes to every State and territory.

Senator LEAHY. What is that minimum?

Secretary RIDGE. We would certainly have to sit down and—

Senator LEAHY. I mean, it is .75 now. Is that too much? Too little?

Secretary RIDGE. Senator, frankly, I would like to take a look at all of the statewide plans that the Governors have submitted to us and make that determination. And we certainly cannot deal with this privately. I will have to be engaged with you and your colleagues here, because I am mindful that there are basic infrastructure needs in all 50 States and territories. But the language that we have submitted in this document would give the Department some flexibility based on needs, not just on population.

Senator LEAHY. I understand. But on that flexibility, you have to understand that a lot of smaller States and rural areas are concerned because, one, it shows there is no guarantee that they will get anything. And secondly, when the President had proposed an \$805 million cut in funds for the Office of Domestic Preparedness, those are programs that directly benefit the police, fire and medical rescue units, you put that together with the fact of this safety net for smaller States is gone, at the same time of an 18.4 percent cut in funds for the Office of Domestic Preparedness, \$805 million is there.

You have the Hart-Rudman Terrorism Task Force report saying that we are going to almost \$100 billion short of meeting critical emergency responder needs through this decade's end, if these current fundings are going on. You know, if I am a Governor—and you have been a Governor; I have not—if I am a Governor, I am going to be asking how is my State first responders going to be able to fulfill the mandates coming from Washington when the President is proposing to decrease, not expand, but decrease the money, expand the amount that is required.

I mean, every time we go up to orange alert or whatever, the requirements go up. Every time there is even a regional threat, the requirements go up.

What is being asked of these State and local groups goes up all the time, but the money is going down. And even the guarantee of what money was there within the budget is now gone. If you were a Governor of one those States, you would be kind of worried.

Secretary RIDGE. Senator, first of all, I would say to you that the President's commitment in the 2005 budget to first responders' dollar amount in terms of the budget proposal is as strong as it was in 2004. The difference that we are talking about are the additional funds that Congress added to the President's request. So I think we need to understand that the President——

Senator LEAHY. Well, not really, if I might.

Secretary RIDGE. Well——

FIRST RESPONDER FUNDING

Senator LEAHY. This fiscal year, Congress appropriated \$4.2 billion for first responders and homeland security needs. We are a lot more alert since then, but the administration has proposed a \$3.5 billion package for fiscal year 2005 that cuts the Fire Act and grants programs to State and local areas. And you have put that along with the President's opposition to using Federal dollars to hire fire and rescue, even though we know what that was like on September 11 at the World Trade towers or over here at the Pentagon.

No, I do not say that you could say the commitment is still there. The cuts are there; the commitment is not.

Secretary RIDGE. Senator, we arrive at differing conclusions based on the same figures. Maybe that is the trouble with the new math.

Senator LEAHY. Oh, the figures are less.

Secretary RIDGE. If I recall correctly, and I will stand corrected, Senator, but by and large, if you take a look at the request in 2004 for the fire grants and admittedly, we have shifted some money from one pool, the State direct funding grant, to the urban area security initiative, but by and large the President's request is close to what it was in 2004. The Congress added additional money. And I think that is what you are referring to as a cut. But the President's commitment, in terms of his budget request, is nearly the same as it was in 2004.

Senator COCHRAN. The time of the Senator has expired.

Senator LEAHY. Thank you. I will submit further questions, if I might, for the record. And I applaud you for holding this hearing.

I think it is going to be a subject of more than a little discussion in this committee.

Senator COCHRAN. Thank you, Senator.

Secretary RIDGE. Yes, it is.

Senator COCHRAN. Senator Kohl.

Senator KOHL. Thank you, Mr. Chairman.

CANCELLED INTERNATIONAL FLIGHTS

Secretary Ridge, I would like to return to the question of those canceled flights——

Secretary RIDGE. Yes, sir.

Senator KOHL [continuing]. Of which I believe there were 13 from France, Britain, and Mexico. In one case, British Airways flight 223, as you know, was canceled four times. Evidently, this was done because of specific information that our intelligence community obtained about potential threats on board these flights.

Common sense would suggest that when we have detailed information about a particular flight, then heightened screening measures could ensure that no dangerous instruments be taken on board these flights which might allow individuals to hijack. Was cancellation the only option?

Secretary RIDGE. As we discussed the threat with the airlines, and it was an ongoing discussion through that entire period, it turned out from everyone's point of view to be the best option.

Senator KOHL. Does this imply that screening procedures in other countries are inadequate?

Secretary RIDGE. Well, since that time, and even prior to that time, Great Britain and to that extent France have significantly, I do not want to say improved, because they had a high level of screening to start with. But it is far more intense than it has ever been.

But there was some concern in the public discussion, about our preference to use air marshals. And that those kinds of requests need to be vetted. We use thousands of them. Other countries do not provide that kind of security in such a robust or comprehensive fashion that we do.

So again, as we explored options to deal with the threat, it was decided by the airlines, they thought their best option was to cancel the flights. And we agreed with them.

Senator KOHL. Well, what kind of security can be instituted, for example, to protect against biological or chemical kinds of threats on an aircraft?

Secretary RIDGE. Well, you highlight from my perspective, Senator, probably one of the most effective. And that is far more rigorous and intense screening. And I think under the circumstances that was certainly an option that they were prepared to consider.

I think in time, as we develop the technology of detection and put it aboard different modes of transportation, that will ultimately advise us that an attack has occurred, but will obviously not have given us the capacity to prevent the attack. And I think probably the most important focus that we should have with regard to aviation security, mindful of the need to identify weapons, but we should be more focused on the individuals who might be carrying

the weapons. I mean, that is at the heart of the CAPS II Program that we want to use for domestic aviation purposes.

TECHNOLOGY OF DETECTION

So additional screening, yes, I believe the international standards, particularly among our allies in Europe. And they have really ramped up their screening, but not everybody has done that internationally. One of the first series of grants we sent out through the department was to identify the technology of detection that would enable us to—we would be advised that an incident had occurred. And we would obviously have to respond to it as quickly as possible. But it is still not to a point where we can put it in any form of transportation.

And until such time, the most important thing for us to do, while we continue to focus on weapons, continue to have people go through metal detectors, continue to search through the contents of the carry-on luggage, continue to screen the luggage that goes in the hold, the most important focus should be the individuals and the likelihood that they would be a terrorist.

SCREENING FOR BIOLOGICAL WEAPONS

Senator KOHL. You must know the answer to this question. Do we have the capacity to screen for biological weapons?

Secretary RIDGE. We do not have the technology yet available to do that. We are looking for it. Right now—

Senator KOHL. So that—not necessarily in the case of those canceled flights, but generally speaking, when it comes to biological weapons, it then becomes a determination as to whether or not the individual—

Secretary RIDGE. Correct.

Senator KOHL [continuing]. Is somebody that might be suspected or capable of taking a biological weapon on a plane. And that might cause a cancellation—

Secretary RIDGE. Correct.

Senator KOHL [continuing]. Not the screening, because we do not have that capacity right now.

Secretary RIDGE. Correct. It is a high priority for the Department in terms of its research and development. But right now, we have to rely on individual screeners. And we have certainly, since the Department has been created, discovered from interrogation of detainees, training manuals, and other sources, means of, potential means of, delivery of those kinds of weapons or ingredients. The screeners are aware of them. But it still comes down to the capacity of the screener to, again, funnel that information, take a look at what is being carried on or what is located in the suitcase and make a determination that it needs to be pulled out and examined. And we do not have the technology to assist the screener yet.

Senator KOHL. Okay. Do I have time for one more question?

Senator COCHRAN. The Senator does have time for one more question, yes.

Senator KOHL. Thank you.

FRAUDULENT DOCUMENTS

Secretary Ridge, initially we were told that all September 11 hijackers entered the country legally, many of them on student visas, then disappeared into the shadows of our society to avoid detection. But now the independent commission is telling us that many of the hijackers could have, or probably should have, been stopped at the border prior to entering.

It turns out that a number of the hijackers had fraudulent visas or lied on their applications. Apparently, immigration inspectors, whether it was because of insufficient resources or training, lacked the ability to catch these terrorists before they entered the country. Recognizing that there is a problem here, what is being done to train our INS inspectors to enable them to spot fraudulent and deficient visas in order to stop potential terrorists at the border?

Secretary RIDGE. Senator, you raise a very significant problem in the international community generally. That is one of fraudulent documents, whether they are using them to verify their existence here in the United States with fraudulent social security cards or driver's licenses or whether they are using them to come across our borders with visas and passports.

Number one, there is, I think, very significant training that has been required and provided to the men and women at our ports of entry. Number two, the Congress has told us that we need an entry-exit system so we can mark the arrival, as well as the departure of people coming into the country. That is part of the US VISIT protocol, where, by using facial identification and fingerprint scans, we have already reviewed about a million people coming into the country, and we have sent over 100 people back. We did not allow them to enter because of information we had on the database; not necessarily because they were terrorists, but because there were other—basically, it was a criminal reference.

That same kind of identification protocol will be employed in consular offices by the end of this year, the photographs and the fingerprint scans, so at least we can make sure that the folks that receive the passport are the ones who are checking in with the passport when they try to come into the country. So you take that, you couple it with additional training to look for fraudulent passports, we have substantially improved that capacity. But we have to be forever vigilant.

I must tell you that on a fairly regular basis, Senator—and I get a daily report from Customs and Border Protection. We have, on a fairly regular basis, these very, very dedicated men and women at the border turn folks away because of the fraudulent nature of their visa or their passport. They do not pretend to say that they catch them all. But their antenna is up, and they are as sharp as we want them to be. We continue to give them information as to what to look for.

You know, from time to time, we discover that other countries have had passports stolen. We work with those countries to get identifying characteristics on those passports. That information is pushed down to the ports of entry.

So again, it is a continuing process of education, vigilance. I think the US VISIT Program is going to help us quite a bit, as well.

Senator KOHL. Thank you, Mr. Secretary.

And Mr. Chairman, I will submit my questions for the record.

Senator COCHRAN. Thank you, Senator Kohl.

Senator Craig.

IMMIGRATION AND BORDER SECURITY

Senator CRAIG. Mr. Chairman, on a variety of questions, I will submit them for the record so the Secretary can respond. I want to focus just in one area.

And I apologize, Secretary, for being late for your testimony. But during the questioning, I have had an opportunity to read it, and I appreciate it.

Let me focus only on one area now and that is the issue of immigration and securing our borders. And I am very pleased that our President is now leading on that issue as it relates to an undocumented workforce in this country. I say that because my State and many States across the Nation need that workforce.

Without question, there is a need in our economy for six or eight million foreign nationals to be here working and receiving good pay and doing services that our own citizens choose not to. So it is so important that we make this system work.

I think one of the unknown consequences of border security post 9/11, while we were intending to lock people out, we locked a lot of people in who were moving back and forth across our borders, providing services, going home to their loved ones, and because of now the toughness at the border, choosing to stay in because they cannot, once get out, come back. And in my State of Idaho, at the peak of the agricultural season, we may have anywhere from 19,000 to 20,000 undocumented. I have some legislation in that area now that we are working on.

UNDOCUMENTED WORKERS

But here is what I have found and where my question takes me today in dealing with local law enforcement and undocumented workers. I see you are going to hire some more agents. Well, we have gone from 3,000 to 10,000 at the border. And we have begun to stem the tide of an undocumented workforce. We arrested over 800,000 last year and deported them, and there are millions within the country. Why? Because of what is here for them to do and to make money and to go home to their loved ones, if they can, or to stay here.

In one county of mine, the county sheriff tells me that he arrested or apprehended over 1,200 undocumented workers. That was borne by county taxpayer expense. They were jailed at county taxpayer expense. Let me suggest to you that it is my experience, in having focused on this issue for the last 5 years, that the National Immigration Service and now the new service is relatively inadequate in being able to effectively find undocumented workers. But I know who does, local law enforcement.

Now I would suggest to you that you review your idea of hiring more agents and you concentrate on cooperative partnerships with

local law enforcement, maybe with some assisted training. As it relates to their normal course of law enforcement, they are the ones who find, in most instances, the undocumented workers or the undocumented foreign nationals in this country. And some may be certainly people of bad reputation. Others are simply here to work.

Also, I would suggest, and you just got into the business of talking about fraudulent documentation. And I understand here you talk about providing certain deterrents to the employers as an incentive to maintain a legal workforce. That is legitimate when the documentation is legitimate.

But to find a person whose livelihood would be destroyed because they cannot find the work and they hire foreign nationals who have documentation to do their work, to harvest the food that goes onto the shelves of America, and then to put them at risk because they accepted the documents that were available, you see where I am going, it becomes the ultimate catch-22.

And so I am proud of what the President is doing. I know it is highly controversial. I happen to disagree a little bit on the fine points of the issue. But he has been willing to step up and address the issue, the 8 to 12 million undocumented that we have in this country and the laxness and the slackness that we have had at our borders for decades.

But having said that, reform is at hand. And you are leading that. And I greatly appreciate it. But I would suggest that if the answer is simply to hire more Federal agents, why?

The biggest thing that I have been frustrated with over the years is that when you had drug apprehension or all of those other kinds of things, and every agency developed its own police force—and out in my State, the Forest Service, they had to have law enforcement. BLM had to have law enforcement.

COOPERATIVE LAW ENFORCEMENT WITH LOCAL ACCOUNTABLE LAW ENFORCEMENT

Well, I know what they used to do. They used to develop cooperative law enforcement agreements with local accountable law enforcement. And that is where the rubber really hits the road on a daily basis. And I think that it is not only cost effective, but with right and reasonable training, it can be phenomenally responsive for a lot less cost.

That is an observation. I have no questions, Mr. Chairman.

But I would ask you, Mr. Secretary, to take a comprehensive look at that. We have some legislation moving now. I would lots rather see you take the initiative now and begin to get it on the ground, because our counties are experiencing a lot of costs in those hot areas of high intensity undocumented workers. And often, it is they who pick up the phone and call the INS and tell them: Hey, here are your people. Come get them.

Secretary RIDGE. Thank you, Senator. I would look forward to having that, continuing this discussion privately, because however this plan evolves, it will only be effective if the right level of resources are given to the right people in order to enforce it. And our limited experience with collaboration with the States, in terms of apprehension and detention of illegal aliens, has been mixed. Some States are willing to do it; other are not.

Part of the reason may be philosophical. Others may be fiscal. Either way, you have 650,000 men and women in local law enforcement that should be viewed as a potential asset and resource in enforcing the new law, whatever it might be.

Senator CRAIG. Thank you.

Mr. Chairman, thank you.

COAST GUARD OFFSHORE PATROL CUTTERS

Senator COCHRAN. Thank you, Senator Craig.

Mr. Secretary, one of the responsibilities that the department has is the United States Coast Guard operations, particularly for patrolling our coasts and ports, contributing to our security of the homeland in that way. The budget request includes \$26.2 million to support the operation of five patrol coastal cutters that are being transferred to the Coast Guard from the Navy. My question is whether your office, and you personally, have information that will let us know what the time frame is for the Coast Guard receiving these patrol coastal cutters from the Navy and whether there is funding that is sufficient in this budget request to convert the Coast Guard cutters into mission-capable boats for the operation of the missions that are required.

Secretary RIDGE. Senator, I believe that the deployment decision with regard to those five vessels should be forthcoming in the next month or two. I know that they are looking at two. They are looking to just narrow the gaps in existing coverage. I know one of the venues they are looking at is in Mississippi. I dare not speak for the Commandant. But there is an interest in distributing those five cutters in two different ports.

They certainly are going to maintain their capability. I think we have sufficient resources once they are deployed to use them effectively. But the decision as to when and where they will be deployed, I believe, is in the next 4 to 6 weeks.

ALTERATION OF BRIDGES

Senator COCHRAN. One of the other counts in the Coast Guard's budget request of interest to some of us is in the funding for alteration of bridges. There is no funding in this budget request that would permit the Coast Guard to carry out its responsibility of removing obstructions to commerce on navigable waters. There is a backlog of work that needs to be done to help ensure the safe navigation of rivers and ports. It is my hope that your office will take a look at that and let us know what funding may be useful to the Coast Guard to continue certain bridge projects that are already under way but which are not fully funded in this budget request.

It forces this committee to add funds to help ensure the navigability of waters of the United States. So it is something that has to be done, it seems to me. And working with your office or with the Coast Guard, getting some indication of what that funding level ought to be would be very helpful to us.

Secretary RIDGE. Senator, we will certainly acknowledge your inquiry and get back to you as quickly as possible. I do not know what the Coast Guard's plans are to continue to remove these navigational obstructions or to make those kinds of adjustments in ports. I need to get back to you in response.

[The information follows:]

ALTERATION OF BRIDGES

The Coast Guard's Alteration of Bridges request is zero in fiscal year 2005, because obstructive highway and combination railroad/highway bridges are eligible for funding from the Federal Highway Administration's Federal-Aid Highway program. It is estimated that a total of \$15.1 million is needed to complete the three Truman-Hobbs bridge alteration projects actively under construction: the Florida Avenue Bridge in New Orleans, Louisiana; the Sidney Lanier Bridge in Brunswick, Georgia; and, the Limehouse Bridge, in Charleston County, South Carolina. All three of these bridges are highway bridges. In addition, there are five bridge projects with completed designs for alteration: the Burlington Northern Santa Fe Bridge in Burlington, Iowa; the Burlington Northern Santa Fe Bridge in Fort Madison, Iowa; the Chelsea Street Bridge in Boston, Massachusetts; the EJ&E Bridge in Divine, Illinois; and, the CSXT (14 Mile) Bridge in Mobile, Alabama.

NATIONAL CENTER FOR MISSING AND EXPLOITED CHILDREN

Senator COCHRAN. Okay. The Secret Service, as we know, has responsibility for monitoring counterfeiting and investigating counterfeiting of our currency. It has the National Center for Missing and Exploited Children, as well. The budget transfers funding for the national center from the Secret Service budget to the Bureau of Immigration and Customs Enforcement. The question I have is: We want to be sure this does not hinder the Service's ability to provide support for the center.

If we could have an indication that the funds that are being transferred will support the Secret Service's mission, that would be helpful.

Secretary RIDGE. Senator, I feel confident in telling you that the transfer of the responsibility to ICE was done in consultation with the Secret Service. It has been at the hub of their new initiative called Operation Predator. And we will give you the confirmation that you seek in writing.

[The information follows:]

GRANT FUNDING FOR THE NATIONAL CENTER FOR MISSING AND EXPLOITED CHILDREN

The President's budget proposes that the funding for a \$5,000,000 grant for the National Center for Missing and Exploited Children (NMEC), which in fiscal year 2004 is funded in the U.S. Secret Service's appropriation, be placed in fiscal year 2005 in an appropriation to U.S. Immigration and Custom Enforcement. In fiscal year 2004 this grant will be made available by the U.S. Secret Service to the NMEC for activities related to the investigations of exploited children. Transfer of this grant funding to the ICE does not affect the Service's support for the Center for Missing and Exploited Children. The Service will continue to provide forensic and other related support to the NCMEC.

Senator COCHRAN. Thank you.

Senator Byrd.

Senator BYRD. Thank you, Mr. Chairman.

AMNESTY FOR ILLEGAL ALIENS

Mr. Secretary, you indicated earlier that you are not prepared to give us estimates on the cost of the implementation of the President's principals on amnesty for illegal aliens. Are you in a position to have some indication of how many more agents would be transferred from security and enforcement to carry out the President's plan?

Secretary RIDGE. Senator, I do not at this time. Your colleague, Senator Craig, suggested in a colloquy that we just had, however, that we might want to consider, whenever that plan is enacted, the use of State and locals and support them in that effort rather than additional enforcement officers at the Federal level. I suspect it will end up being some measure of both. Because whenever the initiative is passed, enforcement is a critical piece of it. But we just cannot give you those specific numbers of either people or money at the present time, Senator.

Senator BYRD. I believe you indicated, in response to an earlier question, that you did not anticipate any supplemental requests from the department.

Secretary RIDGE. At the present time, Senator, we do not.

Senator BYRD. So, how does this play into the amnesty proposal, if we do not anticipate any supplemental? If we do expect any legislation on the President's proposal, what do you think might be the situation with regard to a supplemental?

Secretary RIDGE. Senator, first of all, I was here back in, I think it was, 1985 or 1986 as a Member of Congress when we went through this issue before. And as you and I are well aware, back then amnesty and those folks were able to just assume, I think, a different position even in terms of their own citizenship. There is a little bit difference, there is a significant difference, between what the President wants to do in this program and what we did in the past.

But in any event, we are going to need substantial resources to enforce it. And I am still not in a position, Senator, until we better understand Congress' will and the requirements or mandates that you may impose on the department, what the final dollar amount will be.

CAPPS II

Senator BYRD. The department has been making preparations to implement CAPPS II, a new information system for screening airline passengers to determine if a passenger is a security risk prior to their boarding an aircraft. Based on our staff discussions with the department on the status of CAPPS II, we have very real concerns that the department has not made sufficient progress in meeting their criteria and addressing concerns that we all have.

What are your plans for this system? How do you believe that you have met the requirements of the law for deployment of this important system?

Secretary RIDGE. Senator, first of all, I would welcome, either by letter or personal conversation with you or your staff the specific concerns that you have with the CAPPS II program. Secondly, it is our intention, Senator, to test, to begin testing the program sometime later this year. There have been some delays associated with the testing, as we have dealt with some of the privacy issues associated with the use of name, address, date of birth, and other passenger name records that we would use as part of the database to get the program off and running.

We have reached agreement with the European Union that we can use their passenger name records as part of our testing protocol. And we are trying to allay the legitimate concerns of mem-

bers of Congress and the public generally that the information at our disposal will be for a very specific and very limited use. And it will enable us to target potential terrorists on the other side and enable us, we think, probably to reduce the amount of secondary screening and reduce the inconvenience and the delays at our commercial airports.

So I do not know the specific objections you have raised. One of the insertions into the Homeland Security Act from Congress was the insistence that we have a privacy officer. And Attorney O'Connor and her staff have been working on these privacy issues, working with me to convince the European Union that the information would be for a very limited and restricted use. And we need to convince members of Congress and the traveling public that it will be for a limited and restricted use, as well.

Senator BYRD. Our concerns are detailed in the fiscal year 2004 Homeland Security Appropriations Act. Our concerns are that the department has not yet addressed the requirements of the law.

Secretary RIDGE. Well, part of it may be our need to—we may have a difference of opinion on this, Senator. We certainly would look to secure bipartisan support for this test so that we could add an additional layer of protection to passenger travel. We have spent enormous sums of money, and very appropriately so, when we targeted commercial aviation, toward detecting weapons.

And while I think we need to maintain our focus on weapons, I think ultimately, as we combat terrorism, the primary focus should be on those who might carry the weapons, trying to identify the terrorist or potential terrorist rather than the weapon that he or she may be carrying. And I think the CAPPS II program gives us an opportunity in part to do just that.

OVERDUE CONGRESSIONAL REPORTS

Senator BYRD. In the fiscal year 2004 Homeland Security Appropriations Act and associated reports, the Congress directed the department to report to the committee on important issues ranging from the protection of critical infrastructure, hiring issues surrounding intelligence analysts and cybersecurity specialists, developing an inventory of the research and development work being done by department elements other than the Office of Science and Technology, and in preparing a report on the effectiveness of the homeland security advisory system, including efforts to tailor the system so that alerts are raised on a regional rather than national basis.

To date, the department has delivered only 14 percent of the mandated reports. It seems that for an issue as sensitive as the security of our homeland, the Department would want to have an informed Congress as an active participant in the policy process. Is it your view that this committee should expect these reports to come along soon?

Secretary RIDGE. Senator, I certainly hope so. To put it in context for you, Senator, we have sent quite a few up. But GAO alone, GAO alone has asked the department to submit information for 420 reports. That is in addition to probably 2,500 congressional inquiries. That is in addition to a lot of the other work that we are doing to try to keep, as you very appropriately point out, to keep

our colleagues in this effort, because we are partners in building this department, keep everybody informed.

While I regret the delay, and I am trying to explain it, not excuse it, but we are doing our very best we can to get to GAO and to the members the information they have requested. And we will do everything we can to expedite it for you, Senator.

Senator BYRD. Well, I hope you will do that. The GAO, as you well know, is an arm of the Congress. I am sure that the information that the GAO is seeking is of great importance to the Congress. We just do not act as a rubberstamp for the administration. We hope to be a partner in the effort.

Secretary RIDGE. Well, Senator, we respect the inquiry. As I said before, we fully intend to comply. It is just some of these reports require hundreds and hundreds of man hours to get the information and get it back to you. And we will do our best to expedite it.

Senator BYRD. Do I have time for another question?

Senator COCHRAN. Yes, sir.

PLAN FOR ADJOURNMENT

Senator BYRD. Incidentally, what is the Chairman's plan as to proceeding further and whether or not we will have another opportunity to have Secretary Ridge before us?

Senator COCHRAN. Senator Byrd, our plan was to adjourn the hearing at 12:30 today. We were going to have hearings with other under secretaries and others who have jurisdictional responsibilities in the department. If there are other questions that need to be submitted, we have an opportunity to submit them in writing. But I have not discussed with the Secretary another hearing with him personally, but we would be glad to do that, if that is your request.

Senator BYRD. Very well. I hope we might at least think in terms of possibly hearing the Secretary again, if there needs to be. I understand that we will have other opportunities with other witnesses. And so, the questions that we have in mind may be asked and answered there.

Incidentally, Governor, in an earlier conversation relative to the title of governor, do you remember?

Secretary RIDGE. Yes, sir. Yes, I do.

Senator BYRD. Well, my history taught me that in the colonies and in the States, the people did not think too much of their governors. Is that your recollection?

Secretary RIDGE. No, it is not, sir.

Senator BYRD. I think you might fail a history test. Maybe you should go back and review that a little bit.

Secretary RIDGE. I will, Senator.

Senator BYRD. They did not have much use for the royal governors. Do you remember?

Secretary RIDGE. Yes, sir, I do.

Senator BYRD. They were much more dependent upon and confident in their elected assemblies than they were of their governors. Pennsylvania was one of those early States, I believe, too. I believe it was one of the 13, was it not?

Secretary RIDGE. It was the second State, Senator.

Senator BYRD. All right. Well, I just have one more question, Mr. Chairman.

FIRST RESPONDERS

Others have touched upon this. Local police, firefighters and emergency medical teams are a community's first line of defense. But they seem to be almost the last priority for the President in his budget. Now others have touched upon this, which indicates that there is a widespread concern with respect to the first responders, and the fact is that trickle-down theory that we have heard so much about in many other respects is not working too well in this situation.

Cuts come despite continued warnings, cuts in these local responders' budgets. From think tanks, commissions, and from first responders themselves come these warnings, that our Nation is not adequately prepared to respond to another act of terrorism. How do you justify these cuts?

Secretary RIDGE. Senator, if I could put the predictable and, I think, understandable attention that you and all of Congress and first responders put on the notion of additional money to support their mission. If Congress sees fit to, at the minimum, appropriate to first responders the dollars requested in the 2005 budget, this Administration and this Congress will have made available to State and local first responders nearly \$15 billion over the past 3 years. This year's grant fire grant is \$2 billion. It has been delivered directly to firefighters.

The President's budget this year, as I mentioned to Senator Leahy, is a total amount very nearly identical to the amount of money the President requested back in 2004. Obviously, the Senate and the House chose to rearrange the priorities, which is certainly their prerogative because you do have that power of the purse, and actually gave to the first responders more money than was requested.

But I do think that the President's commitment has been strong. And it has been consistent throughout the years. This year we are altering or seek congressional support of altering how those dollars are distributed. But I would say to the Senator that the President's commitment has been consistent and across the board to support the first responders at a very significant level of funding.

Senator BYRD. There are billions of dollars, as you would agree, in the pipeline for first responders that have not been spent. We continue to hear complaints that come up from these people who were the first on the scene. That is why we have put the strict time lines on the Office for Domestic Preparedness and on the states to get the money to the first responders where it is needed. I hope that we will do a better job of getting the monies to these first responders.

FUNDING FOR FIRE DEPARTMENTS

The fact is, according to FEMA, only 13 percent of fire departments have the equipment and training to handle an incident involving chemical or biological agents. Fire departments have only enough radios to equip half the firefighters on a shift and breath-

ing apparatuses for only one-third. How do we justify a 33-percent cut to fire grants?

Secretary RIDGE. Senator, two parts to your question. You are absolutely right, Senator. The Congress mandated that the Department of Homeland Security be prepared to distribute the dollars you appropriated within a time certain. We are prepared to do that. I think it was a 45-day period. We are ready to do that.

Where we need to take a leadership role, and we would rather not mandate it, I would rather work with the Governors and the mayors to come up with a distribution scheme that everybody is comfortable with. Right now, the distribution of these proceeds varies from State to State, Senator. We are ready to send the checks out. Most of the logjam is in the collaboration between the cities and the States and their applying for the money.

We will take it upon ourselves in this department to try to work with our partners, because they are partners in this effort, to see if we can come up with a distribution scheme so that when we hit that time table to distribute the dollars, I am confident Congress will also mandate that in the 2005 budget, that we can get them out quicker to the first responders.

It is not your Department of Homeland Security. We are ready to distribute. But the logjam really is in the communication and collaboration at the State and local level. I do not mean to repeat myself. I apologize. But I had planned on meeting with the Governors, when they are in town in about 2 weeks, to address this question specifically. It is out there. We still have a few dollars left from 2002, more than half the dollars, I think, left from 2003. We have to get this money out the door.

PROCUREMENT POLICY ISSUES

Part of it, I think, is tied up in procurement policies, Senator. By the way, West Virginia, when I visited your first responders down there, have taken a regional approach toward building capacity around their States, so that not every community has the same thing. But within regions, they have built the same capacity. And that is obviously an approach that I think is the right way to go. I cannot tell you whether or not they have any problems with distributing the dollars. I suspect that they are not. But they have taken a regional approach. And we want to see if that could be part of the answer to breaking the logjam to getting these dollars to our first responders.

URGENCY TO GET FUNDS TO FIRST RESPONDERS

Senator BYRD. Well, I thank you, Mr. Secretary.

Mr. Chairman, you recall that we had hearings in this committee last year, the year before. Every time, we have these hearings and, in the meantime, we hear from these first responders that the money that Congress appropriates seems to be taking an awfully long time to get to them. They have taken the position all along that they need the money. They need to find a way to get it directly to them without all of the trickle-down apparatuses that are in between and which have a way of slowing down the delivery of these funds that Congress takes a very great interest in bringing to the attention and into the hands of these responders.

I am glad that there seems to be a greater sense of urgency, as I listen to the Secretary. I hope that that will carry through and that these people at the local level who are the first people to respond will see the results of this greater sense of urgency.

I hope, Mr. Secretary, that you will continue to press to get this money out the door and to these people who are on the job. Thank you.

Thank you very much.

Secretary RIDGE. Thank you, Senator.

ADDITIONAL COMMITTEE QUESTIONS

Senator COCHRAN. Thank you, Senator Byrd.

Mr. Secretary, we appreciate your cooperation with our subcommittee. Senators may submit written questions to you, and we ask you to respond to them within a reasonable time.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

INFORMATION ANALYSIS AND INFRASTRUCTURE PROTECTION

HOMELAND SECURITY ADVISORY SYSTEM

Question. The Homeland Security Advisory System has evolved from a nationwide threat level status to more specific targeted areas since the latest threat level decrease in January. While the threat level is currently at an "Elevated Condition", which is declared when there is a significant risk of a terror attack, our country's airports, aviation industry, and specific high threat cities remain at the "High Condition", the threat level that indicates a high risk of terrorist attacks. This more targeted threat level status helps focus limited resources on the most credible threat areas and at the same time allows security personnel and first responders in other parts of the country to "stand down" while remaining vigilant.

What further enhancements do you envision for the Homeland Security Advisory System with the improvement of intelligence detailing specific terrorist threats for certain metropolitan areas and specific sectors of industry?

Answer. With each raising and lowering of the Homeland Security Advisory System (HSAS), the Department of Homeland Security learns new lessons and improves its notification process. As the system has evolved, it has come to reflect the need for certain metropolitan areas and/or specific areas of industry to be notified at different times or at different levels than others. As such, DHS has become adept at providing information to such specific audiences as states and sectors through Homeland Security Information Bulletins and Advisories. Additionally, Department officials speak personally with representatives and officials of threatened states and industries, when the need arises. This personal communication, along with the ability of the system to allow DHS to communicate to certain areas what their alert level should be embody the enhancements that have been implemented thus far.

Question. What steps are being taken by the Department's Information Analysis and Infrastructure Protection Directorate to notify Congress and other key members of the Administration before a change in the Homeland Security Advisory System threat condition is announced publicly?

Answer. Key congressional members are notified telephonically when a decision has been made to raise the threat level and, circumstances permitting, before the public announcement is made. Members notified are: the Speaker and Minority Leader of the House, the Majority leader, Minority leader and President pro tem of the Senate, the Chair and ranking member of the House Select Committee on Homeland Security, Senate Governmental Affairs Committee and both House and Senate Homeland Appropriations Subcommittees.

Due to the tight timeline typically surrounding the announcement of alert level changes, the list of those personally notified in advance is necessarily limited to Congressional leadership and leadership of the committees of appropriations, and committees of overarching DHS authorization. Normally the scheduling of these calls will involve notification of key staff as well, but in those cases where it might

not, DHS Office of Legislative Affairs (OLA) will make telephonic and e-mail notifications at the same time.

Notification includes the change, when it is expected to be announced and the non-classified context in which the decision was made. If a member cannot be reached, their most senior staff member available is informed on their behalf. Notifications are made by Senior DHS Officials, typically the Deputy Secretary, Under Secretary for IAIP, and the Under Secretary for BTS. DHS callers may vary depending on operational circumstances but calls will not fall below the Assistant Secretary level. DHS, in concert with CIA and FBI will schedule a classified, Members only intelligence briefing as soon as possible after the announcement. If the change occurs when the Congress is in recess, a similar briefing is provided to relevant staff directors.

When the threat level is reduced, DHS OLA notifies key congressional staff including staff of the Speaker and Minority Leader of the House, the Majority leader, minority leader and President pro tem of the Senate, the Chair and Ranking Member of the House Select Committee on Homeland Security, Senate Governmental Affairs Committee and both House and Senate Homeland Appropriations Subcommittees so that they may, in turn, inform their members before a formal announcement is made.

Despite these efforts at advance notice, the Department must in each case make arrangements with the media prior to the Secretary's announcement of the change in the threat level, in order to fulfill the DHS responsibility to properly notify the public. As such, DHS is not able to control media and public speculation regarding the nature of DHS announcements up to the scheduled time of the press conference.

CYBER SECURITY

Question. The National Cyber Security Division as part of the Department's Information Analysis and Infrastructure Protection Directorate recently unveiled the National Cyber Alert System which intends to deliver information to home computer users and technical experts in business and government agencies to better secure their computer systems from the latest computer viruses.

How would you rate the performance of the new National Cyber Alert System's response to the most recent computer virus outbreaks, including the "MyDoom" virus that affected not only computers worldwide but also computers within the Federal Government?

Answer. I would rate the response to the National Cyber Alert System as positive, but not good enough. On the first day of NCAS launch, the Department's United States Computer Emergency Readiness Team (US-CERT) was bombarded by more than one million hits from would-be subscribers. More than 250,000 direct subscribers rely on the National Cyber Alert System to maintain their cyber vigilance and an additional estimated one million additional users receive national cyber alerts and information products indirectly through relationships with the Information Technology Association of America, various industry associations, the Stay Safe Online program, and others.

NCAS is new and will continue to evolve and improve over time. Importantly, the National Cyber Alert System is but a small portion of the work being done within the Department's IAIP Directorate, both to prevent incidents and in response to specific events in cyberspace. In partnership with the Computer Emergency Response Team Coordination Center (CERT-CC) at Carnegie Mellon University; my department works with over 150 cyber security experts from across the Federal Government; and collaborates with key elements from the Departments of Justice, Defense, Treasury, Energy, and State; the FBI and the Intelligence Community; and the private sector to prevent, respond to, manage, and recover from cyber incidents.

Question. The Department's new initiative "Live Wire" will test civilian agencies' security preparedness and contingency planning by staging cyber attack exercises to evaluate the impact of widespread computer disruptions. Recent instances, such as the power outages in the Northeast this past August, are an example of how an attack on our critical infrastructures, such as a cyber attack by terrorists on our Nation's utility industry, could cascade across a wide region if the proper precautions are not taken immediately.

Does the Department currently test the vulnerabilities of computer systems in the government and private sector to simulate a terrorist attack on the Nation's cyber infrastructure and if so, how will "Live Wire" build upon any current program if funded?

Answer. Live Wire is the first of a series of cross-sector, cross-discipline exercises that test the Nation's ability to respond to a large-scale, coordinated cyber attack and allow the Department to learn important lessons that improve our preparation

for real emergencies. We have hired outside experts to assist in our vulnerability analyses and continue to work with the private sector Information Sharing and Analysis Centers to augment our technical capabilities and knowledge.

We created the Cyber Interagency Incident Management Group (CIIMG) to promote interagency cooperation in advance of and during cyber incidents and to assess cyber consequences flowing from an attack or natural calamities. This activity is a direct outgrowth of the Live Wire experience, where the need to establish a baseline of cyber activities across the Federal Government and improve communication channels were identified. Other cyber activities also stand to benefit from exercises like Live Wire. To date, the Department has focused on building the technical capability of the US-CERT and establishing the National Cyber Alert System. We are also examining possible system-wide impacts on critical infrastructures caused by cyber dependencies and interconnectedness.

BIOSURVEILLANCE SYSTEM

Question. The President's budget proposes to establish a National BioSurveillance Group led by the Department of Homeland Security that will include the Department of Health and Human Services and the Department of Agriculture to create a national biosurveillance system to help shape current and proposed disease surveillance systems and to guide research and development of new technologies and capabilities.

How will the Department's Information Analysis and Infrastructure Protection Directorate lead the coordination of efforts with the Department of Health and Human Services and the Department of Agriculture to integrate biosurveillance data from across the country in order to verify a chemical or biological terrorist attack?

Answer. As is directed in Homeland Security Presidential Directive/HSPD-9, Defense of United States Agriculture and Food, the Department of Homeland Security, through the Information Analysis and Infrastructure Protection (IAIP) Directorate is currently leading coordination efforts to integrate biosurveillance data across the country. This involves the formation of an inter-agency working group. The goal of this group is to identify and develop options available to each agency, which will culminate in a report which outlines the building of a biosurveillance program within IAIP and projects what will be needed to develop and maintain a credible system. The working group has been meeting weekly in an effort to present the report to the Assistant Secretaries of Information Analysis and Infrastructure Protection and the Under Secretary of IAIP in April. The draft report will then be presented to the Secretary and Deputy Secretary of DHS, with the goal of having a finished report delivered to the President in May of this year.

Question. Also, as part of this initiative, how will the Department's Science and Technology Directorate expand its environmental monitoring activities in the Nation's largest metropolitan areas?

Answer. The Department's Science and Technology Directorate will work with its BioWatch partners to expand the number of collectors in the highest threat metropolitan areas. This expansion is based on detailed modeling studies that determine the optimum number of collectors for densely populated regions and a request from the cities to provide additional collectors for their high priority facilities and sites. The expansion will draw on small modifications to the current BioWatch technology, in particular, the use of additional automation and detection equipment to enable cost-effective analysis of the significantly increased sample load. Plume modeling for a variety of potential release scenarios and meteorological conditions will be used to optimize the layout and the coverage of the ensemble of collectors for each of the selected metropolitan areas. Localities will help determine where additional collectors should be placed based on their prioritized critical facilities needs (e.g., transit systems; stadiums). In addition, each metropolitan area will be provided a small number of collectors that they can deploy at special events as they arise. A pilot study will be completed this spring and summer in New York City to determine the best configuration options to consider for deployment use in fiscal year 2005.

TERRORIST WATCH LIST

Question. Over the course of the last 2 years, the Administration has been working towards a government-wide consolidation of terrorist watchlist information. While the government-wide responsibility has been given to another Department, there are still multiple watchlists within the Department of Homeland Security.

Congress provided the Department with \$10 million for watchlist integration in this year's appropriation—what is the status of that project?

Answer. DHS is a partner in the multi-agency Terrorist Screening Center. The Terrorist Screening Center became operational in December of 2003 and is now con-

ducting 24 hour a day, 7 days per week operations. It is the single coordination point for Terrorist Encounters and thus enables a coordinated response for Federal, State, and Local Law Enforcement. The TSC has received more than 1,000 calls to date and has identified over 500 positive matches.

Question. How is the Department's watchlist being integrated with other agencies watchlists at the Federal Bureau of Investigation's Terrorist Screening Center?

Answer. TSC remains on schedule to bring the first version of its consolidated Terrorist Screening Database online by the end of the year. This database will be accessible to queries from Federal, State, and local agencies for screening purposes and will provide immediate responses to Federal border-screening and law-enforcement authorities. Each parent organization of the individual watchlists provides Assignees to the Terrorist Screening Center for real-time access to TTIC and FBI databases. All new nomination and updates to existing records are therefore performed at the TSC.

Question. Is it possible today for every law enforcement officer and intelligence analyst at the Department of Homeland Security to access one list of suspected terrorists?

Answer. Currently, DHS intelligence analysts continue to access information utilizing the information provided by the TSC specific to each individual list. However, as the preceding answer indicates, TSC plans to consolidate these lists into a single database in the near future.

TRANSPORTATION SECURITY ADMINISTRATION

Question. Over 54 percent of the President's budget request for the Transportation Security Administration for fiscal year 2005 is dedicated for aviation passenger and baggage screeners pay, benefits, training, and human resource services. At the same time, three major grant programs currently administered by the Transportation Security Administration dealing with trucking security, port security grants, and Operation Safe Commerce are to be reorganized under the Office for Domestic Preparedness pursuant to the Department's reorganization authority. The fiscal year 2005 budget proposes to reduce or terminate funding for these programs.

Will the Transportation Security Administration continue to have responsibility for security over all sectors of transportation or will aviation security continue to be the main focus of this agency?

Answer. The Border and Transportation Security Directorate of DHS, in partnership with the Coast Guard, has jurisdiction over the security of all modes of transportation and is charged with coordinating all activities of the Department under the Homeland Security Act. The Coast Guard and organizations within BTS either have primary or subsidiary responsibilities in each transportation area. TSA clearly has a primary transportation role within BTS, and this role does not change merely by the transfer of grant distribution and management activities to ODP.

Question. What funding will be available for fiscal year 2005 to increase security of railways, roadways, and all other modes of transportation in light of the Administration's proposal to terminate intercity bus and trucking grants?

Answer. The responsibility of securing our Nation's transportation systems is a shared responsibility between government, local operators, and private companies who profit from that system. The aviation system is treated no differently, though understandably has received the most Federal focus to date given the clear nature and level of the aviation threat. We will continue to undertake transportation security programs on a threat-based, risk management basis.

With respect to rail and mass transit specifically, DHS, DOT, and other Federal agencies are working together to enhance rail and transit security in partnership with the public and private entities that own and operate the Nation's rail and transit systems. The DHS grant program for improving rail and transit security in urban areas has awarded or allocated over \$115 million since May 2003. Additionally, the Administration has requested \$24 million for TSA to advance security efforts in the maritime and surface transportation arenas. DHS will conduct the following activities and initiatives to strengthen security in surface modes:

- Implement a pilot program to test the new technologies and screening concepts to evaluate the feasibility of screening luggage and carry-on bags for explosives at rail stations and aboard trains;
- Develop and implement a mass transit vulnerability self-assessment tool;
- Continue the distribution of public security awareness material (i.e., tip cards, pamphlets, and posters) for motorcoach, school bus, passenger rail, and commuter rail employees;
- Increase passenger, rail employee, and local law enforcement awareness through public awareness campaigns and security personnel training;

- Ensure compliance with safety and security standards for commuter and rail lines and better help identify gaps in the security system in coordination with DOT, with additional technical assistance and training provided by TSA;
- Continue to work with industry and State and local authorities to establish baseline security measures based on current industry best practices and with modal administrations within the DOT as well as governmental and industry stakeholders, to establish best practices, develop security plans, assess security vulnerabilities, and identify needed security enhancements; and
- Study hazardous materials (HAZMAT) security threats and identify best practices for transport of HAZMAT.

Question. How will the Transportation Security Administration coordinate with the Office for Domestic Preparedness on the grant programs (trucking security, port security grants, intercity bus grants, and Operation Safe Commerce) that will be moved from TSA pursuant to the reorganization?

Answer. It is anticipated that TSA, other BTS organizations with transportation security responsibilities and the Coast Guard will continue to provide the necessary operational expertise for the grant programs through participation in pre-award management functions. These functions include determination of eligibility and evaluation criteria, solicitation and application review procedures, selection recommendations and post award technical monitoring.

These organizations will also continue to leverage existing transportation expertise by working with industry stakeholders and DOT modal administrations to ensure that Federal security grants facilitate the seamless integration of security planning activities by industry stakeholders and governmental stakeholders at the regional, state, and local levels.

Question. Congress provided \$85 million for the Transportation Security Administration for fiscal year 2004 to provide additional screeners to inspect air cargo and also for the research and development of explosive detection systems in order to perform screening of the larger palletized, bulk air cargo.

With the increase in funding provided, how many additional screeners have been hired to inspect air cargo to date and when do you expect to be fully staffed?

Answer. The funding provided in the Department of Homeland Security Appropriations Act, 2004 (Public Law 108–90) enabled TSA to hire 100 new cargo inspectors. All 100 cargo inspector positions have been selected, and paperwork is being processed by TSA Human Resources. We anticipate extending job offers to these applicants and bringing them on board within the next 2 months.

Question. What enhancements are being made to the current Known Shipper program to guarantee the safety of air cargo?

Answer. Since 9/11, significant enhancements have been made to the known shipper program. The Known Shipper Program was started in 1996 at FAA with the development and implementation of comprehensive known shipper requirements. The current requirements for new shippers applying for known shipper status have been strengthened. In addition, the authenticity of established known shippers has been verified as meeting the new requirements. In order to substantiate the legitimacy of known shippers further, air carriers have been required to conduct site visits of known shippers' facilities. Additionally, TSA is currently developing a Known Shipper Database, which will allow TSA to vet applicants to the program more thoroughly for legitimacy by comparing data submitted by applicants against terrorist watch lists, other government data bases, and other publicly available information. Eventually, TSA's Known Shipper Database will be one part of a larger freight assessment database intended to target high risk cargo shipments for additional screening.

Question. Would it currently be feasible to inspect 100 percent of all air cargo being placed on aircraft, as proposed by some in Congress, and, in your opinion, how do you feel the flow of commerce would be affected if air cargo was restricted from being placed on aircraft unless 100 percent inspection of air cargo took place?

Answer. Not only is 100 percent physical inspection infeasible, it is not desirable. The sheer volume of air cargo transported in the United States renders the inspection of all air cargo infeasible without a significant negative impact on the operating capabilities of the entire transportation infrastructure of the United States and the national economy. Anything more than a targeted, focused physical inspection protocol on high risk cargo for the long term risks homeland security resources and critical management focus on known security risks. The DHS goal is to ensure that all cargo is screened to determine risk and that 100 percent of high-risk cargo is inspected. TSA is aggressively pursuing next-generation technological solutions that will allow us to enhance security for air cargo. Meanwhile, TSA is taking steps to implement measures outlined in the Air Cargo Strategic Plan and is doing everything possible to ensure that cargo going on planes is secure, including the require-

ment that all cargo transported on passenger aircraft originate from a known shipper.

Question. The President's fiscal year 2005 budget requests a \$25 million increase for the Computer Assisted Passenger Pre-screening System (CAPPS II) currently being tested by the Transportation Security Administration. This system, when completely functional, will enable air carriers to perform an analysis on the ticketed passengers based on authentication from commercial data providers, and will also check passenger names against a government supplied terrorist watch list. However, CAPPS II has been slow in developing because of delays in obtaining passenger data needed for testing due to privacy concerns by air carriers.

How is the Department working with the airlines to alleviate privacy concerns in light of recent disclosures that air carriers have shared passenger records with other government agencies and private contractors without the passengers' knowledge?

Answer. The disclosure of passenger records by air carriers triggered concerns because passengers were not told that the information they provided to make a reservation was being shared with another entity (the government) for another purpose (national security). In at least one instance, the air carrier's own published privacy policy stated that passenger information would not be shared with anyone else. Bearing this experience in mind, the Department is committed to working with privacy advocates, airlines, passengers, and the travel industry to provide greater understanding and awareness of the purposes and scope of CAPPS II and to ensure that individual privacy rights are protected.

DHS plans to issue a Notice of Proposed Rulemaking (NPRM) seeking public comment on the collection of Passenger Name Record (PNR) data. Certain aircraft operators, foreign air carriers, and operators of computer reservation systems would be required to provide PNR information for each individual who makes a reservation. The proposal will also require regulated parties to take reasonable steps to ensure that the passenger is provided notice of the purpose for which the information is collected, the authority under which it is collected, and the consequences of a passenger's failure to provide the information.

The CAPPS II system will only be accessible to persons who require access for the performance of their duties as Federal employees or contractors to the Federal Government. The airlines, airline personnel, and the computer reservation systems will not have access to information contained in CAPPS II. All contractors, contractor employees and Federal Government employees who will have access to and/or who will be processing personal data will sign a written privacy policy and acknowledge that they are bound by the strict terms of the privacy policy. All personnel with access to the system will have a government security clearance based on the level and type of information accessed. At a minimum, a Department of Defense (DOD) Secret Clearance will be required. The guiding principle for access will be "need-to-know." Access will be compartmentalized, thus allowing access to persons based only on their individual need-to-know and only to the extent of their authorization (e.g., a person might be permitted to access information with regard to the unclassified portion of the system, but be denied access to classified areas). CAPPS II also will have substantial security measures in place to protect the system and data from unauthorized access by hackers or other intruders.

Question. How can assurances be made to prevent identity theft by a would-be terrorist intent on using legitimate individuals information to get around the CAPPS II background checks?

Answer. While no system can be 100 percent effective, we believe that the CAPPS II system will be a great advancement in defeating identity fraud. The CAPPS II design includes an information-based identity assessment process, which is an improved version of the best practices used by the banking and credit industries to combat identity theft and fraud. This capability is a substantial improvement to the current system.

CAPPS II will incorporate best practices developed in the private sector for discovering cases of identity fraud. In the case of an identity thief who steals a legitimate identity, any number of indicia, including errors or inconsistencies in the information, could reveal the theft. Further, CAPPS II will make use of a database containing up-to-date information about stolen identities, which will further protect against identity thieves who use this means to enable them to attack the civil aviation system.

No system can be 100 percent effective, which is why CAPPS II will be part of a layered "system of systems" involving physical scrutiny, identity-based risk assessment, and other security precautions on aircraft and at airports.

Question. The Inspector General completed last week a review of background checks for Federal airport passenger and baggage screeners that listed twelve rec-

ommendations for the administrator of Transportation Security Administration to improve its management of the background check process.

What procedures have been put into place to guarantee all passenger and baggage screeners that are currently employed and also individuals who are applying for a screening position have a full background check?

Answer. All screeners employed by TSA as of May 31, 2003, except for a small number of exceptions detailed below, have received fingerprint based criminal history record checks based on FBI criminal history records, pre-employment background checks which examine Federal, county, and local law enforcement records, credit history, and TSA watch lists (No-Fly and Selectee); and Access National Agency Check with Inquiries (ANACI) background checks conducted by the Office of Personnel Management (OPM). These checks were completed by October 1, 2003. The limited exceptions included individuals on military or sick leave, and some screeners under the private screening pilot program. All of the exceptions have received fingerprint based criminal history checks and pre-employment background checks. In addition, OPM ANACIs have been completed or are in the process of being completed on all contract screeners and on screeners who have returned from sick or military leave.

Since June 1, 2003, TSA has required that screener applicants receive the aforementioned fingerprint based criminal history check and pre-employment background check before they are hired. TSA does not extend offers of employment to applicants until these checks are successfully adjudicated for each applicant. Once hired, all new screeners then undergo the more thorough OPM ANACI check, which typically takes 3–6 months to complete. This check reviews education, employment history, credit history, references, criminal history, military records, and citizenship. The combination of timely check before hiring and more thorough OPM checks soon thereafter provides a layered approach to personnel security for new screeners.

TSA maintains a database that tracks the progress of screener investigations from which routine reports can be generated and reviewed to determine the status of all investigations.

EMERGENCY PREPAREDNESS AND RESPONSE

BIOSHIELD

Question. Does the lack of authorization for the administration's BioShield initiative inhibit your ability to obligate the funds appropriated for the program?

Answer. The fiscal year 2004 Homeland Security Appropriations Act provided \$885 million to be spent for development of biodefense countermeasures for the current fiscal year. Absent authorizing legislation, the Department of Homeland Security (DHS) has relied upon this authority to obligate funds for biodefense countermeasure activities. DHS, the Department of Health and Human Services (HHS), the Homeland Security Council, and the Office of Management and Budget (OMB) recognize the importance of expeditious progress in developing much-needed countermeasures while following Congressional intent. In that vein, all parties have sought to follow the principles set forth in the proposed legislation in developing the inter-agency agreement for next-generation anthrax vaccine. A FEMA contracting officer has authority to sign contracts related to the obligation of BioShield funds.

Question. For what purposes do you intend to use the funds made available for fiscal year 2004?

Answer. Over the past 10 months, the WMD Medical Countermeasures subcommittee has developed countermeasures information of interest to administration policymakers who will make the BioShield procurement decisions. The WMD subcommittee commissioned an end-to-end analysis of medical countermeasures to Category "A" biological agents (anthrax, smallpox, plague, botulinum toxin, tularemia, Ebola, and other hemorrhagic fever viruses). Working groups developed initial requirements for four high-priority bioweapon countermeasures for which there is high need and a reasonable expectation that products will be available in the near term:

- Next-generation anthrax vaccine (recombinant Protective Antigen, rPA)
- Anthrax immune therapy
- Next-generation smallpox vaccine (modified vaccinia, MVA or LC16m8)
- Botulinum antitoxin

Question. Why does the President's fiscal year 2005 budget propose to transfer the Strategic National Stockpile from the Department of Homeland Security's Emergency Preparedness and Response Directorate to the Department of Health and Human Services (HHS) but not the BioShield program? Please explain why the Stockpile is more appropriately managed by the Department of Health and Human

Services and why BioShield is more appropriately managed by the Department of Homeland Security.

Answer. The President's Budget for fiscal year 2005 proposes to transfer the Strategic National Stockpile (SNS) back to HHS where it will be better aligned with HHS' medical and scientific expertise and responsibilities. The SNS is an operational program, consisting of copious amounts of physical inventory and medical materiel. Since its mission is time-critical, it should possess a single, undisputed management structure for rapid decision-making. Although the daily operations of the SNS have not been affected in a significant manner by the transfer from HHS to DHS, the single command structure for the program that would result from the transfer back to HHS would streamline operations. DHS will maintain its ability to deploy the Stockpile in accordance with the SNS statute, 42 U.S.C. § 300hh-12, as amended, and thus, the potential response needs of the DHS mission will not be compromised in any manner.

The BioShield program differs substantially from the SNS in that it is a policy-driven program that is most successful as a joint venture between homeland security and health experts. The major programmatic aspect/activity of BioShield is product development, which is performed by private companies. The BioShield program was specifically constructed to spur development of countermeasures for which no commercial markets exist against current and emerging threats to the United States, for inclusion in the SNS.

Since DHS is responsible for assessing current and emerging threats against the United States, including biological and chemical threats, the BioShield program, which helps to ensure our Nation's health security and is one of the many facets of the Department's efforts to combat terrorism, is therefore more appropriately managed by DHS than by HHS.

Question. How are decisions being made as to the appropriate expenditure of BioShield funds? Has an assessment been done of our vulnerabilities to biological attacks to guide decisions as to the investments which should be made to develop, produce and pre-purchase vaccines or other medications for the Nation's biodefense? Who is doing such an assessment and what priorities have been established?

Answer. There are several steps taken to determine appropriate biodefense countermeasures development and the use of BioShield funds. DHS and HHS are seeking to adhere to the intent of the proposed BioShield authorizing legislation now awaiting action in the Senate.

The Information Analysis and Infrastructure Protection Directorate of DHS is responsible for determining a material threat. After that, the WMD Countermeasures subcommittee group co-chaired by DHS, HHS, and the Department of Defense, part of the Homeland Security Council Policy Coordinating Committee (PCC), develops countermeasures information of interest to the PCC, which then makes procurement decisions. The WMD Countermeasures subcommittee has completed an analysis of Category "A" biological agents (anthrax, smallpox, plague, botulinum toxin, tularemia, Ebola, and other hemorrhagic fever viruses). Working groups developed initial requirements for four high-priority bioweapon countermeasures for which there is high need and a reasonable expectation that products will be available in the near term:

- Next-generation anthrax vaccine
- Anthrax immune therapy
- Next-generation smallpox vaccine
- Botulinum antitoxin

ANTHRAX VACCINE

Question. What is the Strategic National Stockpile requirement for anthrax vaccine?

Answer. DHS and HHS have entered into an interagency agreement to purchase recombinant Protective Antigen (rPA) vaccine to protect 25 million persons. The government will consider later purchase of additional anthrax vaccine contingent on new vaccination delivery system technology and other cost-saving factors such as reduced dose requirements.

Question. Are we filling at least part of the anthrax vaccine requirement with an FDA-approved product currently available?

Answer. The Stockpile currently maintains a small amount of the only FDA-licensed pre-exposure vaccine against anthrax (Anthrax Vaccine Adsorbed, or AVA). Currently, it has limited production capacity, and rectifying that problem would be very expensive and take several years to accomplish. AVA is not currently licensed for children or for the elderly. However, in order to ensure that some type of anthrax vaccine is available until the development and procurement of rPA, DHS and

HHS have signed an interagency agreement for the purchase of AVA through the Department of the Army. This agreement will provide approximately 2 million doses in fiscal year 2004, 1.5 million doses in fiscal year 2005, and 1.5 million doses in fiscal year 2006.

UNITED STATES SECRET SERVICE

WHITE HOUSE MAIL PROCESSING

Question. The Secret Service budget includes \$16,365,000 for White House mail screening. The Committee requested in the fiscal year 2004 bill that a detailed long-term plan for the establishment of a fully operational White House mail facility be provided to the Committee. When can the Committee expect to receive this report?

Answer. An interim report was submitted to the Committee on February 10, 2004. This interim report stated that the Department of Homeland Security is aggressively developing a plan to support mail operations for the entire Department. One facet of this development process will evaluate incorporation of a combined mail facility supporting the White House and Department components located within the Washington D.C. metropolitan area. The Secret Service has contracted for a study to review several of the secure mail processes currently in operation and following conclusion of this review will make a recommendation to the Department as to a method of processing mail and the potential for a combined facility. This study is expected to be completed in April, 2004. A final report will be submitted to the Committee in June 2004.

Since the interim report was submitted to the Committee, the White House and Secret Service have determined that the requirements for processing White House mail are not compatible with consolidation into a DHS mail processing facility. Therefore the June report will be a plan for processing White House mail in a separate facility, not a combined facility.

COUNTERFEITING AND FINANCIAL CRIMES

Question. Colombia and Bulgaria continue to be hot spots for counterfeit currency. Does the fiscal year 2005 Homeland Security budget include funding to concentrate on these areas?

Answer. For almost 30 years, Colombia has remained the largest producer of counterfeit U.S. currency in world. In May of 2001, the Secret Service received a 2-year allocation of \$1.5 million through the State Department's "Plan Colombia" fund, and implemented plans to train and equip a local anti-counterfeiting force to work in conjunction with Secret Service agents in the seizure and suppression of counterfeit U.S. dollars manufactured in Colombia. Through the funding provided under Plan Colombia, the Secret Service and Colombian law enforcement authorities were able to make a tremendous impact on counterfeit production and distribution networks. This ultimately led to significant reductions in the amount of Colombian-manufactured counterfeit U.S. dollars that reached the streets of the United States.

The 2-year execution of Plan Colombia led to the seizure of \$123.3 million in counterfeit U.S. currency, the suppression of 33 counterfeit printing plants, and over 164 arrests. This resulted in a 37 percent decrease in the amount of Colombian-produced counterfeit U.S. dollars passed on the American people.

Second only to Colombia, organized criminal groups in Bulgaria are the world's second leading producer of counterfeit U.S. currency. Counterfeit currency produced in Bulgaria continues to be passed in the United States and throughout Eastern and Central Europe. There is strong evidence that the same organized criminal groups producing counterfeit U.S. currency in Bulgaria are also involved in human trafficking and narcotics trafficking.

Bulgaria is a country undergoing a dramatic transition as they seek to enter the European Union, restructure their criminal code and remove corrupt officials from government. The Secret Service believes that additional efforts must be made to capitalize on these efforts and work with local law enforcement officials to dismantle the counterfeiting operations in Bulgaria. Additionally, the Bulgarian government has expressed its willingness to work with foreign law enforcement and has requested additional support from the Secret Service.

While the Department of Homeland Security fiscal year 2005 budget request does not include a specific funding request to continue these efforts, the Secret Service receives funding in its base budget that allows it to continue its strong overseas investigative efforts and cooperative partnerships with the foreign law enforcement communities in Colombia and Bulgaria.

Question. What role will the Secret Service play in protecting our Nation's extensive network of financial systems from terrorists and hackers? Does the fiscal year 2005 budget request provide adequate funding to guard against this growing problem?

Answer. The Secret Service's core investigative mission is to safeguard the financial and critical infrastructures of the United States. The Department's fiscal year 2005 funding request provides adequate funding for the Secret Service to continue the array of programs it has developed to work with its law enforcement, private sector and academic partners in strengthening these networks and preventing intrusions and compromises of these essential infrastructures. These programs include:

Electronic Crimes Task Forces (ECTFs)

The groundbreaking task force model developed by the Secret Service emphasizes information sharing and a pooling of resources and expertise to produce a collaborative effort to thwart cyber criminals and to detect, investigate, and most importantly, to prevent electronic crimes. Members include other Federal, State and local law enforcement agencies, prosecutors, private sector representatives from the financial services, telecommunications and IT sectors, and academic experts from leading universities. These members build trusted partnerships and have made tremendous strides in the communities they serve in a short period of time.

Providing these ECTFs with training, resources and manpower is paramount to the Secret Service's statutory mission to protect financial payment systems and critical infrastructures. Directed by Public Law 107-56 (the USA PATRIOT Act of 2001) to expand its ECTF model from a single task force in New York to a nationwide network, the Secret Service has since established additional ECTFs in Boston, Miami, Washington, D.C., Chicago, Los Angeles, San Francisco, Charlotte, Las Vegas, Cleveland, Houston, Dallas, and Columbia, South Carolina.

Electronic Crimes Special Agent Program (ECSAP)

Currently, the Secret Service has trained 118 agents in this program, which provides certified instruction to special agents in the preservation and examination of computer forensic evidence. The Secret Service has based these agents in field offices throughout the country, and they have become indispensable assets to the communities they serve and their law enforcement and private sector partners.

CERT/CSPI (Critical Systems Protection Initiative)

In a continuing partnership with Carnegie Mellon's Computer Emergency Response Team (CERT), the Secret Service has established a training program addressing the cyber security of critical infrastructures. The expansion of e-commerce and proliferation of websites providing financial and personal information to the public has made it essential that Secret Service personnel and their partners understand the interdependency of computer networks. Through risk assessments and identification of vulnerabilities, the Secret Service has adopted a more proactive approach to prevent terrorists and hackers from exploiting our financial systems.

CERT/NTAC Insider Threat Study

In cooperation with Carnegie Mellon's CERT, the Secret Service's National Threat Assessment Center and Criminal Investigative Division are conducting studies that specifically target the banking and financial services industries. Again, due to the trusted partnerships the Secret Service has developed with these entities, successful efforts have been made to gather information and provide operationally-critical threat and asset vulnerability.

Question. Identity theft has been called the fastest growing crime in the United States. The Congressional Research Service reports that identity theft has grown in three consecutive years. Does the fiscal year 2005 budget include funding to counter this growing problem?

Answer. The fiscal year 2005 budget request includes funding levels that fully support the Secret Service's investigative responsibilities, including its identity theft investigations. Although there are no new initiatives in the budget for preventing and investigating identity crimes, the Secret Service has several existing programs aimed at stemming the tide of this growing crime. These initiatives include:

The Identity Crime Interactive Resource Guide CD-ROM & Video

This highly successful Secret Service initiative, in partnership with the U.S. Postal Inspection Service, the International Association of Chiefs of Police (IACP) and the Federal Trade Commission (FTC), was designed to provide useable tools and resources to local and State law enforcement officers and to assist with their identity crimes investigations and case management. This joint effort gives local and State

law enforcement officers the information they need not only to assist victims of identity crimes but also to initiate their own investigations.

The CD ROM/Video is an ongoing project that requires amending, updating and adding new investigative resources as they become available. The Secret Service is currently working on the production and distribution of an updated version of the CD-ROM, the development of a similar web-based initiative, and deploying the Resource Guide on the Secret Service extranet and the DHS portal webpage. To date, more than 40,000 of these CD-ROMs have been distributed to local and State police agencies and local, State and Federal prosecutors.

Forward Edge

The Secret Service also joined with the IACP and the National Institute for Justice to produce the interactive, computer-based training program known as "Forward Edge," which takes the next step in training officers to conduct electronic crime investigations. Forward Edge is a CD-ROM that incorporates virtual reality features as it presents three different investigative scenarios to the trainee. It also provides investigative options and technical support to develop the case.

While over 30,000 of these training tools have been distributed to the Secret Service's law enforcement partners, an updated version of Forward Edge is currently under development. This version will incorporate the video, virtual reality and 3D models but will also add adaptations made in reaction to new challenges posed by emerging technology and criminal activity.

Best Practices for Seizing Electronic Evidence

This pocket-size guide produced by the Secret Service assists law enforcement officers in recognizing, protecting, seizing and searching electronic devices in accordance with applicable statutes and policies. Over 320,000 "Best Practices Guides" have been distributed free of charge to local and Federal law enforcement officers.

Identity Crime Training Seminars

In a joint effort with the Department of Justice, the U.S. Postal Inspection Service, and the FTC, the Secret Service is hosting Identity Crime Training Seminars for law enforcement officers across the United States. Each seminar consists of 8 hours of training focused on providing local and State law enforcement officers with tools and resources that they can immediately put into use in their investigations of identity crime. Additionally, officers are provided resources and information that they can pass on to members of their community who are victims of identity crime. Other critical partners in these training seminar efforts are Discover Financial Services, the American Association of Motor Vehicles Administrators (AAMVA) and the State DMVs from each community.

OFFICE FOR DOMESTIC PREPAREDNESS

GRANT CONSOLIDATION

Question. The announced reorganization of grant programs within the Department of Homeland Security moves the responsibility for all of the grant programs under TSA to ODP—Port Security grants, Intercity Bus grants, Trucking industry grants, and Operation Safe Commerce, and programs such as the Emergency Management Performance Grants from EP&R to ODP. How will you ensure that TSA and EP&R are still involved with the oversight of these programs, especially with reduced funding as proposed for 2005?

Answer. The Office for Domestic Preparedness and the Office of State and Local Government Coordination both maintain close communication and contact with EP&R. The creation of the Office of State and Local Government Coordination and Preparedness will not inhibit or impede the already established relationship between ODP/OSLGC and EP&R & TSA.

ODP currently coordinates closely with EP&R and will continue to do so, as it does with other DHS components. For example, ODP and EP&R are working closely on the transfer of the Pre-Positioned Equipment Program from ODP to EP&R. Additionally, ODP and EP&R have worked closely on the Top Officials (TOPOFF) Exercise Program, and are currently working together on the planning of TOPOFF 3. Finally, EP&R is part of ODP's internal DHS review team for the state homeland security strategies, which each State was required to complete and provide to ODP by January 31, 2004.

OSLGC will maintain strong ties to operational subject matter experts within the current offices and agencies as appropriate. For example, while responsibility for crafting policy and guidelines for the Port Security Grant Program would reside within OSLGCP, program development will still have significant input from and ac-

cess to subject matter experts in the Coast Guard, MARAD, and TSA. The Department fully intends to use existing resources and subject matters experts to ensure that OSLGCP has the proper staffing levels and resources to effectively administer its activities and programs.

BASIC STATE GRANT PROGRAM

Question. The 2005 budget request proposes a significant reduction to the Basic State Grant program of the Office for Domestic Preparedness (ODP)—as well as abandoning the State minimum in the historically-used formula for distributing the money to states. I understand the need to balance resources between the states and the needs of our urban areas. We tried to achieve that balance in the fiscal year 2003 Emergency Wartime Supplemental Appropriations Act and the fiscal year 2004 Appropriations Act. The President's fiscal year 2005 budget proposal seems to have tipped the balance too far in the direction of the high-threat urban areas—and does not allow for the basic mission of the ODP to be carried out. ODP's mission is to ensure a basic level of preparedness in all states. What is the rationale for the proposed reduction in funding for the Basic State Grant Program?

Answer. The President's fiscal year 2005 budget request provides significant support for the mission and programs administered by the Office for Domestic Preparedness. As you know, The Homeland Security Act of 2002 (Public Law 107-296) designated ODP as the principal Federal agency responsible for the preparedness of the United States for acts of terrorism, including coordinating preparedness efforts at the Federal level, and working with all State, local, tribal, parish, and private sector emergency response providers on all matters pertaining to combating terrorism, including training, exercises, and equipment support. The President's request includes \$3.561 million, which is a \$3.3 million increase from the fiscal year 2004 request. With these resources, ODP will be able to maintain its role in enhancing the security of our Nation.

It is important to remember that we are operating in a fiscal and security environment where we must ensure maximum security benefits are derived from every security dollar. To do that, we must be able to take a new look at the way in which we allocate resources. Additionally, given the Department's improved ability to analyze risks, threats, and vulnerabilities, the Department is better able to provide targeted funds to increase the security of the Nation. The Department will continue to work with the states and territories to provide the resources they need—equipment acquisition funds, training and exercise support, and technical assistance—to deter, prevent, respond to, and recover from acts of terrorism.

Question. The President's budget proposes an unprecedented amount of discretion for the Department in allocating grants. Is it appropriate to be requesting these changes through appropriations language—or should the administration instead submit a formal legislative proposal to change grant allocations to the Congress for consideration by the respective authorizing Committees of jurisdiction?

Answer. The Department of Homeland Security has been discussing and working with Members of Congress and different committees, including the House Select Committee on Homeland Security and the Senate Governmental Affairs Committee, on these issues. At this point, both Committees are considering legislation that would authorize various aspects of ODP's mission. The Department supports much of this legislation (HR 3266 and S. 1245, respectively) in their current forms and, in particular, supports the Committee's intent, and is working with Chairman Christopher Cox, of the House Select Committee on Homeland Security, and Chairman Susan Collins, of the Senate Governmental Affairs Committee. The Department will continue to work with these Committees on these pieces of legislation and on other pieces of legislation that address authorization of ODP's grant programs.

Question. What threat information will be taken into account when allocating the basic State grant funds?

Answer. As a requirement to receive their fiscal year 2004 Homeland Security Grant Program funds, and additional funds in fiscal year 2005, states conducted threats and vulnerabilities assessments and, based on that information, developed homeland security strategies. The states were required to provide completed homeland security strategies to the Office for Domestic Preparedness on January 31, 2004. At this point, ODP has received strategies from all the states and territories, the District of Columbia and the Commonwealth of Puerto Rico. ODP and an internal DHS Review Board have approved a majority of these strategies. A few states and territories are working to provide additional information and details to finalize their strategies, but ODP anticipates that all strategies will be approved in the next few weeks.

These strategies are critical resources to the states in the efforts to distribute funds in the most effective manner to address the homeland security needs. They too are important because they will allow the Department to match the preparedness needs as outlined in the state homeland security strategies with resources available from the Federal Government. The information provided in these strategies will allow the Department to make informed decisions on how funds will be distributed and what factors the Department will use to make this determination.

Question. The budget materials talk about the expanded activities that the Basic State Grant can be used for—including protection of critical infrastructure. If the Basic State Grant can be used for this purpose, why is a separate \$200 million critical infrastructure grant program being proposed?

Answer. The President's fiscal year 2005 budget request includes \$200 million for targeted infrastructure protection as part of the Urban Areas Security Initiative (UASI) program. The goal of this \$200 million is to provide targeted funding to specific critical infrastructure based on analyses performed by the Department of Homeland Security's Information Analysis and Infrastructure Protection Directorate. These funds will supplement the assistance provided under the UASI program and the State Homeland Security Grant Program. While the state-based grants will be dedicated to generally enhancing security and preparedness, the \$200 million for infrastructure protection will be targeted to specific sites thereby assisting states in their efforts to secure potentially higher threat targets.

Question. Please provide the Committee with state-by-state breakouts of all grants provided through the fiscal year 2000, 2001, 2002, 2003, and 2004 appropriations, including supplementals. Include in the breakouts the status of the grants, dates awarded, obligation amounts, and drawdown amounts.

Answer. Please see the table below entitled "State-by-state Breakout".

Question. In addition, please provide obligations and disbursements for National Exercises, the Center for Domestic Preparedness, the National Consortium for Domestic Preparedness, technical assistance, equipment—for each of these years.

Answer. ODP has completed the preliminary data collection for the response to this question. The data collected involves over 4,400 lines of accounting and, if printed on 8x10 paper, would require 2,264 pages of data. To ensure an accurate response, the data needs to be analyzed and a quality analysis performed. This effort will take additional time to ensure proper analysis and response.

Further, in order to ensure the most responsive answer to the question, ODP would request the opportunity to discuss the data with Appropriations Committee staff while the data is being analyzed. This discussion would provide preliminary information and to ensure that ODP properly understands the request and that the final answer is fully satisfactory.

2000–2004 GRANT ALLOCATIONS: STATE GRANTS
[In dollar amount]

State	2000 State Domestic Preparedness Equipment Grant	2001 State Domestic Preparedness Equipment Grant	2002 State Domestic Preparedness Equipment Grant	2003 State Homeland Security Grant Program I	2003 State Homeland Security Grant Program II	2004 Homeland Security Grant Program	Totals
Alabama	1,172,000	1,228,000	5,317,000	9,457,000	25,049,000	36,853,000	79,076,000
Alaska	380,000	389,000	2,783,000	4,995,000	13,230,000	19,465,000	41,242,000
Arizona	1,239,000	1,319,000	5,770,000	10,584,000	28,033,000	41,243,000	88,188,000
Arkansas	788,000	821,000	4,141,000	7,394,000	19,585,000	28,815,000	61,544,000
California	7,167,000	7,666,000	24,831,000	45,023,000	119,256,000	175,457,000	379,400,000
Colorado	1,091,000	1,158,000	5,220,000	9,480,000	25,111,000	36,944,000	79,004,000
Connecticut	943,000	984,000	4,626,000	8,265,000	21,893,000	32,211,000	68,922,000
Delaware	407,000	419,000	2,887,000	5,185,000	13,733,000	20,206,000	42,837,000
District of Columbia	561,000	366,000	2,747,000	4,910,000	13,006,000	19,136,000	40,726,000
Florida	3,409,000	3,631,000	12,967,000	23,654,000	62,655,000	92,182,000	198,498,000
Georgia	1,868,000	1,993,000	7,797,000	14,188,000	37,579,000	55,288,000	118,713,000
Hawaii	503,000	515,000	3,172,000	5,693,000	15,079,000	22,186,000	47,148,000
Idaho	510,000	530,000	3,226,000	5,803,000	15,375,000	22,621,000	48,065,000
Illinois	2,801,000	2,964,000	10,604,000	18,879,000	50,005,000	73,571,000	158,824,000
Indiana	1,499,000	1,580,000	6,400,000	11,399,000	30,194,000	44,422,000	95,494,000
Iowa	856,000	892,000	4,308,000	7,656,500	20,282,000	29,841,000	63,835,500
Kansas	807,000	844,000	4,151,000	7,401,000	19,603,000	28,842,000	61,648,000
Kentucky	1,084,000	1,136,000	5,048,000	9,001,000	23,838,000	35,073,000	75,180,000
Louisiana	1,175,000	1,228,000	5,331,000	9,451,000	25,037,000	36,836,000	79,058,000
Maine	513,000	530,000	3,213,000	5,751,000	15,232,000	22,409,000	47,648,000
Maryland	1,337,000	1,407,000	5,881,000	10,585,000	28,037,000	41,251,000	88,498,000
Massachusetts	1,552,000	1,632,000	6,579,000	11,711,000	31,020,000	45,638,500	98,132,500
Michigan	2,329,000	2,457,000	8,958,000	15,918,000	42,162,000	62,032,000	133,856,000
Minnesota	1,251,000	1,318,000	5,631,000	10,076,000	26,690,000	39,267,000	84,233,000
Mississippi	833,000	869,000	4,255,000	7,582,000	20,083,000	29,547,000	63,169,000
Missouri	1,402,000	1,474,000	6,079,000	10,834,000	28,697,000	42,221,000	90,707,000
Montana	436,000	447,000	2,967,000	5,303,000	14,047,000	20,668,000	43,868,000
Nebraska	602,000	623,000	3,502,000	6,254,500	16,568,000	24,376,000	51,925,500
Nevada	620,000	655,000	3,693,000	6,771,000	17,935,000	26,387,000	56,061,000
New Hampshire	501,000	519,000	3,187,000	5,727,000	15,172,000	22,321,000	47,427,000
New Jersey	1,968,000	2,072,000	7,948,000	14,222,000	37,671,000	55,424,000	119,305,000
New Mexico	618,000	639,000	3,574,000	6,401,000	16,956,000	24,946,000	53,134,000
New York	4,099,000	4,321,000	14,953,000	26,492,000	70,172,000	103,243,000	223,280,000

2000–2004 GRANT ALLOCATIONS: STATE GRANTS—Continued
[In dollar amount]

State	2000 State Domestic Preparedness Equipment Grant	2001 State Domestic Preparedness Equipment Grant	2002 State Domestic Preparedness Equipment Grant	2003 State Homeland Security Grant Program I	2003 State Homeland Security Grant Program II	2004 Homeland Security Grant Program	Totals
North Carolina	1,848,000	1,962,000	7,706,000	13,908,000	36,840,000	54,203,000	116,467,000
North Dakota	385,000	392,000	2,794,000	4,983,000	13,200,000	19,421,000	41,175,000
Ohio	2,624,000	2,769,000	9,897,000	17,510,000	46,378,000	68,235,000	147,413,000
Oklahoma	959,000	1,001,000	4,656,000	8,304,000	21,996,000	32,362,000	69,278,000
Oregon	945,000	992,000	4,637,000	8,336,000	22,081,000	32,487,000	69,478,000
Pennsylvania	2,791,000	2,934,000	10,512,000	18,570,000	49,189,000	72,370,500	156,366,500
Rhode Island	459,000	472,000	3,063,000	5,489,000	14,540,000	21,392,000	45,415,000
South Carolina	1,062,000	1,119,000	5,028,000	9,017,000	23,882,000	35,138,000	75,246,000
South Dakota	406,000	414,000	2,868,000	5,131,000	13,591,000	19,996,000	42,406,000
Tennessee	1,400,000	1,477,000	6,140,000	10,978,000	29,080,000	42,786,000	91,861,000
Texas	4,434,000	4,735,000	16,196,000	29,538,000	78,238,000	115,110,000	248,251,000
Utah	695,000	727,000	3,849,000	6,937,000	18,374,000	27,033,000	57,615,000
Vermont	375,000	383,000	2,772,000	4,963,000	13,147,000	19,342,000	40,982,000
Virginia	1,688,000	1,788,000	7,062,000	12,716,000	33,683,000	49,556,000	106,493,000
Washington	1,455,000	1,538,000	6,276,000	11,294,000	29,917,000	44,015,000	94,495,000
West Virginia	634,000	654,000	3,567,000	6,340,000	16,792,000	24,705,000	52,692,000
Wisconsin	1,356,000	1,425,000	5,925,000	10,565,000	27,985,000	41,173,000	88,429,000
Wyoming	352,000	357,000	2,696,000	4,827,000	12,784,000	18,809,000	39,825,000
Puerto Rico	1,267,000	1,120,000	4,894,000	8,727,000	23,118,000	34,014,000	73,140,000
Virgin Islands	372,000	277,000	861,000	1,542,000	4,085,000	6,009,000	13,146,000
American Samoa	230,230	187,600	892,000	1,482,000	3,926,000	5,776,000	12,493,830
Guam	328,000	284,000	828,000	1,596,000	4,226,000	6,217,000	13,479,000
N. Mariana Islands	138,770	92,400	835,000	1,496,000	3,963,000	5,830,000	12,355,170
TOTALS	72,525,000	75,726,000	315,700,000	566,295,000	1,500,000,000	2,206,902,000	4,737,148,000

HIGH THREAT URBAN AREA GRANTS

Question. The 2005 President's budget proposes a doubling of the funds available in the High Threat Urban Area grants. From \$727 million in 2004 to \$1.4 billion in 2005. This funding increase is offset by a reduction in the Basic State Grant program funding.

Will this funding be used to expand the number of jurisdictions that are eligible to receive these grants?

Answer. The purpose of the Urban Areas Security Initiative is to provide an ongoing, dedicated funding stream to support densely populated urban areas with key national infrastructure assets and a demonstrated threat history. Under this program, DHS, through ODP, is currently supporting 50 urban areas. At this point, it is difficult to provide a definitive answer to your question on expansion of UASI. As you know, the Department based funding decisions based on a combination of three variables three variables, which resulted in an assignment of a terrorist risk estimate for each city. The variables were (1) a combined threat index derived from classified CIA and FBI threat data, along with the number of FBI terrorism cases opened in a region, (2) a count of critical public and private sector assets, weighted for vulnerability, and (3) population density. Each of these three variables was normalized and then weighted and summed to give an overall terrorist risk estimate. The Department will likely use a similar method to distribute funds made available for continuation of this program in fiscal year 2005. Given the fluid nature of threats and risk, it is difficult to predict the number of urban areas that will receive funding through the fiscal year 2005 program.

Question. Will expanding the number of cities involved dilute the purpose of the program, which is to focus resources on those areas of the country with the most significant threats?

Answer. Again, the Department has not made a final decision on the number of urban areas that will receive support under the UASI program in fiscal year 2005. The number of urban areas receiving support will ultimately depend on the information that IAIP receives from the CIA and the FBI, along with the other factors, that have been considered when determining UASI allocations.

Question. On the one hand you are proposing to reduce the funding available through the Basic State grant program—of which one purpose is to ensure that contiguous jurisdictions are working together—while on the other, increasing the funds available in the High Threat Urban Area grants so you can enhance the ability of contiguous jurisdictions within urban areas to respond jointly. How is your proposal an improvement over the way these programs have been funded in fiscal years 2003 and 2004?

Answer. As you know, with the support of the House and Senate Appropriations Committees, the Department of Homeland Security has administered dual funding programs—a formula-based state minimum program and a high-threat, high-density program—since fiscal year 2003. The Department and Administration firmly support this dual approach because it allows for baseline preparedness levels while targeting funds to high-threat, high-density urban areas across the country.

The Department and the Administration have also consistently supported an increase in funds for the high-threat, high-density urban areas program to meet the unique needs and challenges of the Nation's urban areas. With the funds provided to the Urban Areas Security Initiative and the state formula grant program, the Administration's fiscal year 2005 budget request supports both minimum levels of funding for states to continue their efforts to enhance security and targeted funds for the Nation's urban areas.

U.S. VISITOR AND IMMIGRANT STATUS INDICATOR TECHNOLOGY (US VISIT)

Question. In January you deployed the first phase of the US VISIT system to 115 airports and 14 seaports.

How is the system performing so far?

Answer. By January 5, 2004, the US VISIT system encompassed 99 percent of all foreign visitors, with visas, entering the country by air, and as of March 1, more than 1.69 million foreign visitors have been processed under US VISIT procedures, with over 150 initial matches against existing watch lists, resulting in the identification of 62 criminals guilty of rape, homicide, hit and run death, drug trafficking, probation violations, assault, wire fraud, conspiracy, etc. The Department of State has also processed 235,883 individuals utilizing the US VISIT system, with 75 watch list matches on 32 criminals.

The increase in security at our airports and seaports provided by US VISIT has not had a negative effect on wait times, nor our commitment to service. The pilot program exercised in Atlanta prior to the implementation of the capabilities on Jan-

uary 5, 2004 identified an increase of less than 15 seconds in inspection time to capture the finger scans and digital photo. An analysis of 20 major airports utilizing data for the December, 2003, January and February 2004 timeframes, indicate that there was no impact on CBP's ability to meet 45 minute time frames on airline inspections.

After early system evaluation it is clear that visitors appreciate the effort we are making to enhance security while simultaneously facilitating the process for law-abiding, legitimate travelers.

Question. The budget states that you expect to deploy an exit capability at up to 80 airports and 14 seaports this year. Can you give us an update on the exit pilots you are currently running as a part of US VISIT?

Answer. On January 5, 2004, US VISIT implemented two exit pilots: one at an airport and one at a seaport of entry.

In fiscal year 2004, US VISIT will continue to pilot and evaluate various exit alternatives, e.g. intelligent work stations/kiosks and hand held devices at various locations in airports and seaports.

In fiscal year 2005, based upon these pilot evaluations, US VISIT will initiate implementation of the selected exit solution at the remaining 79 airports and 11 seaports, continuing implementation in fiscal year 2005.

Exit processing is to be provided at land border ports following the entry implementation of US VISIT functionality in secondary at the 50 largest land ports in conjunction with RF technology implementation in fiscal year 2005. As various exit components are implemented, we further strengthen the immigration system by identifying people who do not comply with the terms of their admission.

Question. One of the requirements of the Enhanced Visa Security Act is for the countries participating in the Visa Waiver Program to issue biometrically-enabled machine-readable travel documents—and for the Department of Homeland Security to have the equipment at ports-of-entry to be able to read those documents by October of 2004. Do the Department of Homeland Security and the Department of State expect that the October deadline will be met by the Visa Waiver countries?

Answer. By October 26, 2004, VWP countries must certify that they have a program to issue biometrically enhanced passports in order to continue in the VWP. Most, if not all, of the VWP countries have informed the United States that they will not be able to issue International Civil Aviation Organization (ICAO) compliant passports by October 26 due to technical and other factors. Changing the deadline would require Congressional action, and a memorandum concerning this issue was forwarded to Congress signed by Secretaries Ridge and Powell requesting an extension of the deadline to November 30, 2006. As part of the decision to request the extension of the deadline, and to provide an additional measure of security while standards and technology solutions progress, the Secretary will require beginning September 30, 2004, all VWP travelers process through US VISIT. US VISIT has funding in the fiscal year 2004 expenditure plan to implement this requirement at all POE's (in excess of 330 individual ports).

Question. The US VISIT program office is currently reviewing the proposals for the prime integration contract. Given that it may be several more months before this contract is awarded and work can begin—how do you expect to meet the deadline of deploying the entry and exit capabilities to the 50 busiest land ports by the end of this calendar year?

Answer. Significant up-front planning has been and is being accomplished in all aspects of this increment, especially in the information technology and facilities work areas which well positions the Prime Integrator to assist us in meeting our implementation deadlines.

INTEGRATION OF INFORMATION TECHNOLOGY SYSTEMS

Question. The Chief Information Officer has been working for over a year on the integration and consolidation of information technology systems. The budget request for 2005 includes significant resources for implementing a new Department-wide human resources system, and a new financial management system.

The Department staff identified over 40 different general ledger systems, 30 different procurements processes, and 20 different approaches to managing travel costs. Have you seen any savings yet from consolidating computer systems?

When do you expect to see savings?

Answer. We are still in the development phase of this project and therefore cannot estimate when savings may be realized.

Question. Is the \$56 million requested for eMERGE going to cover the remaining costs of developing and implementing the financial management system?

Answer. No. This is for fiscal year 2005 only—implementation will continue through fiscal year 2006.

Question. If not, what is the current estimate for the full cost of implementation?

Answer. 2004 and 2005 Projected Costs for eMerge are below. Costs in 2006 have not yet been determined.

[In millions]

	2004	2005
Annual Recurring	\$2.0	\$10.5
IT Investments	8.0	56.0
Working Capital	24.8	10.0
Total	34.8	76.5

PERFORMANCE BASED PAY SYSTEM

Question. Under Departmental Operations, \$102 million is requested for training of supervisory personnel to administer a performance-based pay system and to create the framework for the new system. While the proposal for Department-wide Technology includes a request for \$21 million to design, develop and implement a new human resource information technology system. Exactly how much will the new human resources system cost?

Answer. We are projecting fully loaded life cycle costs of \$408.5 million for complete system implementation. It is important to note that the \$102.5 million is requested for full implementation of the new system (including project management, systems design, training and communications, etc.), not just the training aspects of system implementation. Major components of this figure include \$102.5 million for system implementation, \$10 million for Coast Guard performance pool, an estimated \$165 million for other component performance pools, and a 6-year life cycle cost of \$131 million for human resources information technology.

Question. When do you anticipate the computer system will be finished and fully implemented?

Answer. We are anticipating that technology systems to support implementation of the new DHS human resources system will be completed during fiscal year 2007.

Question. The Department of Defense is currently planning to fund a conversion to a performance-based pay system without requesting additional funding. Why does your budget call for an increase?

Answer. Fully funding a new system, such as the one proposed by DHS, is viewed as a critical component in ensuring its successful implementation. Adequate funding to support implementation, with particular emphasis on requirements for supervisory and managerial training, have been raised as key concerns by the Administration, key DHS stakeholders, and union representatives.

Question. When do you anticipate that the “demonstration project” to test the new Department of Homeland Security pay-for-performance system will be operational within the U.S. Coast Guard?

Answer. We anticipate that the U.S. Coast Guard will be completely operational by January 2006.

Question. When do you anticipate that the new pay system will be fully implemented and operational across the entire Department?

Answer. At this point we anticipate that the new system will be operational in all of DHS by January 2007.

FUNDING TRANSFERS/LEGISLATIVE PROPOSALS

Question. The President’s budget proposes legislation to transfer the \$153 million emergency food and shelter program to the Department of Housing and Urban Development, and indicates that enactment of authorizing legislation will be pursued to return the \$400 million Strategic National Stockpile back to the Department of Health and Human Services. The fiscal year 2005 funding request for the Department of Homeland Security assumes no funding for either of these programs. Will the requisite legislative proposals be transmitted to the Congress as soon as possible and support given for their enactment into law prior to the start of the appropriations process?

Answer. FEMA is currently working with the appropriate authorizing and appropriations committees on the legislative language to transfer the Emergency Food and Shelter program to the Department of Housing and Urban Development in accordance with the President’s fiscal year 2005 budget request.

The President's fiscal year 2005 Budget includes \$400 million for the Strategic National Stockpile (SNS) and proposes transferring this program to the Department of Health and Human Services (HHS). Language to effectuate the transfer of SNS from DHS to HHS has been added to S.15, the Project Bioshield Act of 2003.

Question. Another request in the fiscal year 2005 budget is for appropriations language to credit revenues and collections of security fees to the Federal Protective Service. As I understand it, these revenues and collections are currently credited to the General Services Administration's Federal Buildings Fund. Is this requested appropriations language sufficient to authorize the transfer of fee collections from the General Services Administration to the Department in lieu of a legislative proposal? Why?

Answer. Prior to the transfer of the Federal Protective Service (FPS) from the General Services Administration (GSA) to the Department of Homeland Security (DHS), GSA collected security fees from its client agencies as a part of the rent bill. GSA deposited the collections into the Federal Building Fund and allocated the security funds in support of FPS law enforcement and security operations. In fiscal year 2005, GSA will serve as the billing agent for these fees. The GSA will continue to bill the security fees concurrent with the rent billing process, but the security revenue will be deposited directly to the FPS account. The revenues and collections will not be deposited into the Federal Buildings Fund and no transfer to FPS will be required. The FPS will continue to be funded by offsetting collections, and the appropriations request represents the obligational authority necessary to spend the estimated revenues and collections received for law enforcement and security services that FPS will provide.

This process is consistent with the authorities transferred to the DHS in the Homeland Security Act of 2002 (Public Law. 107-297, Sec. 403 and Sec. 422) and the authorities vested in and retained by the Administrator of GSA.

DEPARTMENT OF HOMELAND SECURITY HEADQUARTERS

Question. The fiscal year 2005 budget requests \$65.1 million to consolidate Department of Homeland Security headquarters operations at the Nebraska Avenue complex (NAC). It also indicates that the administration will propose legislation to transfer the ownership of the Nebraska Avenue complex from the Navy to the General Services Administration.

When will the legislative proposal to transfer the ownership of the Nebraska Avenue complex be submitted to the Congress?

Answer. The legislation was transmitted to the House on February 12, 2004 and the Senate on February 18, 2004. Since the NAC is currently owned by the Navy, the Majority Leader's office referred the proposal to the Senate Armed Services Committee (SASC). While the SASC has included its version of the Administration proposal in the annual defense authorization bill, the Department is concerned that delays in passage of that larger legislation will hamper DHS' mission to ensure our Nation's security. The Department will continue to work with the appropriate Committees to expedite the consolidation of DHS headquarters operations at the NAC.

Question. Is the \$65.1 million requested for relocation of the Navy and improvement of existing structures at the Nebraska Avenue complex contingent on the enactment into law the authorization of this transfer?

Answer. The \$65.1 million will fund improvements at the NAC as well as the cost to relocate Naval operations to alternate facilities. Without enactment of the legislation transferring ownership of the property to GSA, the Navy will not be able to complete their moves from the NAC due to the Defense Base Realignment Act (BRAC).

Question. The fiscal year 2004 appropriations Act provides \$20 million to the Department for alteration and improvement of facilities and for relocation costs necessary for interim housing of the Department's headquarters' operations. Please update us on the use of these funds.

Answer. To date, \$7,411,789 has been obligated: \$4,657,220 for Navy Relocation, \$2,344,569 for space preparation in Building 1 (Sec/Dep Sec), Building 3 (1st and 3rd floor swing space), Building 7, Facilities and Security Badging, and \$410,000 for Architectural and Engineering Services for Buildings 1, 4 and 5.

The remaining \$12,588,211 is committed for Building 19, 1st and 2nd floors for Information Analysis and Infrastructure Protection (IAIP) and Buildings 4 and 5 for Border Transportation Security (BTS), Public Affairs and Citizenship and Immigration Services (CIS). The design/space layout for Building 19 is at approximately 70 percent completion, and design/space layout for Buildings 4 and 5 is at 100 percent.

Question. Once the Nebraska Avenue complex is transferred from the Navy to the General Services Administration (GSA) as proposed, won't the Department be re-

quired to make rental payments to the GSA on this location? Is this additional cost assumed in the Department's fiscal year 2005 budget? If not, why? What will be the estimated annual rental of space payment on the Nebraska Avenue complex once it is transferred from the Navy?

Answer. Yes, rental payments to General Services Administration (GSA) will be required. Our fiscal year 2005 request includes \$14 million (\$4 million increase from fiscal year 2004) for department-related rent expenditures.

GSA is currently conducting building condition evaluations and a site appraisal. We will not have refined cost until these activities are complete. However, through consultation with GSA, DHS is currently estimating the following rental costs:

- fiscal year 2005 \$5.8 million (staggered occupancy)
- fiscal year 2006 \$13.1 million (mostly occupied)
- fiscal year 2007 \$14.4 million (fully occupied)

These estimates are based on the following rent breakout:

Base Rent	\$29.00 per rentable square feet (prsf)
Operating Rent	8.90 prsf
T/I Allowance	4.64 prsf
GSA Fee of 8 percent	3.80 prsf
Total	46.34 prsf (for 5 year period)
	43.06 prsf (for 10 year period)
Average Approx	45.00 prsf ¹

¹ Does not include parking.

UNITED STATES COAST GUARD

Question. The fiscal year 2005 budget request proposes consolidating all of the research and development components of each agency within the Department of Homeland Security into the Science and Technology Directorate, to include the Coast Guard's Research, Development, Test and Evaluation account. The fiscal year 2004 enacted level for research and development within the Coast Guard was \$14.9 million; however, this budget proposes only \$13.5 million for Coast Guard research and development within Science and Technology.

Can you explain the approximately \$1.4 million decrease in requested funding for the Coast Guard's research and development?

Answer. The fiscal year 2004 and earlier CG R&D appropriations included project funds in addition to operating costs of the CG R&D Center at Avery Point, CT. The \$13.5 million requested in the fiscal year 2005 S&T budget does not include any project funds; the request is intended to fund only facility and personnel (support and technical) costs at the Coast Guard (CG) R&D Center. This level is consistent with prior year costs. The fiscal year 2004 enacted level was a significant reduction from the fiscal year 2004 request of \$22 million and prior year appropriations causing an imbalance between operating costs and project funding for fiscal year 2004.

Question. Will this line item for Coast Guard research and development continue to be decreased in subsequent fiscal years until there is one lump-sum research and development account within Science and Technology for all of the agencies at the Department of Homeland Security?

Answer. No. The Science and Technology Directorate (S&T) and Coast Guard (CG) are preparing a formal agreement that will detail the coordination and funding mechanisms for future CG R&D capabilities. The foundation for that agreement is the consolidation of funding requested in the fiscal year 2005 budget. S&T and the CG have further agreed upon a base level of additional project funding in the amount of \$5 million that will be specifically targeted toward non-security related projects including maritime science and research. This funding will be designed to support CG mission-programs such as Marine Environmental Protection, Living Marine Resources, Search and Rescue, Aids to Navigation and Marine Safety. The specific projects in support of these mission-programs will be prepared annually for S&T concurrence.

In addition to this \$18.5 million in funding, the Coast Guard will submit security-related research requests through S&T for coordination across all portfolios and DHS components. The Coast Guard has submitted a maritime security R&D portfolio detailing approximately \$50 million in vital maritime security research initiatives. This portfolio has been validated by S&T portfolio managers and will be considered in the development of future spending priorities and commitments from S&T. Project funding levels for CG and other DHS component requests will depend on the risk and cost associated with the project, effect on agency missions, linkage to S&T strategic objectives, and executability.

Question. How will consolidating the research and development account into Science and Technology affect the Coast Guard in general, in terms of control over research projects of particular interest to the Coast Guard and access to all ongoing research at the Department?

Answer. Through its portfolio manager at S&T, the CG will have direct access to, and visibility of all S&T research and initiatives. The CG will, at a minimum, retain control of the projects in support of its non-Security mission programs. The integration of funding and effort will go far to minimize redundancy and maximize the effectiveness of Coast Guard R&D while ensuring that all Coast Guard mission requirements remain a key part of S&T planning and resource decisions.

Question. How will this consolidation directly affect the Coast Guard Research and Development Center in Groton, Connecticut?

Answer. There are currently no plans by DHS S&T to make changes to the location or personnel staffing levels of the CG R&D Center.

QUESTIONS SUBMITTED BY SENATOR TED STEVENS

ALASKA-CANADA BORDER SECURITY

Question. The Department of Homeland Security has recently indicated that it is formulating plans to increase security along the Alaska-Canada border. What steps will the Department of Homeland Security take to ensure that the heightened security along the border will not negatively impact the shipments of goods to Alaska?

Answer. Inordinate delays with Alaska-Canada at Alaska-Canada's border with truck cargo are not anticipated. Truck traffic is relatively small at the border ports of entry. In addition, most of the cargo is low risk and easily and quickly scanned for radiation with personal radiation detectors.

This is in spite of the fact that since 9/11, several measures have been implemented to increase security along the Canadian/Alaskan border. Staffing has increased significantly due to various Congressional initiatives. Additional physical barriers have been installed at multiple crossing points, and several other security implements have been employed to further "harden" the border between Alaska and Canada.

The ports of Skagway and Dalton Cache are now operational 24 hours a day, 7 days a week (24/7). Additional staffing and operational hours have increased CBP's vigilance at these two important ports of entry. The port of Alcan continues to operate on a 24/7 schedule.

The port of Poker Creek, a busy, seasonal crossing, is now jointly staffed by CBP and Canada Border Services Agency personnel. This collaboration has led to a safer, more efficient, border security operation.

The staffing enhancements and scheduling changes have helped to meet the new challenges posed by the recent implementation of the Bio-Terrorism Act. CBP continues to work with carriers, importers, commercial fishermen, and even professional dog sled mushers to minimize potential disruptions and delays. To date, there haven't been any problems and we don't anticipate any.

COAST GUARD

Question. The fiscal year 2005 Homeland Security budget includes \$6.2 billion for the United States Coast Guard. Does this amount ensure that the Coast Guard will comply with Section 888 of the Homeland Security Act? This provision requires that the Coast Guard maintain its traditional missions of Search and Rescue, Fisheries Enforcement, Drug Interdiction, and Aids to Navigation.

Answer. The Coast Guard will continue to support all the programs specified in Section 888 of the Homeland Security Act. The Coast Guard's fiscal year 2005 budget proposes budget authority of \$7.46 billion, a 9 percent increase over fiscal year 2004, and continues the Coast Guard's effort to enhance capability and competencies to perform all safety and security missions. Due to the Coast Guard's multi-mission nature, full support of the Coast Guard's fiscal year 2005 budget proposal, which includes funding for Integrated Deepwater System, Rescue 21, Response Boat-Medium and Great Lakes Icebreaker projects, will assist in the performance of all mission areas. Coast Guard is gaining capacity with operational funding of eleven 87-foot Coastal Patrol Boats and five 179-foot Patrol Coastals transferring from the Navy. These additional assets will provide more resource hours, which will be applied to all mission areas. However, even with this additional funding, the Coast Guard must be judicious in the allocation of a finite resource base across traditional and homeland security missions to effectively deliver essential daily services to the American public.

To successfully do this, the Coast Guard is working to develop a Strategic Blueprint, which provides a description of the strategies and processes for allocating Coast Guard resources to reduce risk within each mission program, and to accomplish stated performance goals. The post-9/11 environment demands that the Coast Guard focus on reducing risk and strive to achieve performance goals in each program through a continual examination of its authorities, capabilities, competencies and partnerships. The Strategic Blueprint documents how the Coast Guard enables the operational commander to make decisions regarding the employment of resources to counter risks in an ever-changing environment.

Question. The United States Coast Guard recently completed a successful test of two "Predator A" unmanned aerial vehicles in King Salmon, Alaska. The Coast Guard will test a "Predator B" unmanned aerial vehicles in Alaska during the month of June. Do you consider the use of Predators and other unmanned aerial vehicles to be a cost effective tool to assist the Department with maintaining traditional and security related missions?

Answer. Yes, the use of Unmanned Aerial Vehicles (UAV) is a cost effective tool to meet some operational requirements for DHS and the Coast Guard. The Coast Guard's current Integrated Deepwater System (IDS) implementation plan includes the acquisition of two types of UAVs, the High Altitude Endurance UAV and the Vertical Takeoff and Landing Unmanned Aerial Vehicle (VUAV), with the goals of increased Operational Effectiveness (OE) and reduced Total Ownership Costs (TOC). The Coast Guard is currently acquiring the Bell HV-911 "Eagle Eye" as the Vertical Takeoff and Landing Unmanned Aerial Vehicle (VUAV) for shipboard deployable operations. The VUAV is a short-range, low maintenance aircraft, which will allow the Coast Guard to extend the surveillance, classification and identification capability of its major cutters through its speed, range, and endurance and do so more cost effectively. This asset will be used for maritime homeland security, search and rescue missions, enforcement of laws and treaties including illegal drug interdiction, marine environmental protection, and military preparedness.

To mitigate risk and learn more about using Medium and High Altitude Long Endurance (MALE/HALE) UAVs, the Coast Guard has conducted demonstrations in Alaska to evaluate the efficacy of using MALE/HALE UAVs, like the Predator UAVs, for Maritime Domain Awareness (MDA). These demonstrations are also building organizational partnerships within DHS, NASA, DOD and the private sector for the future use of UAVs. DHS and the Coast Guard have had limited experience with UAV operations, and no experience with Beyond Line of Sight UAV operations. The results of the exercises and subsequent data analysis will assist in the development of tactics, techniques and procedures for use in any future DHS/USCG UAV operations (including Predator B), and will be used to develop, validate, verify or accredit ongoing environmental, operational, regulatory, and cost benefit studies.

NATIONAL ALERT SYSTEM

Question. Last year, Congress included \$10 million to improve our national alert system. We directed the Department of Homeland Security to report on how the existing nationwide radio network, administered by NOAA, can be expanded so that it can reach more citizens. It was intended that Homeland would consult with the FCC to develop a system that would be ubiquitous and would cross a full range of mediums and technologies to alert the public to a terrorist threat. For instance, Americans should be alerted to a threat through the use of not just radio but also wireline and cellular telephones, e-mail and instant messaging systems, radio and television broadcasts, and personal digital assistants. The report was also supposed to evaluate how the system is being tailored to send out regional threats in addition to nation-wide threats.

This report was due on December 15, 2003. Mr. Secretary, it is my understanding that the Appropriations Committee has not yet received the report. Please tell us what the status is.

Answer. The congressional report has been cleared by OMB and the Department. We anticipate delivery of the report to the congressional Appropriations Subcommittees by May 21, 2004.

QUESTIONS SUBMITTED BY SENATOR PETE V. DOMENICI

NATIONAL INFRASTRUCTURE SIMULATION AND ANALYSIS CENTER

Question. Secretary Ridge, the Department of Homeland Security has taken ownership of the National Infrastructure Simulation and Analysis Center, or NISAC. NISAC was developed by Sandia and Los Alamos National Laboratories to simulate

and analyze various events and the cascading effects on critical infrastructure in the United States. Following the September 11th terrorist attacks, NISAC took on added importance as the Administration and Congress focused on homeland security.

The fiscal year 2004 Homeland Security Appropriations Act had approximately \$23 million for NISAC. Would you please give the Subcommittee the status of the allocation of the fiscal year 2004 funding?

Answer. The Homeland Security Appropriations Act of did not contain a specific line item for the National Infrastructure Simulation and Analysis Center. However, the Department obligated \$20 million in November 2004 for NISAC efforts that will be performed by Los Alamos National Laboratory (\$10 million) and Sandia National Laboratory (\$10 million). Some of the planned NISAC activities include chlorine industry studies, analyses of rail system and electric power disruptions, assessments of Hurricane Isabel impacts on infrastructure, port and inland waterway modeling, as well as urban infrastructure modeling.

Question. How much is in the President's fiscal year 2005 budget request to support activities by NISAC?

Answer. The fiscal year 2005 request for the NISAC is \$27 million.

Question. What are some of the activities envisioned in the fiscal year 2005 budget for NISAC?

Answer. NISAC fiscal year 2005 activities are expected to include expansion of the Center's efforts to develop National and Regional Tools into additional regions and cities of the Nation. Additionally, NISAC will begin developing consequence analysis and decision support tools to support the following:

- Expansion of the urban infrastructure suites models for transportation, telecommunications, water, public health and energy to additional high threat urban areas.
- Expansion of the dynamic simulation models to selected east and west coast ports.
- Expansion of the interdependent energy infrastructure simulation system
- Expansion and testing of the waterways asset prioritization tool in concert with the U.S. Coast Guard and Army Corps of Engineers.
- Continued expert analysis and support to short term actions for the Department's primary missions by using the Center's developing infrastructure models and creating new ones where necessary.

Question. One of the items that transferred from the Department of Energy to the Department of Homeland Security with NISAC was an appropriation of \$7.5 million for the construction and equipping of a NISAC facility at Kirtland Air Force Base in Albuquerque, New Mexico, which is adjacent to Sandia National Lab. Those funds have not been released for their intended purpose.

What is the delay in moving forward on this important facility?

Answer. The Homeland Security Appropriations Act did not explicitly appropriate \$7.5 million for a NISAC facility. Nonetheless, the Department is drafting a letter to the Department of Defense to begin the necessary coordination to build a DHS building on DOD property. We expect to initiate site surveys, followed by a possible site selection this summer. DHS has retained sufficient funds to complete the survey and site selection process.

Question. What is the status of the \$7.5 million appropriation specifically for the NISAC facility? Are those funds being held for the intended purpose?

Answer. Yes.

Question. When can the Subcommittee expect the Department of Homeland Security to break ground on the NISAC facility in New Mexico?

Answer. The program manager has initiated discussions with the Kirtland Base Commander concerning the availability of suitable sites on Kirtland for the NISAC and we have begun coordination with the Department of Defense to address requirements for building a DHS facility on DOD property. The groundbreaking date will be dependent on the identification of a suitable site for the NISAC.

UNMANNED AERIAL VEHICLES (UAVS)

Question. Secretary Ridge, I have written to you on two different occasions in support of exploring the option of using unmanned aerial vehicles (UAVs) to monitor our borders, particularly the Southwest border. I also noticed in your testimony that there is \$10 million in the President's Budget to "plan, procure, deploy and operate unmanned aerial vehicles." In New Mexico, we have some experience with UAVs. In fact, the Physical Sciences Laboratory at New Mexico State University operates a Department of Defense sponsored UAV validation and test facility. Because of the already established presence of UAVs in New Mexico, I have also invited you to visit

Las Cruces to see for yourself this work and evaluate Las Cruces as a potential site for housing the UAV wing responsible for border surveillance.

Given the \$10 million request for UAVs, can you expand upon the plans you have for them?

Answer. U.S. Customs and Border Protection has been evaluating the possibilities of using UAV technology to enhance its border security mission since June 2003. The initial evaluation process indicates that UAVs may indeed have a role in that mission. A pilot program is underway to acquire a UAV system and deploy it to various border areas to further evaluate their effectiveness and to further develop concepts of operation utilizing UAVs in CBP's mission. The \$10 million budget request will support that effort in fiscal year 2005 during which a fully self-supporting UAV package will be leased either via an existing DOD-owned contract or through a competitive CBP procurement process.

Question. How many UAVs does the Department currently have?

Answer. DHS does not possess any UAV systems.

Question. How many UAVs does the Department plan to acquire?

Answer. Several agencies including CBP, Coast Guard and TSA regularly coordinate UAV programs in a working group. The working group is currently developing high-level requirements to be applied towards any future DHS-wide acquisition of UAVs. No concrete commitment has yet been made towards the type or quantity of UAV system acquisition due to the variety of needs and requirements among the agencies.

The Coast Guard's current Integrated Deepwater System (IDS) implementation plan includes the acquisition of two types of UAVs, the High Altitude Endurance UAV and the Vertical Takeoff and Landing Unmanned Aerial Vehicle (VUAV), with the goals of increased Operational Effectiveness (OE) and reduced Total Ownership Costs (TOC). The Coast Guard is currently acquiring the Bell HV-911 "Eagle Eye" as the Vertical Takeoff and Landing Unmanned Aerial Vehicle (VUAV) for ship-board deployable operations.

Question. Where does the Department plan on stationing these UAVs?

Answer. UAV usage within DHS is in the very early developmental stages. A number of potential sites are being considered and no final decisions have been made at this time.

Question. When can you join me in Las Cruces to evaluate the Las Cruces International Airport as a potential home for the UAV program?

Answer. I appreciate the Senator's offer and respectfully suggest that our staffs try to coordinate a future departmental visit to that site.

CHARTER FLIGHTS TO FEDERAL LAW ENFORCEMENT TRAINING CENTER IN ARTESIA, NEW MEXICO

Question. Secretary Ridge, as you know, one of the Federal Government's premier training sites for law enforcement officers is located in Artesia, New Mexico. It is known as FLETC-Artesia (Federal Law Enforcement Training Center). When terrorists attacked us in September of 2001, Congress quickly required the training of hundreds of new Air Marshals. It was FLETC-Artesia that met the impressive challenge of training these new Air Marshals, quickly ramping up the program and bringing in three 727's to be used in this training.

FLETC-Artesia is also the campus chosen to provide training for airline pilots who choose to carry firearms in the cockpit (also known as Federal Flight Deck Officers). They provide this training in addition to basic and advanced training for a number of other agencies.

Feedback from trainees who have been to Artesia is almost universally positive. In fact, one of the few complaints has to do with one of its greatest assets—its location. Because Artesia is over 3 hours from the nearest large cities (Albuquerque and El Paso), there is a lot of wide open space to conduct training exercises. Unfortunately, it is also difficult to get to Artesia—this is the biggest complaint. The good news is that I believe there is a solution to this problem. I have been working with the officials at FLETC-Artesia, FLETC Headquarters in Glynco, Georgia, and in the Border and Transportation Safety Directorate on a plan to provide charter services from a major air hub, like Dallas-Fort Worth, to Roswell, which is a 30 minute bus ride from FLETC-Artesia. Ultimately, I believe the airlines will see how beneficial this is to them and will schedule regular service along this route. I also believe the client-agencies will quickly see the benefits of shorter travel times, fresher students, and better trained employees.

FLETC-Artesia recently put out a Request for Information seeking feedback from airlines who might provide this service. My understanding is that the response was

positive and that estimates are that it would take \$800,000 to provide this service for the rest of the fiscal year.

As a member of the Homeland Security Appropriations Subcommittee, I joined with my colleagues in deciding not to earmark that bill. This meant that there was no opportunity for me to work with my colleagues to place money in that bill for this project. Instead, we left it up to you to determine how best to spend the money to protect our Homeland. Will you commit to improving the training of our Federal law enforcement officials by approving funds for this charter service?

Answer. In the post September 11, 2001 period, there has been real, sustained growth in the use of all FLETC training centers, including the Artesia, NM center. Although the absence of regular and reliable service to the Artesia area has been an obstacle to wider use of that location in the past, recently we have increased utilization to almost capacity because the FLETC Glynco site is at maximum capacity and the agencies need to train within specific timeframes. FLETC is experimenting with conducting more basic training programs at Artesia in fiscal year 2004 and there has been increased use of the site for Flight Deck Officer training, among others, for specialized training. With this in mind, FLETC will track closely the issues and usage of the Artesia site and report back their findings in fiscal year 2005. Should the travel service continue to be a problem, the Department will consider looking at other possible solutions, including some subsidizing of air service into the Artesia area. This may require additional authorizing language.

Question. How can we in Congress help provide the best training possible for our Federal law enforcement officers, particularly within the Federal Law Enforcement Training Center?

Answer. Both Congress and the Administration share a common goal of ensuring all Federal law enforcement officers have the opportunity for the highest quality training, especially in this period of national concerns with security of the homeland. The Department of Homeland Security (DHS) is indebted to your leadership and that of others in Congress, who have long and actively supported the concept of consolidated training that is represented by the Federal Law Enforcement Training Center (FLETC). Since the events of September 11, 2001, FLETC has undertaken increasingly more training responsibilities and we are proud of the achievements that have been made by the FLETC staff and, indeed, its 76 partner agencies. With the generous support of Congress, FLETC has added many new facilities and improved upon the delivery of critical training, such as terrorism, first responder, and international financial crimes over the last few years. In addition to FLETC's Glynco, GA, Artesia, NM, and Cheltenham, MD training sites, the DHS has entrusted two other sites to FLETC for law enforcement training in Charleston, SC and Harpers Ferry, WV in fiscal year 2004 and fiscal year 2005, respectively. At this point, we believe the resources, funding, and support for consolidated training are meeting fully the changing dynamics of Federal law enforcement training.

FIRST RESPONDERS

Question. Secretary Ridge, as you know, long before the terrorist attacks of September 11, New Mexico Tech was working as part of a consortium with Louisiana State University and Texas A&M to provide training to first responders. Since the attacks the need for this training has become more important.

How much is included in the President's fiscal year 2005 Budget for the training of first responders?

Answer. \$92 million is included in the President's fiscal year 2005 Budget for the training of first responders. As well, states and localities may choose to use their grant funding to support additional training.

Question. There has been a lot of discussion about standardization of equipment used by first responders. What are your thoughts about standardization of training for first responders?

Answer. The Office for Domestic Preparedness (ODP) is the principal component of the Department of Homeland Security (DHS) responsible for preparing the United States for acts of terrorism. In carrying out its mission, ODP is the primary office responsible to providing training, funds for the purchase of equipment, support for the planning and execution of exercises, technical assistance and other support to assist states and local jurisdictions prevent, plan for and respond to acts of terrorism. ODP provides more than 30 different types of training courses. These courses are tailored for a broad spectrum of emergency responders, including fire service, hazardous materials, law enforcement, emergency medical services, public health, emergency management, public works agencies, governmental administrative, healthcare, and public safety communications.

ODP's training efforts fall into three different categories: (1) in-residence (training provided at one the National Domestic Preparedness Consortium (NDPC) facilities), (2) on-site or mobile training (training provided at a local agency by request through an NDPC member or other ODP training partner), and (3) Website-based training. In-residence or "residential training" occurs at one of the five members of the National Domestic Preparedness Consortium (NDPC). On-site training is provided by either one of the members of the NDPC or through one of ODP's other training partners. This training is provided directly at a State or local first responder agency upon official request through that state's state administering agency for ODP funds. ODP's Website-based training efforts are administered by the Texas Engineering and Extension Service, which offers three online courses for emergency responders.

ODP draws on a large number of resources to develop and deliver a comprehensive national training program. In addition to the NDPC, ODP works with a large number of national associations and organizations, along with other agencies from the local, State, and Federal levels, to provide training to our Nation's emergency prevention and response community. This approach aligns closely with the President's National Strategy for Homeland Security issued in July 2002, which called for a consolidated and expanded training and evaluation system to support the Nation's emergency prevention and response community.

To ensure compliance with nationally accepted standards, these courses have been developed and reviewed in coordination with other Federal agencies, including the Centers for Disease Control and Prevention (CDC), the Department of Energy, the Environmental Protection Agency (EPA), the Federal Bureau of Investigations (FBI), the Federal Emergency Management Agency (FEMA), as well as with professional organizations such as the International Chiefs of Police, the International Association of Fire Chiefs, and the National Sheriff's Association.

Question. What potential do you see for future use of this consortium?

Answer. New Mexico Tech recently entered into negotiations for the purchase of the town of Playas, New Mexico. This former mining town was virtually abandoned when the mine was closed. New Mexico Tech plans to use this town as a real-world training site.

Question. What role do you foresee Playas playing in the training of first responders?

Answer. Playas will be jointly developed by the New Mexico Institute of Mining and Technology and the New Mexico State University using funds already made available to the New Mexico Institute of Mining and Technology through the Department of Homeland Security's Office for Domestic Preparedness (ODP). As you are aware, ODP has funded the New Mexico Institute of Mining and Technology since Fiscal year 1998 as part of the National Domestic Preparedness Consortium.

As part of the Consortium, the New Mexico Institute for Mining and Technology supports ODP's mission of assisting State and local governments plan and prepare for incidents of domestic terrorism by providing critical training to the Nation's first responders.

SCIENCE AND TECHNOLOGY FUNDING

Question. Secretary Ridge, the Department of Homeland Security has a significant research budget to develop new technologies to secure the United States against terrorist attacks. I know that the Department has made significant progress in setting up the mechanisms to allocate science and technology funding to industry, universities, and national laboratories. This is a vital mission of your Department.

I understand that the Department is still in the process of allocating fiscal year 2003 science and technology funding. What is the current time line for completing this allocation of funding?

Answer. The Science and Technology Directorate has "execution plans," that is, identified scope of work, for all remaining fiscal year 2003 funds and fully expects to have all remaining funds allocated by the end of fiscal year 2004.

Question. The Department is now engaged in the allocation of fiscal year 2004 science and technology funding. How do you plan to allocate fiscal year 2004 funding in a more timely manner?

Answer. The Department of Homeland Security has existed now for just over a year. Like the rest of the Department, the Science and Technology Directorate has been working hard to develop effective and efficient procedures and policies, including those necessary for selection of performers of the work to be done and the subsequent contractual processes and allocation of funds. As these procedures get established, projects will be awarded and funded in a more timely manner. I am pleased to say that in the last 3 months, the Science and Technology Directorate has made significant progress in allocating its available funding into the hands of those re-

searchers who are developing and transitioning the vital technologies and tools to make the Nation safer. Both the Under Secretary for Science and Technology and I will continue to monitor the status of project selection and funding, and expect to see continued progress.

Question. I note that this year, the Department's budget submission is improved over last year as one would expect. Although there are security considerations, could you describe your plans to ensure transparency in the Department of Homeland Security budget? Both the Departments of Defense and Energy make their supporting budget documents public. Will you follow suit?

Answer. The Science and Technology Directorate prepares its annual Congressional Justification in an open and unclassified manner and will continue to do so as long as programs do not move into the sensitive realm. In addition, the Science and Technology Directorate prepares its written testimony for the record for each of its budget-related hearings in an unclassified document. This written testimony contains the supporting documentation for its budget request and becomes publicly available.

Question. One of the biggest challenges in the science and technology area has to be coordinating the allocation of funding between near-term and applied technology and basic, long-term R&D funding.

What level of coordination is being provided by your office, Mr. Secretary, to ensure an appropriate split between near-term and long-term R&D?

Answer. I have delegated the responsibility for determining the appropriate split between near-term and long-term research and development to the Under Secretary for Science and Technology and he keeps me and others informed, although the final responsibility is mine. In the approximately 1 year that this Department has been in existence, the Science and Technology Directorate has focused its initial efforts on near-term development and deployment of technologies to improve our Nation's ability to detect and respond to potential terrorist acts. However, we recognize that a sustained effort to continually add to our knowledge base and our resource base is necessary for future developments. Thus, we have invested a portion of our resources, including our university programs, toward these objectives. The following table indicates the Science and Technology Directorate's expenditures in basic research, applied research, and development to date, excluding construction funding.

SCIENCE AND TECHNOLOGY DIRECTORATE R&D INVESTMENTS

[In millions of dollars]

	Fiscal year 2003 (actual)	Fiscal year 2004 (estimated)	Fiscal year 2005 (proposed)
Basic	\$47	\$117	\$80
Applied	59	56	229
Developmental	398	608	643
Total	\$504	\$781	\$952
Percent basic	9.3	15.0	8.4

Our initial expenditures in basic research are heavily weighted by our investments in university programs. These university programs will not only provide new information relevant to homeland security, but will also provide a workforce of people who are cognizant of the needs of homeland security, especially in areas of risk analysis, animal-related agro-terrorism, bioforensics, cybersecurity, disaster modeling, and psychological and behavioral analysis. In addition, the Science and Technology Directorate is allocating a portion of its resources to high-risk, high-payoff technologies and expects to gradually increase its investments in long-term research and development to a level appropriate for its mission and the Department.

Question. What do you envision as the role of the Department of Homeland Security in investments in future R&D to meet homeland security requirements?

Answer. At the current time, the Science and Technology Directorate is working hard with available funds to fill critical gaps in our Nation's ability to prevent, protect against, respond to and recover from potential terrorist attacks; however, we are all well aware that it is only with a strong investment in long-term research that we can feel confident we are maintaining a robust pipeline of homeland security technologies to keep us safe for the decades to come. Successful businesses reinvest 10–15 percent of their total budget in research and development; the Science and Technology Directorate will strive in future years to invest a similarly significant portion of its resources into long-term research.

INTERAGENCY COLLABORATION

Question. Mr. Secretary, the Department of Homeland Security combines the programs and personnel for many Federal agencies. Creating a culture as one department is a real challenge, but there are capabilities throughout the Federal Government that can assist your Department in meeting homeland security threats.

I would encourage the Department to develop strong positive relationships with other Federal departments and agencies where there is opportunity for collaboration and cooperation to make your job easier.

Is it correct that your Department has worked with both the Department of Energy and the National Nuclear Security Agency (NNSA) as it develops its programs to meet homeland security threats?

Answer. The Department of Homeland Security has worked very closely with the Department of Energy (DOE) and NNSA from the very early stages of the development of the Science and Technology (S&T) program. The DOE laboratories provided extensive technical expertise and advise regarding the S&T program development.

Question. How would you characterize these interactions?

Answer. The Department's interactions with DOE and NNSA have been very positive. The Department of Homeland Security's (DHS's) S&T staff has an open communication relationship with DOE senior managers as well as with the DOE field personnel. Since some of the S&T staff came from DOE, there are close ties and good relationships that facilitate developing the processes of how DOE and DHS work together. When issues arise, they are quickly elevated so that communication occurs between the appropriate parties in both Departments and a resolution achieved.

Question. What potential do you see for future collaborations?

Answer. The Department of Homeland Security fully expects to continue and enhance its collaborations with the DOE and NNSA, as well as other Federal agencies conducting work of relevance to homeland security. For example, the S&T Directorate is committed to utilizing the extensive capabilities of all DOE laboratories and to engage them in all aspects of our research, development, testing and evaluation (RDT&E) program. The Directorate's Office of Research and Development is developing an enduring RDT&E capability through stewardship of the homeland security complex. To meet the Federal stewardship goal, the DOE laboratories will play a significant role in assisting in the strategic planning of the threat-based programs such as radiological/nuclear and biological countermeasures programs. The DOE laboratories also have significant existing capabilities and facilities for addressing terrorist threats, thus DHS will contribute support for some existing DOE facilities and reach-back into these unique capabilities. In addition, the DHS University Scholars and Fellows program is working with the DOE laboratories to place students with DOE mentors.

Question. The science and technology directorate at the Department has had discussions with the DOE national laboratories in such areas as radiological and nuclear and bioterrorist threats. The labs have significant capabilities to assist the Department of Homeland Security. Do you envision these collaborations continuing? Are there any barriers to such activities? If so, can Congress assist in addressing these issues?

Answer. The Department's Science and Technology Directorate will continue to utilize the DOE laboratories to address S&T requirements including key threat areas such as radiological, nuclear and biological countermeasures. Collaborations between DHS and DOE have been very successful to date, and the Science and Technology Directorate plans to continue these collaborations well into the future. There are currently no barriers to these collaborations. If circumstances change, the Department will bring this to the attention of Congress.

FEMA—CERRO GRANDE FIRE

Question. Mr. Secretary, when FEMA joined your Department, you inherited the Cerro Grande fire assistance program. The devastating Cerro Grande Fire occurred in New Mexico in May 2000. This fire consumed almost 48,000 acres of forest, destroyed nearly 400 homes and caused damage or injury to 1,000 families, countless businesses, the county of Los Alamos, the State of New Mexico, four Indian pueblos, and Los Alamos National Laboratory.

I would remind my colleagues that this fire was started by the Federal Government when a controlled burn at Bandelier National Monument burned out of control. For that reason, the Congress enacted the Cerro Grande Fire Claims Assistance Act of 2000, and appropriated \$455 million to FEMA to establish a claims program to compensate victims of the fire.

The fiscal year 2004 Homeland Security Appropriations Act included \$38.1 million to continue paying claims under the Act. Based upon information from the Department, the conferees on the fiscal year 2004 bill stated that, and I quote, "this funding will fully cover all remaining Cerro Grande fire claims" (end quote).

Would you please provide the Subcommittee with a summary of the claims activity under the Cerro Grande Fire Assistance Act of 2000? Please include the number of claims filed, processed, approved, and declined by category of claim (individual, business, Native American, governmental).

Answer. The Office of Cerro Grande Fire Claims (OCGFC) has received a total of 21,515 claims: 13,700 individual/household claims; 1,861 business claims; 6 Pueblo/Native American claims; 20 governmental claims; and 4,562 subrogation claims from the insurance industry. The balance of the claims consisted of small-dollar-amount claims, not-for-profit claims, or streamlined claims (both business and individual claims under \$10,000). With the exception of the pending appeals and arbitrations (see answer below), virtually all of the claims have been resolved. OCGFC has not kept records by category on the numbers of claims approved in whole or in part, or denied in whole or in part.

Question. Please provide the Subcommittee with information on the number of claims that have been appealed and the general status of those appeals.

Answer. OCGFC has received 718 Administrative Appeals, of which only 28 are still pending. The remainder have been accepted, denied, or withdrawn. Of the 135 arbitrations that have been filed with OCGFC, 120 arbitrations are complete, and 15 arbitrations are pending.

Question. What is the status of subrogation claims for insurance companies that assisted individuals and businesses in the immediate aftermath of the fire? Will insurance companies be adequately reimbursed for their expenses, and what factors are taken into account in determining their appropriate payments?

Answer. Of the 4,562 subrogation claims filed with OCGFC, all but 42 were determined to be eligible. OCGFC has made 56 percent partial payments on the subrogation claims. We have reimbursed insurers and reinsurers only the amounts that they paid out under their insurance policies, and we have not reimbursed subrogation claimants for their expenses of administering the claims they received from their insureds. These expenses are currently the subject of litigation.

Question. Finally, what is the status of the funding remaining for Cerro Grande fire claims and for administrative expenses?

Answer. As of March 25, 2004, \$55,596,000 remained in available claims funds and \$950,000 was available to cover administrative expenses. 5. Is it correct that there is sufficient funding remaining under current appropriations to satisfy pending claims, anticipated favorable appeals, and subrogation claims by insurance carriers? If not, what is the estimated amount needed to fulfill these obligations?

Answer. We believe that there are sufficient funds to settle all remaining claims.

QUESTIONS SUBMITTED BY SENATOR RICHARD C. SHELBY

Question. Mr. Secretary, the President's request provides \$50 million for the Center for Domestic Preparedness (CDP). This is \$5 million below the fiscal year 2004 enacted level and well below the level necessary to train our Nation's first responders. As you point out in your budget justification the CDP is the only live agent training facility available to our Nation's first responders. With a budget of \$75 million, the CDP can train almost 100,000 first responders. This is almost twice the 55,000 they plan to train this year with \$55 million. The CDP serves a vital role in our Nation's first response capability. Could you please explain then, why the CDP's budget has been cut for fiscal year 2005?

Answer. As you know, the Center for Domestic Preparedness is a Department of Homeland Security-owned and operated facility that provides training to our Nation's emergency responders. CDP offers live chemical agent training—the only facility in the world that provides such training to civilian emergency responders. CDP has provided training for emergency responders since it was established in 1999, and is widely recognized as a world leader in the training of emergency response personnel in the handling of live chemical agents.

The CDP has received significant funding over the years. The President's fiscal year 2005 budget request provides \$50 million for the continued operations of the Center. This level is equal to the amount requested by the Administration in the fiscal year 2004 request. Beginning in fiscal year 2005, the NDPC funding will be used solely to cover their fixed operating expenses. States will be required to pay for the costs of sending their emergency responders to NDPC facilities. The NDPC facilities, therefore, will not have to cover the full-costs of participating emergency

responders, which reduced enrollment flexibility. This flexibility will likely allow NDPC members to train additional emergency responders without incurring the additional travel and financial costs of enrollment.

Additionally, the Department and ODP are strongly encouraging states to institutionalize awareness and performance level training at State facilities. One of the overarching goals of the Homeland Security Grant Program, which will provide more than \$2.2 billion to states and territories in fiscal year 2004, is to provide sufficient resources to allow states and territories to develop their own capacity to offer awareness and performance level training courses. The Department and Administration will continue to support this effort in fiscal year 2005, which will allow NDPC members to concentrate on specialized training courses.

Question. Mr. Secretary, in your statement you mentioned that you have provided \$20 million for planning and exercises associated with medical surge capabilities. What assets does DHS plan to commit to training medical personnel to respond to large scale disasters or a WMD event?

Answer. DHS currently is planning to use the Noble Training Center to assist in training medical personnel for medical surge capability. In the President's Budget for fiscal year 2005, DHS has requested an increase of \$15 million to develop one fixed and one mobile medical surge hospital module, and an increase of \$5 million for associated planning, training, and exercises to validate and demonstrate the medical surge capacity provided by these modules. The fixed module would essentially consist of a package of hospital supplies, equipment, materials, etc., that could be pre-positioned in a high risk area and quickly inserted into or assembled in a pre-existing space, facility, or structure to provide hospital capabilities. Similarly, the mobile module would consist of a complete package of hospital supplies, equipment, materials, etc., that could be rolled in from another location and placed in a pre-existing structure, or the mobile module would include the structure (trailers, tents, etc.) in which the hospital would be housed. Planning, training, and exercises associated with the use of these modules will allow the concept to be refined. Additionally, this activity will help in identifying potential locations, factoring in significant criteria including: overall population of the jurisdiction; population density in and around the location; hazards and risk prevalent in the location (including natural, technological, and terrorist incidents); existing hospital capacity, strength, and organization; and existing medical response and public health system.

The major elements of the medical surge capacity enhancement program will include facility, equipment, supply, and pharmaceutical procurement; leased space for storage of field facilities; salaries and benefits for additional staff required for equipment maintenance, and program and fiscal management; dedicated ground transportation for field facilities; life-cycle costs for equipment, pharmaceutical, and supply replacement; field exercises and system evaluations; identification and implementation of corrective actions; and development of web-based interactive and hands-on training curricula for facility set-up, maintenance, operation, and demobilization.

Also, through the National Disaster Medical System (NDMS) Online Training Program, NDMS is responding to the need to improve the ways in which its response team medical personnel respond to large-scale disaster and weapons of mass destruction (WMD) events. The training program is designed specifically for disaster responders; providing the critical information needed to help them better perform their jobs under the most austere conditions. The online training program ensures that NDMS response team medical personnel will have appropriate orientation and training for optimal field performance.

Training opportunities are also offered during the annual NDMS Conference. With several pre-conference, main, and plenary sessions and training demonstrations available, NDMS response team medical personnel are provided access to the latest in emergency management, disaster response, and coordination capabilities. Additional training is also provided to NDMS response team medical personnel through their State- and locally sponsored exercises and training courses. These exercises and training courses are designed to enhance organization and rapid response capability.

Question. Recently, the President in Homeland Security Presidential Directive #8 defined a "first responder" as: those individuals who in the early stages of an incident are responsible for the protection and preservation of life, property, evidence, and the environment, including emergency response providers as defined in section 2 of the Homeland Security Act of 2002 (6 U.S.C. 101), as well as emergency management, public health, clinical care, public works, and other skilled support personnel (such as equipment operators) that provide immediate support services during prevention, response, and recovery operations." Wouldn't you agree that medical

and hospital personnel are crucial to “preservation of life”? Why then have we done so little to ensure they are prepared?

Answer. Medical, public health and hospital personnel are an essential component of the Nation's response capability. The Department of Homeland Security recognizes their importance, as has Congress. The Department, through programs administered by the Office for Domestic Preparedness (ODP) and the Federal Emergency Management Agency (FEMA), provides support to the emergency medical services and to hospital providers.

ODP, in particular, administers the Homeland Security Grant Program and the Urban Areas Security Initiative, which provide funds to states and urban areas, respectively, to enhance homeland security efforts across the Nation. In fiscal year 2004, ODP will provide more than \$2.2 billion to states, localities, and the emergency response community through HSGP. Additionally, through UASI, ODP will provide an additional \$746 million. Emergency medical personnel, including Emergency Medical Technicians (EMTs) and ambulatory services, and hospitals and hospital providers are eligible to receive assistance through these two programs. HSGP and UASI fund a range of activities, including the acquisition of specialized equipment, the provision of training, and exercise support.

ODP also administers a robust training program through the National Domestic Preparedness Consortium (NDPC). Through the NDPC, along with other training partners, ODP offers nearly 40 courses for the emergency response community. As part of the training effort, emergency medical personnel and public health officials are eligible to attend a number of different courses offered. A few examples of the training courses that emergency medical and public health officials are eligible to attend include: “Emergency Response to Terrorism: Basic Concepts,” “Emergency Medical Services: Basic Concepts for WMD Incidents,” “Emergency Response to Domestic Biological Incidents—Operations Level,” “Emergency Medical Services Operations and Planning for WMD,” and “Hospital Emergency Management: Concepts and Implications of WMD Terrorist Incidents.”

In fiscal year 2005, DHS and FEMA will be responsible for two programs that strive to prepare medical and hospital personnel to deal with mass casualty incidents: the National Disaster Medical System (NDMS) response teams and the Noble Training Center. Both have major linkages in supporting the “first responder” infrastructure.

NDMS is a coordinated effort by FEMA and other Federal agencies, in collaboration with the States and other public and private entities, to provide health and medical services to the victims of public health emergencies. The System organizes approximately 8,000 intermittent Federal employees into more than 107 medical and specialty response teams. The System can also provide for patient evacuation and definitive medical care of disaster victims.

The incorporation of NDMS into DHS has improved response capability by enhancing coordination between health and medical response organizations and other functional disaster response activities. This will ensure that future planning and response efforts are well-coordinated and efficient. The reorganization has centralized emergency response functions within one Department. This will also allow for the sharing of training activities and programs to include local, State, and Federal disaster drills and field exercises, and will enhance the coordination of logistical functions that support emergency response, thereby improving the efficiency and effectiveness of the response. This reorganization will also ensure that threat information is received in a timely manner and will enable increased readiness actions to be taken in order to reduce response time.

The Noble Training Center (Noble) also transferred from HHS to DHS. While the program resided at HHS, a 5-year strategic plan was developed for it by a consortium of universities that included Vanderbilt University, the University of Alabama at Birmingham, and Louisiana State University. The strategic plan identified immediate and continued training needed for medical first responders, as well as for the medical community, to be able to quickly identify and treat victims of a WMD attack. The plan identified training needs for hospital emergency room physicians and nurses, emergency medical technicians and paramedics, and hospital engineers and administrators. This training would include treatment modalities relating chemical, biological, radiological, and nuclear assaults to ensure that all hospital personnel, including medical, engineering, and administrative, would be prepared to effectively treat victims. In addition, Noble is currently working with HHS' Health Resources and Services Administration and its Hospital Preparedness program to train some of the grantee hospital personnel at Noble this year.

In addition to the work that ODP is doing in this area, the Department is working with the Department of Health and Human Services (HHS) on a related project called Project BioShield. The fiscal year 2005 request includes \$2.5 billion for this

effort to encourage the development and pre-purchase of necessary medical countermeasures against weapons of mass destruction, and improved bio-surveillance by expanding air monitoring for biological agents in high-threat and high-value targets such as stadiums and transit systems. This provides significant funds for this effort, which was funded at \$885 million in fiscal year 2004. Further, the President's fiscal year 2005 budget request includes \$20 million for the Department's Emergency Preparedness and Response Directorate for studies and pilot programs for medical surge capabilities. Also, since 2001, over \$4.5 billion has been made available in Federal public health preparedness grants for counterterrorism.

Comment.—The Noble Training Center (Noble) at Fort McClellan, Alabama was established as a medical training center for medical first responders. According to FEMA, "Noble Training Center is unique in that it is the only hospital facility in the United States devoted to medical training for hospital and healthcare professionals in disaster preparedness and response." From fiscal year 1999 to fiscal year 2001, I helped send additional resources to Noble to help them build their capability, much like what was done at CDP.

However this money seems to have disappeared and today Noble has, to my knowledge, not grown in capability or capacity to train medical personnel. While I understand that much of this took place while Noble was under the direct control of the Public Health Service, it is my understanding that virtually no activity has taken place at the Noble Training Center since DHS took control.

Question. Will the Department make a habit of allowing valuable assets to sit unused?

Answer. DHS is making extensive use of the Noble Training Center and is very pleased to have Noble as an element in the DHS training system. During fiscal year 2003, the Department delivered the most ambitious schedule of training ever at Noble, and it is delivering an even greater slate of activities during fiscal year 2004.

For fiscal year 2003, DHS delivered the schedule of training activities that the Department of Health and Human Services (HHS) had set up and offered a number of FEMA courses at Noble. Activities for the year included several offerings of the "Healthcare Leadership and Administrative Decision-making in Response to WMD Incidents" course, which was conducted under contract by Auburn University and its subcontractors, which included the University of Alabama at Birmingham, Vanderbilt University, and Louisiana State University. DHS delivered additional courses at Noble in partnership with the Centers for Disease Control and Preparedness (CDC) to prepare CDC's emergency response teams. One of the Department's goals for fiscal year 2004 is to train more than 1,300 students at the facility. The total number of students trained in all prior years was 2,274.

Question. What is the Department doing to correct this poor use of taxpayer's money?

Answer. When Noble was transferred to DHS in March 2003, it was assigned to FEMA. FEMA officials quickly analyzed the situation at Noble, inspecting the facility and examining instructional programs. At the time, Mike Brown, Acting Under Secretary for EP&R, established the following priorities for Noble: (1) correct deficiencies in the infrastructure to ensure that the facilities and systems would support a world-class training activity; (2) maximize the utilization of Noble by offering a full schedule of first-rate instructional programs targeted at planning and response for mass casualty events; and (3) integrate Noble into the DHS/FEMA training system managed by the United States Fire Administration, which includes the National Fire Academy and the Emergency Management Institute (EMI). Efforts to meet these goals began at once. In addition to offering the aggressive schedule of training described above, DHS also:

- Awarded a contract to the SEI Group, Inc. of Huntsville, Alabama, to manage the Noble physical facility
- Awarded a contract to DECO Security Services, Lorton, Virginia, to provide security for the facility
- Arranged for classroom support to be provided through an existing EMI contract
- Continued work on a \$1 million healthcare weapons of mass destruction (WMD) curriculum development project with Auburn University and its subcontractors (Work on this project is scheduled for completion by June 30, 2004.)

During fiscal year 2004, in addition to a full slate of instructional programs, the following key activities are underway to improve the Noble facilities:

- Update Noble's phone system and computer network
- Renovate 2 dormitory buildings to provide housing for 160 students at a time
- Retrofit the third floor of Noble to create a state-of-the-art exercise and simulation training area

Question. I would like to know specifically, how many hospital and healthcare professionals have been trained at Noble Training Center and how many Federal dollars have been spent at Noble to date?

Answer. Since its inception, Noble has conducted the following training:

TRAINING ACTIVITY	PARTICIPANTS
Hospital Leadership and Decision-making	717
National Pharmaceutical Stockpile Training	293
Integrated Health and Medical WMD Training	250
Emergency Coordinator Augmentee	150
Nunn, Lugar, Domenici Hospital Preparedness	54
Epidemic Intelligence Service (WMD)	277
Mass Immunization Training	63
Tactical Emergency Medical Service in a WMD incident	36
Hazardous Materials for Healthcare Train-the-trainer	41
Integrated Emergency Management for CDC response staff	162
Emergency Response to Domestic Bioterrorism	20
Critical Actions Aimed Toward Emergency Response	76
Radiological Emergencies (Commissioned Corps)	135
Total Participants	2,274

Based on careful analysis of HHS records and FEMA's current spending plan, by the end of fiscal year 2004, HHS and DHS will have spent approximately \$17.8 million on the Noble Training Center. This figure excludes salary and expenses for two full-time Federal employees at Noble and student expenses paid directly by HHS. The by-year breakdown is as follows:

	Amount
Fiscal year 1999	\$2,800,000
Fiscal year 2000	845,000
Fiscal year 2001	1,500,000
Fiscal year 2002	4,000,000
Fiscal year 2003	1,369,092
Fiscal year 2004	7,300,000
TOTAL	17,814,092

Comment.—Just around the corner from Noble is the Center for Domestic Preparedness, the pinnacle of first responder training. The CDP has been a training facility for roughly the same amount of time as Noble. This fiscal year CDP is scheduled to train in excess of 50,000 first responders. I can only guess that the differences are due to management.

Question. Can you explain to me why these two centers are in such contrast?

Answer. We cannot address HHS' utilization of Noble. However, since DHS assumed responsibility for Noble in March 2003, it has played a key role in the Department's overall efforts to prepare emergency personnel, and it is an important part of the Department's plans for the future. Noble has joined FEMA's training team, which will train more than 250,000 personnel in fiscal year 2004.

Question. How many responders do you plan to train at Noble this year?

Answer. We expect to train 1,320 personnel at Noble in fiscal year 2004 in the following courses:

- 7 "Healthcare Leadership for WMD Incidents" courses for 490 participants
- 6 Metropolitan Medical Response System exercise-based, integrated emergency management courses for 420 participants
- 3 CDC partnership courses for 180 personnel
- 9 Radiological Emergency Response Operations courses for 230 participants

Based on funding of approximately \$4.3 million we have maximized our deliveries as we ramp up effort for fiscal year 2005 and for fiscal year 2006. The Noble facility cannot currently accommodate as many students as can the CDP facility, given existing facility sizes and infrastructure.

Question. How much do you propose to spend in these efforts?

Answer. In fiscal year 2004, \$4.3 million is allocated for the Noble Training Center. Additional funding from other DHS sources is expected to bring total expenditures for Noble this year to approximately \$7.3 million.

Question. Is there any action being taken to tap into the expertise of the CDP?

Answer. Yes. Collaboration between the CDP and FEMA training officials has been in progress for some time. We are currently working on the following plans:

- Consolidating student support services and logistical support between CDP and Noble
- Conducting joint medical training for first responders
- Conducting outreach training for Tribal emergency personnel

Question. What are your intentions for Noble in the next 2 years?

Answer. We are making extensive use of the Noble Training Center (Noble) and are very pleased to have it as an element in the Department of Homeland Security (DHS) training system. During fiscal year 2003, DHS delivered the most ambitious schedule of training ever offered at Noble, and is undertaking an even more ambitious slate of activities in fiscal year 2004.

Noble was transferred to DHS in March 2003, and was assigned to the Emergency Preparedness and Response Directorate (EP&R)/FEMA. FEMA officials quickly analyzed the situation at Noble, inspecting the facility and reviewing instructional programs. At that time, Acting Under Secretary for EP&R Mike Brown established three priorities for Noble: (1) Correct infrastructure deficiencies to ensure that the facilities and systems would continue to support world-class training activities; (2) maximize the utilization of Noble by offering a full schedule of first-rate instructional programs targeted at planning and response for mass casualty events; and (3) integrate Noble into the training system directed by DHS' United States Fire Administration, which manages the National Fire Academy and the Emergency Management Institute (EMI). Efforts to meet these goals began at once and continue today. In addition to offering an aggressive schedule of training, FEMA has also:

- Awarded a contract to manage the Noble physical facility to the SEI Group, Inc. of Huntsville, Alabama
- Awarded a contract to provide security for the facility to DECO Security Services, Lorton, Virginia
- Arranged for classrooms and support to be provided through a pre-existing contract supporting the EMI
- Continued work on a \$1 million healthcare weapons of mass destruction (WMD) curriculum development project with Auburn University and its subcontractors (Work on this project is scheduled for completion by June 30, 2004.)

During fiscal year 2004, in addition to a full slate of instructional programs, the following key activities are underway to improve the Noble facilities:

- Update of Noble's phone system and computer network
- Renovation of 2 dormitory buildings to provide housing for 160 students
- Retrofitting of the third floor of Noble to create a state-of-the-art exercise and simulation training area

DHS expects to train 1,320 personnel at Noble in fiscal year 2004 in the following courses:

- 7 "Healthcare Leadership for WMD Incidents" courses for 490 participants
- 6 Metropolitan Medical Response System (MMRS) exercise-based integrated emergency management courses for 420 participants
- 3 Centers for Disease Control and Prevention (CDC) partnership courses for 180 personnel
- 9 Radiological Emergency Response Operations courses for 230 participants

In fiscal year 2005, using the existing funding level and leveraging other funding sources, DHS plans to train 2,125 participants as follows:

- 7 Healthcare Leadership courses for 420 participants
- 8 MMRS exercise-based integrated emergency management courses for 600
- 5 Hospital Emergency Management courses for 150 personnel
- 4 Hospital Emergency Incident Command System train-the-trainer offering for 120 participants
- 7 Radiological Emergency Response Operations courses for 155 responders
- 1 Advanced Radiological Incident Operations training course for 30 responders
- 1 Radiological program train-the-trainer course for 30 trainers
- 5 Response Team training for CDC staff, with a total of 300 participants
- 8 Disaster cadre training courses (various titles) for 320 students

In addition, EMI is currently assessing training needs for the National Disaster Medical System cadre. While the cadre's initial training is currently offered online, Noble is being considered for use in meeting some of the cadre's exercise-based course requirements.

Also, for fiscal year 2005, DHS will continue to collaborate with the Center for Domestic Preparedness (CDP), and plans to join forces with CDP to deliver training. This joint training will simulate the responder/hospital personnel interface that is critical during a mass casualty event.

Comment.—When we began this adventure, it was my belief that the proximity of CDP and Noble would allow us to provide one of the best comprehensive incident response training programs in the country. Not only do we have the only live agent training facility, but just around the corner is “the only hospital facility in the United States devoted to medical training for hospital and healthcare professionals in disaster preparedness and response.” This would provide the opportunity for municipalities, communities, regions and states to know that their responders are prepared from the site of the incident throughout the hospital, not just to the emergency room door. This is an opportunity for comprehensive training that must not be ignored if we expect our first responders and medical personnel to act fluidly in the event of a disaster.

Question. I would like your thoughts on this concept.

Answer. While each organization has its special expertise, we believe that bringing CDP and other FEMA training activities closer together will greatly enhance services for the Nation’s emergency responders.

Question. Mr. Secretary, I continuously hear of concerns from my localities regarding the speed at which funds are dispersed to their final destination. What is the Department doing to ensure that these funds are put to use more quickly?

Answer. The Department of Homeland Security takes seriously our responsibility to provide resources to our Nation’s emergency prevention and response community and to ensure that this assistance is provided in most efficient, effective and responsible manner. I believe that Congress also supports this goal. Indeed, Congress has provided strict timeframes within the last several appropriations acts for the Office for Domestic Preparedness (ODP) and the Department of Homeland Security. In the fiscal year 2003 Omnibus Appropriations Act, the fiscal year 2003 Emergency War-time Supplemental Appropriations Act, and the fiscal year 2004 Department of Homeland Security Appropriations Act, Congress required that ODP allocate funds to states within 30 days of the enactment of these acts. Congress further required that states apply for their allocated funds within 30 days of the allocation or availability of funds. Congress required that ODP make awards to states within 30 days of receipt of application, or receipt of updated homeland security strategies, whichever was later. Additionally, Congress required that states obligate or pass-through funds to units of local government within 60 days of receipt of an award from ODP.

These timeframes have certainly expedited the award of funds to states under the Homeland Security Grant Program and the Urban Areas Security Initiative. However, some complaints of the slowness of funds reaching localities are legitimate and understandable. There are certain impediments to localities receiving their funds from their states that are outside of the control of the Department of Homeland Security. For instance, some states can not accept Federal funds unless they have been previously included in their State budget. Depending on when the State legislature convenes, the transference of funds and support to localities might be delayed. Additionally, as pointed out in the December 1, 2003 survey by the National Emergency Management Association, a number of other factors at the State and local level serve to impede the timely transfer of homeland security funds to localities, including State and local bid requirements for Federal funds. Further, equipment inventory stock might also prevent speedy delivery of equipment to State and local emergency responder agencies.

The Department and ODP are making every effort to expeditiously award funds to states. With the assistance of Congress, we have made great strides in providing funds and other assistance to states and units of local governments. Unfortunately, because of certain State and local restrictions, funds might experience a delay at the State and local levels. On March 16, 2004, Secretary Ridge announced that formation of the Homeland Security Funding Task Force charged with examining the first responders funding process and ensuring Federal grant money monies move quickly to the end user: first responders.

Question. I applaud the consolidation of grants under the ODP. I believe a one-stop shop is an important part to making the grant process more accessible to all entities. Will you develop a mechanism to ensure that funds are used in a manner that ensures the proper distribution of assets? Will the different grants be working in conjunction? Or in other words how will ODP ensure that the right hand knows what the left hand is doing?

Answer. On January 26, 2004, I announced my intention to consolidate the Office for Domestic Preparedness with the Office for State and Local Government Coordination and Preparedness to form a new office—the Office for State and Local Government Coordination and Preparedness. As I explained at the time, this consolidation is in direct response to requests from the field, which date back to 1998, to provide State and local governments with a “one-stop-shop” and one central focal point for grants, assistance, and other interactions related to homeland security.

This consolidation will place 25 various State and local support programs and initiatives within one office to ensure simplified and coordinated administration of these programs. I firmly believe that this consolidation will benefit both DHS and the State and local emergency response community. As part of this effort, the new Office will issue application kits and provide awards that combine several different grant programs. ODP took the first step in this direction through the fiscal year 2004 Homeland Security Grant Program, which combined three separate ODP-administered programs under one single application kit. The new Office of State and Local Government Coordination and Preparedness will use this combined application kit as a model for future grant programs.

Further, the new Office of State and Local Government Coordination and Preparedness will depend on the subject matter experts within the agencies previously administering these consolidated programs to ensure that invaluable experience and expertise with these programs is not lost. The Department is currently working to ensure that that this expertise is not lost, but continues to guide the development and day-to-day management of these programs. Through these efforts, I am confident that the new office will provide assistance to states and localities in a more efficient, coordinated, and streamlined manner. I appreciate your support for the consolidation and look forward to your continued support on this and other Department initiatives.

Question. Mr. Secretary, your budget provides the Coast Guard with \$678 million for the Integrated Deepwater System. I remain concerned with the Coast Guard's management of the Deepwater procurement and how the Coast Guard is prioritizing use of its funds. The Coast Guard and OMB appear to have lost sight of the priorities of legacy replacement and the goal of reduced operational expenses. Every dollar spent poorly in this procurement process delays the Coast Guard's ability to obtain the best, most modern equipment to protect the homeland. The funding will acquire two UAV's, a National Security Cutter, three SRP's, one LRI, and IDS patrol boats. Noticeably absent is the Maritime Patrol Aircraft, the CASA CN-235. Why were funds for the MPA not included? How does the Coast Guard intend to make up for the loss of this critical asset? How many MPA does the USCG intend to purchase? When can we expect the Coast Guard to request funding for the MPA?

Answer. The Coast Guard's fiscal year 2005 budget requests funds for the Maritime Patrol Aircraft (MPA) to missionize the third CASA aircraft, which was funded for acquisition in fiscal year 2004. This missionization includes the logistic complement required for Full Operating Capability and partial spare parts used for the logistics system start up. The Coast Guard is currently acquiring the CASA CN235-300M as the Deepwater MPA. The delivery of the first two MPA is scheduled for 2006, with full operational capability in late 2006 or early 2007.

The Coast Guard will use existing aircraft in the Coast Guard inventory to ensure the Nation's highest maritime security and safety priorities are met until new aircraft are delivered.

The number of Maritime Patrol Aircraft in the current Implementation Plan is 35. Simultaneously, the Coast Guard is working to align the Deepwater Program with the strategic goals and objectives of the Department of Homeland Security (DHS). DHS Management Directive 1400 established an Investment Review Process, which included an interagency Investment Review Board (IRB) and Joint Requirements Council (JRC). The Investment Review Process is designed to ensure that spending on investments directly supports and furthers DHS missions; optimal benefits and capabilities are provided to stakeholders and customers; acquisition oversight of new investments is provided throughout their life cycle; and portfolios are managed to achieve budget goals and objectives. The Coast Guard is working aggressively with the IRB and JRC and its newly chartered Aviation Council to ensure capital funds provide the best Departmental investment. The DHS Joint Requirements Council (JRC) partially reviewed DHS Aviation Requirements in January 2004 at their first meeting. Until DHS and Coast guard decisions are made on future aviation requirements, it is difficult to project the exact mix of aircraft in the final Deepwater solution.

The Maritime Patrol Aircraft is an essential element of the Deepwater system of systems approach to the recapitalization of Coast Guard assets. The Deepwater plan projects future funding for MPAs to achieve its long-term project goals.

QUESTIONS SUBMITTED BY SENATOR JUDD GREGG

Question. Mr. Secretary, I would like to address the matter of the Customs Services' ability to meet the increased needs of new and growing airports and seaports for inspections services. If Customs is not able to expand its services into new, eco-

nomically growing communities around the country then not all areas of the country will be able to share in the economic benefits of international trade and tourism—and as a result then the economic growth of the Nation as a whole will also be restricted.

My concerns in this regard have been raised by my experience in working with Customs unsuccessfully to provide inspection services to the Pease International Tradeport in Portsmouth/Newington, New Hampshire. When I was governor, I helped take the first steps to create the Tradeport following the BRAC closing of Pease Air Force Base with the vision of it becoming a commercial air terminal open to international flights and thus helping to drive the economy of not only New Hampshire, but the entire region.

Unfortunately, despite spending over \$35 million in Federal and State funds to build a commercial terminal, according to Customs' own specifications, we have been unsuccessful in getting Customs' to either approve the use of the facility as is—or to even tell us what the post-9/11 modifications are that Customs insists are now needed. Even more frustrating has been Customs refusal to provide inspection services, even over the short-term, so that DOD chartered aircraft currently carrying U.S. military personnel home from Iraq and Afghanistan can land and refuel at Pease on their way to the troops' ultimate destinations within the United States. While Customs says on the one hand that it does not have the manpower to service these 11–15 flights every 45 days, it also says it could do these inspections at current manpower levels—if Pease paid economically exorbitant and untenable fees to the Customs service.

I would note that two Customs inspectors actually have offices on Pease Tradeport's premises and the local Air National Guard unit has been trained to provide such inspection services; however Customs will neither use the local Customs officers or allow the Air National Guard unit to provide the necessary inspection services so that the DOD charter flights can land at Pease.

As many of us in New Hampshire had hoped for at Pease Tradeport's actual opening in 1998, Pease's close proximity to Boston's Logan airport is now becoming an attractive as a convenient point for servicing planes and crews of various commercial airlines' domestic and international flights, which are increasingly facing difficulties with flight scheduling, customs, and gate access due to Boston's limited space and heavy traffic. However, Pease Tradeport's value as an alternative for airlines is largely negated when Customs is either unwilling or unable to provide even minimal inspection services.

Again, my parochial experience in this regard has raised my concerns about Customs—and thus DHS'—ability to expand its inspection services into new, economically growing communities throughout the country and whether the benefits of international trade and tourism are going to be confined to areas of the country that already enjoy them for the foreseeable future.

In light of the 35 percent increase in Customs positions that the Congressional Research Service says Congress provided funding for in fiscal year 2002 alone, do you feel the President's budget request, if approved by Congress, provides the Department with the needed flexibility to respond to the need for Customs services to all areas of the country that need them, including up and coming areas of the country like NH?

Answer. The Pease International Tradeport issue is currently under review by U.S. Customs and Border Protection (CBP), Office of Field Operations (OFO). OFO has conducted a study of the facility to determine what additional security modifications will need to be implemented. The results of this study should be compiled shortly.

The Department of Homeland Security, in particular CBP, is committed to providing security for our Nation without impeding the free flow of commerce. The fiscal year 2005 President's Budget should provide CBP with the flexibility to align our staff to existing workload and provide services where needed.

QUESTION SUBMITTED BY SENATOR LARRY CRAIG

UTILIZATION OF DEPARTMENT OF ENERGY NATIONAL LABS

Question. Secretary Ridge, on January 30, 2004, you received a letter signed by the entire Idaho Congressional delegation expressing our objections to guidelines issued by the DHS Office of Research and Development. These guidelines describe DHS's approach to the utilization of Department of Energy national laboratories. A copy of this letter is enclosed herewith. I am aware that you have received similar

letters from other members of Congress and that issues surrounding the implementation of the DHS research agenda may be the subject of current GAO investigation.

How do you intend to address the issues raised in the Idaho delegation's letter and when can I expect a response?

Answer. The Department of Homeland Security, through Section 309 of the Homeland Security Act of 2002, is provided access to the national laboratories and sites managed by the Department of Energy to carry out the missions of DHS.

The DHS Science and Technology Directorate, wishing to make the best use of each of these laboratories and sites in consonance with statute, regulation, and policy, asked laboratories and sites to make a decision regarding their desired mode of interaction with the Directorate—to participate in S&T's internal strategic planning and program development processes or, if otherwise permissible under applicable law, regulation, contract, and DOE policy, to respond to certain types of S&T solicitations open to the private sector.

On March 31, 2004, the following national laboratories and sites communicated their decision to Under Secretary McQueary to participate in S&T's internal strategic planning and program development processes: Argonne National Laboratory, Bechtel Nevada, Brookhaven National Laboratory, Idaho National Engineering and Environmental Laboratory, Lawrence Livermore National Laboratory, Los Alamos National Laboratory, Oak Ridge National Laboratory, Pacific Northwest National Laboratory, and the Sandia National Laboratories. The designation of intramural/extramural is therefore no longer necessary for the nine labs under consideration.

An external review will be conducted to assess the baseline capabilities of the national labs to provide the Department with an enduring capability to meet long-term mission requirements. The results of this review will be utilized by the Homeland Security Science and Technology Advisory Committee to advise the Department on options for establishing a long-term strategic relationship with the national laboratories.

QUESTIONS SUBMITTED BY SENATOR ROBERT C. BYRD

CHEMICAL PLANT SECURITY

Question. Mr. Secretary, you and I have previously discussed the role of the Department of Homeland Security as it pertains to the protection and security of chemical plants in this country. Your Department continues to take a "hands-off" approach by relying on voluntary efforts by the chemical plant industry to assess vulnerabilities and take protective actions.

We know that the EPA has estimated that over 100 plants located all over the country could affect over 1 million people, if attacked. We know that the Department of Justice released a study in April of 2000, concluding that, "the risk of terrorists attempting in the foreseeable future to cause an industrial chemical release is both real and credible." We know that in February of 2003, the National Infrastructure Protection Center (NIPC), which is now part of the Department of Homeland Security, issued a threat warning that, "Al Qaeda operatives also may attempt to launch conventional attacks against the U.S. nuclear/chemical-industrial infrastructure to cause contamination, disruption, and terror. Based on information, nuclear power plants and industrial chemical plants remain viable targets."

We know that the Homeland Security Act requires DHS to analyze the vulnerabilities to our critical infrastructure and take protective actions to strengthen them. However, when you testified last year, you indicated that the chemical industry was better suited to assess vulnerabilities and take appropriate security measures.

Last November, 60 Minutes reporter Steve Croft and Carl Prine, an investigative reporter at the Pittsburgh Tribune-Review, found their way in to numerous chemical plants containing dangerous materials without a hint of resistance. This revelation clearly highlighted the fact that the chemical industry was doing little to nothing to improve security at chemical plants.

A July 2003 survey by the Conference Board found that since 9/11, U.S. corporations have increased their spending on security by only 4 percent.

Mr. Secretary, do you maintain the position that the chemical industry is better suited to assess vulnerabilities and take protective actions to secure chemical plants? Does your budget request address this issue in any way? If so, how much is included for chemical plant security?

Answer. We look to the private sector as the primary agent of change when it comes to assessing vulnerabilities and taking protective measures at their individual facilities. As you know, 85 percent of critical infrastructures are privately

owned. Our role is to provide the tools (standards, techniques, best practices) necessary to do an effective job. We have a genuine program to assess whether this approach is effective and will make adjustments as necessary.

Several initiatives are underway to help protect the Nation's chemical plants. We will spend about \$18 million for protective measures at the 360 chemical plants on the fiscal year 2004 Protective Measures Target List. This amount funds site assistance visits by my security specialists to assess vulnerabilities and help establish buffer zone protection plans. Approximately \$4.1 million is for the acquisition of web cam monitors for local law enforcement agencies to install on public right-of-ways adjacent to 17 critical chemical sites to extend their buffer zones.

Question. What more can you do to make sure that the chemical industry responds with a robust program to secure their plants?

Answer. DHS Protective Security Advisory Teams visited the 17 critical sites last year to provide training and assist site personnel and local law enforcement develop Buffer Zone Protection Plans to make it more difficult for terrorists to conduct surveillance or attack one of our facilities.

For the remaining 343 sites, we will visit each one to provide training, support, and recommendations to owners and operators and local law enforcement. Each site has its own particular needs. Some visits will focus on "inside the fence" issues with plant security personnel to identify and reduce vulnerabilities. Others will involve the development of buffer zones in cooperation with local law enforcement. Some sites will need both types of assistance. We intend to have visited all 360 chemical facilities by the end of the year. We have also published two reports, the Characteristics and Common Vulnerabilities Report and the Potential Indicator of Terrorist Activity (PI) Report, to assist owners and operators of chemical facilities. The former characterizes and discusses common vulnerabilities for chemical manufacturing facilities producing and handling large quantities of inherently hazardous materials while the latter discusses potential indicators and warnings of terrorist activity that law enforcement and plant security personnel can use to better protect their facilities.

We have established a protection, training, and planning program for State homeland security personnel, local law enforcement, chemical facility operators and site security personnel. Periodic drills among the protective community will be conducted to exercise the chemical facilities plans in the case of a potential terrorist attack and we intend to factor chemical plant security into national exercises.

Finally, the Department is in the process of developing plans for deploying a cadre of Protective Security Advisors (PSAs). Each one will have responsibility for a specific region of the country and will maintain a close relationship with the chemical plant owners and operations in their area. The advisors will facilitate information sharing, organize protective security training, assist in emergency coordination, and represent the Department in the communities in which they are posted. Security Augmentation Teams (SATs) are also being developed that will consist of approximately 25 personnel drawn primarily from major urban SWAT units. The teams will focus on protecting high-value sites, such as critical chemical facilities. Their operations concept is to develop working relationships with the site's permanent protective security team and become familiar with the site's specific vulnerabilities. The development of these two programs are in the early stages but are being closely monitored by my office.

IMMIGRATION

Question. How much of a reduction in the more than 6,000,000 petitions pending with U.S. Citizenship and Immigrant Services do you expect to achieve this year with the \$160,000,000 requested in the President's budget?

Answer. With the additional resources requested in 2005, USCIS will achieve the President's goals of eliminating the backlog and achieving a 6-month processing time for all immigration applications by 2006. In order to achieve this goal, USCIS will:

- Reengineer processes to achieve greater efficiencies;
- Update policies and procedures to streamline adjudications and increase the percentage of cases completed at initial review by an adjudicator; and
- Manage production against milestones—beginning with collaboratively setting goals, reporting progress, and identifying additional improvement opportunities.

USCIS is finalizing its Backlog Elimination Plan and will provide this plan to Congress in the coming months. The plan will include a road map to eliminating the backlog with defined milestones.

Question. How many new petitions do you expect the President's Immigration Reform Plan to generate?

Answer. This information will be available once Congress has drafted the legislation and the specifics are known.

Question. What lessons from the 1986 Immigration Reform and Control Act (IRCA) legalization programs have been applied to the President's Immigration Reform Plan?

Answer. The IRCA planning teams developed a strategy that enabled the Service to quickly expand its adjudicative capacity through the establishment of temporary regional processing centers and local interview offices. Temporary employees were hired and trained specifically to adjudicate that workload. INS reassigned experienced executives and managers at all levels to oversee operations, but relied heavily on the skills or retired executives and managers (reemployed annuitants). This strategy enabled the Service to continue its efforts to process the normal casework plus handle the surge in workload caused by the passage of IRCA. Key components of IRCA were: the development of the regional processing center concept, development of a modular office plan for field interviewing sites, automated data systems to record transactions, and receipt of authority from Congress to expedite certain leasing and contracting requirements. In addition, INS received authority to reemploy annuitants without salary offset. The reemployed annuitant program was absolutely critical to the overall success of the program.

INS worked closely with Congress prior to the passage of IRCA, and that cooperation was also instrumental in INS being able to meet the requirements for the legalization provisions of IRCA.

Question. What were the total costs of IRCA's two legalization programs (please break down by main components) and how much revenue was generated in total by the fees charged to process IRCA applications?

Answer. The IRCA program was totally fee-funded. Therefore, the number of applications filed and their respective fees determine the total cost of the program. Our analysis to date of the program has determined a total application workload of approximately 2,700,000, with costs/fee revenues totaling \$245,000,000. The breakdown of this program is as follows: (1) Application for Permanent Residency (2.68,000,000 applications/\$241 million), (2) Application for Status as a Temporary Resident (6,700 applications/\$3.7 million).

Question. How much will the President's Immigration Reform Plan cost, and what components comprise the total cost?

Answer. It is expected that costs associated with the workload would be covered with fees like all other application and petition processing.

Question. If the President's Immigration Reform Plan is funded through fees, what proportion of the funds will be distributed to U.S. Citizenship and Immigrant Services (to adjudicate petitions), to Immigration and Customs Enforcement (for investigations and enforcement), to the Federal Bureau of Investigations (for background checks), to the Department of Labor (for labor certification and worksite enforcement), and to the Department of State's Bureau of Consular Affairs (for visa issuances)?

Answer. CIS costs associated with the temporary worker program will be covered by application fees. The 2005 Budget requested additional funding to support Immigration and Customs Enforcement, an additional \$23,000,000 to more than double the resources devoted to worksite enforcement.

Question. How many full-time equivalent [FTE] personnel will be necessary to implement the President's Immigration Reform Plan? What level of fees or additional appropriations would be necessary to hire those additional FTEs without further increasing the deficit?

Answer. This information will be available once Congress has drafted the legislation and the specifics are known.

DEPARTMENTAL MANAGEMENT

DHS HIRING FREEZE

Question. According to a March 26, 2004 Wall Street Journal article, certain DHS agencies have declared a "hiring freeze" in the Bureaus of Customs and Border Protection and Immigration and Customs Enforcement because of a potential budget shortfall of approximately \$1.2 billion. Could you please explain to the subcommittee whether this shortfall is actually a "computer glitch" resulting from the combining of the budgets from legacy agencies or has the agency simply failed to request sufficient funding for front line staffing as it continues to roll out new border security initiatives such as One Face at the Border, US VISIT, C-TPAT, and C.S.I.?

Answer. During a review of the status of execution of the fiscal year 2004 budget, ICE and CBP determined that implementation of hiring restrictions was a prudent

managerial measure to ensure that they manage their overall requirements within their fiscal year 2004 appropriations. It was also determined that additional focus was required to work through funding realignments related to the establishment of the three new Bureaus.

The Department established a review team composed of staff from the Chief Financial Officer's Office, Border and Transportation Security, CIS, CBP, ICE, and the Coast Guard to assess the situation. The review team engaged in a detailed budget reconciliation effort between the three Bureaus resulting in an internal realignment of \$212 million with possible subsequent internal realignment of approximately \$270 million pending final documentation and billing. The work has been on-going, but agreements have been reached to realign funds to cover costs of services incurred by the Bureaus. Formal memoranda of agreement will be implemented between the three Bureaus and help ensure that funding is aligned with services rendered.

There is no \$1.2 billion shortfall as reported by the Wall Street Journal.

Security initiatives such as One-Face-at-the-Border, US VISIT, C-TPAT and CSI were sufficiently funded through the appropriations process and are not contributing to accelerated rates of expenditures.

Question. Funds for these accounts are apportioned on a quarterly basis. Was the anti-deficiency act violated for any of the CIS, CBP or ICE accounts for fiscal year 2003 or fiscal year 2004?

Answer. The anti-deficiency act has not been violated for the CIS, CBP or ICE accounts in fiscal year 2003 or fiscal year 2004.

TSA REPROGRAMMING PROPOSAL

Question. What is the status of the TSA reprogramming proposal?

Answer. TSA has proposed a modest reprogramming request for fiscal year 2004 in order to meet critical needs. The Department delivered a reprogramming request to the appropriations committees on April 23, 2004. TSA will follow up on answers to questions posed by Committee staff who have been briefed on the request.

FTE

Provide a chart, broken by DHS agency, that have the following headings: fiscal year 2003 on-board end of year, fiscal year 2004 on-board current, fiscal year 2004 projected on-board end of year, fiscal year 2003 FTE, fiscal year 2004 funded FTE, fiscal year 2005 FTE request.

DEPARTMENT OF HOMELAND SECURITY FISCAL YEAR 2003—2005

Component/Bureau	Fiscal year 2003 FTE	Fiscal year 2003 On-Board End of fiscal year	Fiscal year 2004 On-Board Currently	Fiscal year On-board Projected end of fiscal year	Fiscal year FTE	Fiscal year 2005 FTE	Comment
Border & Transportation Security:							
Office of the Under Secretary	5	5	27	40	67	75	
US VISIT				64	64	102	
U.S. Bureau of Customs & Border Protection	38,452	40,178	¹ 41,847	² 41,298	³ 40,076	41,001	SEE FOOTNOTE (CBP)
Immigration and Customs Enforcement ⁴	35,955	34,708	15,861	15,000	14,749	15,550	Fiscal year 2003 includes Legacy INS; Fiscal year 2004 onboard does not include FTE for Federal Air Marshal Service
Transportation Security Administration	58,612	55,920	51,646	53,046	51,346	52,503	Direct and reimbursable
U.S. Coast Guard—Civilian	6,341	6,773	6,717	7,237	6,492	6,821	
U.S. Coast Guard—Military	39,219	39,644	39,981	39,938	39,874	40,259	
U.S. Secret Service	6,019	6,209	6,292	6,493	6,381	6,506	
Emergency Preparedness & Response	5,432	5,726	5,682	5,970	4,780	4,776	Direct
U.S. Citizenship & Immigration Services	9,625	9,100	8,875	9,000	9,795	9,937	Decrease in on-board due to hiring freeze
Federal Law Enforcement Training Center	831	908	931	934	934	936	
Information Analysis & Infrastructure Protection	226	226	263	543	729	737	
Science & Technology	79	34	57	180	180	218	FTE numbers do not include: sin public health service FTE spt. S&T; staff at the enviro measurements lab; staff at PIACD and IPAs
Departmental Management:							
Departmental Operations	274	359	445	617	708		
Office for Domestic Preparedness	129	57	69	146	146	197	
Wireless/IT	15	5	5	15	15	15	
Inspector General	372	396	402	500	457	502	
Totals	201,312	200,163	179,014	180,849	176,702	180,843	

Note: On-Board are positions not FTE (full time and part time).

¹ Fiscal year 2004 on-board is as of 2/7/04 Current on-board numbers are positions not FTE. Full-time 40,227; Part-time 1,620.

² Consistent with CBP staffing report required by the fiscal year 2004 Appropriations Act. End of year on-board will vary significantly resulting from transfer of employees between CBP and ICE. These transfers are result of the organizational realignment required by the creation of DHS.

³ Discretionary and Mandatory FTE that was built off the fiscal year 2003 actual FTE and includes additional positions appropriated by Congress. Estimated FTE usage at the end of fiscal year 2004.

⁴ Does not include FAMS.

DHS PERSONNEL REGULATIONS

Question. Concerns have been raised with regard to the adequacy of funding for the Department of Homeland Security, specifically funding for first responders and other frontline personnel. In light of funding limitations for frontline positions, do you believe spending over \$100 million to design a new pay system is the right priority for DHS? When does the department anticipate that the new pay system will be fully implemented and operational within all bureaus within DHS? How much of the \$100 million will actually be used for salaries for front line personnel?

Answer. Our current schedule anticipates that full deployment of the new system will be completed in calendar year 2006. None of the \$100 million will be used for salaries of front-line personnel, but rather will support key activities associated with the design and deployment of the new HR flexibilities. A sizeable amount (\$31 million) of this request will be directed to training for front-line employees and managers. While \$100 million may seem to be a lot, we view this as a necessary, and appropriate, investment in our people and the human capital systems they work under. We envision the flexibilities contained in this language to be a key catalyst to our ability to attract and retain the right talent for DHS and believe we will reap the benefits from this investment for many years to come.

Additionally, investments in human resources information technology are required to identify further organizational savings and allow the eventual redirection of staff resources to front-line work. A 6-year life cycle cost of \$131 million for human resources information technology is projected and is essential to ensure the necessary common technology platform to support the successful deployment of HR flexibilities and ensure they achieve the intended results. Absent this investment in HR technology, it would be difficult, if not impossible in some components, to implement the HR flexibilities because of the varying quality and maturity of components' existing HR technology capabilities.

Question. What will be the annual cost for conducting the local and national pay surveys to private contractors to implement the pay for performance system?

Answer. We have not yet costed-out this service. We do know that there are several commercial market survey instruments available to us for this purpose, and we have already initiated lessons-learned discussions with other Federal agencies that already use a component of market-based pay. We have been told by one agency (FAA) that their recurring annual survey costs are estimated at \$30,000 per year.

Question. What does DHS believe will be the full cost for implementing a new pay system?

Answer. We are projecting a fully loaded life cycle costs of \$408.5 million to support full system implementation. Major components of this figure include the \$102.5 million for system implementation, \$10 million for Coast Guard performance pool, an estimated \$165 million for other component performance pools, and a 6-year life cycle cost of \$131 million for human resources information technology. Some of the component performance pools could come from existing salary and expense funding spent on within grade and quality step increases.

Question. How many different pay rates will there be for DHS employees in the pay for performance system as opposed to the clear 15 Grade Ten Step GS pay scale?

Answer. We are anticipating that there will be between 10 and 15 major occupational clusters of positions (i.e. administrative, law enforcement, etc.). According to our estimates, we are envisioning 4-5 broad pay bands within each cluster to define entry-level, journey-level, senior expert, and supervisory pay groupings.

Question. What will the annual administrative cost be for the pay for performance system?

Answer. We do not have this level of information yet, but are currently benchmarking with organizations with similar systems. We are envisioning that the bulk of these recurring costs will be in supervisory and managerial training, not salary administration, and view that as a positive commitment to the organization and our people.

Question. How much of the \$100 million will be allocated by contracts?

Answer. We anticipate the bulk of the \$100 million will be allocated by contract. Major breakdown of overall costs includes: \$27 million for program management, oversight and evaluation; \$31 million for training and communications to support system implementation; \$42 million for detailed systems design and implementation support (business process reengineering, compensation expertise, etc.) It's important to note that of the one-third allocated for managerial and employee training which will likely be managed by contract, there will be a direct and tangible deliverable to the government beyond the contractor services. Most of the services being pro-

vided by contractors are those where specialized skills and knowledge are required for a fairly short duration.

DEPARTMENTAL COMPARISONS

Question. When compared to the Departments of Treasury, Transportation, Justice, and Commerce, the Office of the Secretary of the Department of Homeland Security is spending incredible sums of money in areas such as Legislative Affairs, Public Affairs, and the Chief of Staff. For example, based on fiscal year 2004 enacted numbers, the Departments of Treasury, Transportation, Justice, and Commerce have an average of 17 and 17.5 FTE respectively in their Public Affairs and Legislative Affairs offices. DHS, in contrast, has 43 and 49 FTE in these two offices. The Office of the Secretary at DHS spends \$8.1 million on Public Affairs and \$5.9 million on Legislative Affairs while the other four Departments average \$1.6 million each on Public Affairs and \$1.7 million each on Legislative Affairs.

The Departments of Treasury, Justice, and Commerce have an average of 11 FTE and spend an average of \$1.1 million each in their Chief of Staff office while DHS has 31 FTE in this office and spends \$5 million. (Information on the Office of the Chief of Staff for the Department of Transportation was not available). Why is DHS spending so much more on their Public Affairs, Legislative Affairs, and Chief of Staff Offices in comparison to other Departments?

DEPARTMENTAL COMPARISONS FISCAL YEAR 2004—ENACTED

	Chief of Staff		Public Affairs		Legislative Affairs	
	FTE	Cost	FTE	Cost	FTE	Cost
Dept of Homeland Security	31	\$5,047,000	43	\$8,168,000	49	\$5,907,000
Dept of Transportation .....	.....	.....	19	1,889,000	24	2,267,600
Dept of Treasury	12	1,393,279	17	1,725,620	13	1,459,292
Dept of Commerce	7	1,109,000	12	1,882,000	12	1,605,000
Dept of Justice	14	820,859	20	944,187	21	1,506,177
Average	11	1,107,713	17	1,610,202	17.5	1,709,517

Answer.

CHIEF OF STAFF'S OFFICE

The Chief of Staff's Office currently consists of 31 FTE positions. The function of the Office is to support the mission of the Department through coordination of the 22 agencies and directorates that have been consolidated into the Department of Homeland Security. The Chief of Staff's Office is also responsible for all operational functions that relate to the Immediate Office of the Secretary (budget, information technology, personnel and advance), and offices that fall under the budget supervision of the Chief of Staff's Office.

Confronting one of the largest organizational transformations in United States Government history, the Chief of Staff's Office functions as the central point for coordinating the massive consolidation and reorganization challenges of the new Department. To ensure a high-level of initial access and to meet the critical and complex goals of Homeland Security's mission, the Chief of Staff's Office includes the Office of Policy and the Office of Counternarcotics.

The Chief of Staff's Office manages the day-to-day activities of the Department and assists in guiding the long-term goals of Homeland Security. With the inherent challenges of a concurrent creation of a new Department, reorganization, consolidation, and several new offices, the Chief of Staff's Office seeks to streamline, coordinate, and deliver highly effective initiatives and policies that will ensure our safety, response capacity and our freedoms.

To accomplish these goals, the Chief of Staff's Office utilizes the Office of Policy to coordinate all policy decisions that affect the Department. Due to the rapidly evolving nature of the Department, the Office of Policy continues to be a vital facet for developing and monitoring the range of issues the Department of Homeland Security confronts.

The Office of Counternarcotics serves a vital function for Homeland Security as the Department works to address drug related activities that impact the security of our Nation.

OFFICE OF PUBLIC AFFAIRS

The Department of Homeland Security (DHS) is a new department with unique responsibilities and a complex mission that includes facets of responsibility not undertaken by other government agencies. Consistent with the overarching mission of the department, the DHS Office of Public Affairs (OPA) has created and maintained several programmatic responsibilities to support the department's critical mission areas that exceed traditional press office functions.

The congressional inquiry specifically compares the full-time equivalent (FTE) and budget allotment of DHS OPA to the Departments of Treasury, Transportation, Commerce and Justice, and requests justification for the apparent differences between DHS and the other departments.

There are three primary justifications for the DHS FTE allotment and budget:

Scope of Mission.—DHS Office of Public Affairs contains many functions that either do not exist at other agencies or are contained in other parts of the organization and are thus funded by those offices. These additional functions were strategically placed within the Office of Public Affairs to ensure consistency of message to external audiences and to develop synergies between these various functions. Information follows about the multiple functions that are contained within DHS OPA.

Different Comparables.—Comparing the DHS Office of Public Affairs to Treasury, Commerce, DOJ, and DOT is an inaccurate comparison. DHS OPA is more analogous to the Department of Defense and the Department of State, in terms of the media's interest in department activities, the importance of communicating accurate, timely information to the public, and the international implications of the department's activities.

In addition, both DOD and DOS public affairs support programmatic efforts similar to the Department of Homeland Security, including public education campaigns, a speaker's bureau and other public liaison functions. It should be noted that DHS's current FTE allocation (43) is considerably lower than the public affairs FTEs at the Pentagon (56 FTEs in just OSD public affairs, excluding the large public affairs staffs at the armed services level) and at the Department of State (170 FTEs at headquarters, excluding embassy public information officer staff).

It should also be noted that DHS has a total of 180,000 employees—substantially more than the other departments that DHS is being compared to.

The Department of Homeland Security's mission is to prevent terrorist attacks within the United States, reduce America's vulnerability to terrorism, and to minimize the damage from potential attacks and natural disasters. To support these missions and ensure consistency in public information, DHS OPA performs functions not included in other department's staffing numbers; either because those functions sit elsewhere in the department or they are they are unique to DHS. Below is a brief description of these functions and specifically how they further the department's mission.

—*Public Education.*—The Office of Public Education's goal is to create and sustain public education campaigns that raise the level of national citizen preparedness. This program directly supports the department's mission to reduce America's vulnerability to terrorism and to minimize damage in the event there is another attack.

In February 2003, DHS OPA launched the Ready campaign, a comprehensive, bilingual public education campaign designed to educate and empower Americans to prepare for potential emergencies and reduce America's vulnerability to terrorism in the event that there is another attack. This campaign experienced the most successful launch in Ad Council history and continues to grow. With congressional support in 2004, DHS hopes to expand the campaign to offer a three-pronged strategy for preparing communities: Ready, Ready for Business, and Ready for School.

The Office of Public Affairs has also partnered with the National Academies of Science and the Radio and Television News Directors Foundation to host ten tabletop exercises designed to facilitate real discussion between media and government officials about crisis. This program will supply members of the media with resources to aid in the dissemination of reliable information during a crisis and will provide the government with a better understanding for how to best work with media in providing critical information to the American public during times of crisis.

Finally, DHS OPA is working to engage the American public directly in homeland security issues through a partnership with the Council for Excellence in Government (CEG). These CEG town hall meetings have taken place across the Nation and top officials at the Department of Homeland Security have partici-

pated to directly hear citizen's concerns and ideas firsthand. Additional public education initiatives of this nature are in the works for the future as well.

—*Public Liaison.*—The goal of the Office of Public Liaison (OPL) is to educate key constituent organizations about DHS policy initiatives, organize opportunities for dialogue and provide groups with one point of contact to exchange information and address concerns. Due to the wide range of issues handled by the department, the OPL interacts with think tanks, associations, ethnic groups, universities, and others. OPL also runs the DHS Speakers Bureau, which organizes and responds to hundreds of incoming speaking invitations. Placement of the Office of Public Liaison within DHS OPA is consistent with DOD and DOS.

—*Incident Communications.*—The Homeland Security Act of 2002 outlines DHS authority and responsibilities in the event of a possible terrorist attack. DHS OPA has put several processes in place to support that legislative mandate as well as Homeland Security Policy Directive-5 (HSPD-5), which specifically requires the department to inform the American people about any terrorist-related events. “The Secretary shall ensure that, as appropriate, information related to domestic incidents is gathered and provided to the public . . .” This requires a full crisis management capability that is always in place and ready to respond and lead the national effort to comply with HSA 2002 and HSPD-5. This is especially true since we lead the Interagency Incident Management Group (IIMG).

The DHS OPA staff has the primary Federal leadership role in overseeing the public information components of the National Response Plan (NRP) and National Incident Management System (NIMS). This includes interagency content coordination as well as state/local government and private sector coordination. These documents and procedures are cornerstones for all major incident public affairs response activity, and ensure that Federal, State, and local communicators function as one voice in delivering critical information and instructions to the public. This function is essential—the public cannot be told different information from authority figures during an emergency situation.

DHS OPA coordinates planning and operational actions with State and local authorities, which includes training and briefing to State public affairs staffs, exercise activity, and real-world incident management. DHS OPA also conducts interagency table top exercises to evaluate and improve upon Federal and department incident response capabilities. In order to inform the media about what they can expect from the Federal Government during a terrorist incident, DHS OPA has created a reference manual with media guidance that is near distribution.

DHS OPA currently maintains a staffing presence in the DHS Homeland Security Operations Center (HSOC) for the majority of the time, requiring numerous, back-to-back staff shifts. Ultimately, DHS OPA will be responsible for providing 24/7 coverage in the HSOC, which is currently operational 24 hours a day.

Finally, DHS OPA also coordinates directly with international counterparts and non-governmental organizations to ensure that the department's capabilities are known and to gain information about best practices being used around the world. Examples include participation in the multi-discipline National Disaster Risk Communications Initiative and continuous coordination with counterparts in Great Britain.

—*Historian.*—The DHS Historian and historical staff are vital to the formation, preservation, and dissemination of the institutional memory of the Department. The DHS Historian also oversees and directs the recording and preservation of the history of the Department through the publication of a wide range of historical studies aimed at a diverse audience, making the Historian and historical publications essential to a broad-based public awareness of the work and history of the Department.

The work of the DHS Historian and records managers in collecting and preserving historically important records is also a critical element in ensuring government transparency in general and, specifically, public accountability of a Cabinet department charged with protecting the American people and way of life.

Activities include the production of a range of reference, policy, and historical background assessment papers; providing expert historical knowledge essential for informed decision making; maintaining the institutional history of the Department; providing professional assistance to the historical and archival activities of the directorates and bureaus within the Department; and producing such documentary collections as may be deemed necessary.

- Web Content and Development.*—The work of the DHS Web team is of particular importance because OPA is tasked with building a functioning website that is consistent across the DHS bureaus and useful to the American public seeking information about the department's missions and policies. Pew research in April 2002 found that 68 million American adults had used government agency Web sites—a sharp increase from the 40 million who had used government sites in March 2000. An average of 1.7 million pages is viewed each week on the DHS website. During the most recent Orange alert, 2.5 million pages were viewed weekly.
- Employee Communications.*—The Employee Communications function ensures that key policy, procedural, and operational information from headquarters is disseminated and understood by the department's 180,000 employees. This function is critical to establishing a new culture for DHS employees folded in from 22 component bureaus and agencies. Employee Communications researches communication needs, promotes two-way communication, and provides a comprehensive range of tools such as a weekly e-newsletter, roundtable sessions with principals, and the intranet website.
- Speechwriting.*—The Speechwriting staff supports the Office of Public Affairs' public education mission by writing public remarks for the Secretary, Deputy Secretary and other spokespeople. This includes support for DHS senior leadership during time of national crisis, when there is a particular need for timely, straightforward public information. Current staffing levels are consistent with those at DOS.
- Communications/Press Office.*—Due to the department's mission, including its international impact, DHS OPA receives an extremely high call volume from reporters interested in homeland security issues. OPA also has taken proactive steps to provide the public with timely information about homeland security issues, such as giving advice to holidays travelers, educating companies about their rights under the newly enacted Safety Act, and guiding Americans to be alert when using rail transportation.

OFFICE OF LEGISLATIVE AFFAIRS

The Department of Homeland Security's Office of Legislative Affairs' (OLA) responsibilities are commensurate to the overarching mission of the Department, both diverse and far-reaching in scope. The legislative duties of the Department are comparable to other large Federal agencies sharing multiple committee jurisdictions and addressing a large volume of Congressional inquiry and activity.

The Office of Legislative Affairs is responsible for the development and advancement of the Department's legislative agenda. This includes the establishment and maintenance of constructive congressional relations, the development of Departmental protocols for interaction with Congress and contributing to the formulation of and communication of the Department's strategic message.

Specifically, OLA coordinates staffs and develops material for congressional hearings to include creating briefing books and editing written testimony. OLA assists with witness preparation of oral testimony, including coordinating and scheduling policy and subject-focused pre-briefing prior to a hearing date. They also coordinate and manage legislative briefings in advance of a hearing. The briefings provide the policy landscape, possible questions and answers, information on other witnesses, and other last minute insights. Additionally, OLA staff coordinates and tracks deliverables which result from hearings, including questions for the record.

Further, OLA is responsible for all congressional mail sent to DHS. This involves recording and tracking correspondence, assigning due dates, ensuring letters are answered in a timely manner and proofing and editing all correspondence for the Assistant Secretary's signature.

Currently, more than 80 House and Senate Committees claim jurisdiction over the Department's many important functions. These committees include the Select Committee on Homeland Security, Committees on Appropriations, and other committees addressing homeland security issues related to transportation and infrastructure, agriculture, science, energy, commerce, taxes, government affairs, intelligence, judicial issues, financial services and international relations.

DHS OLA places the highest priority on responding to all Congressional oversight inquiries in a factual and timely manner. This broad interest in the Department and its mission produces multiple hearings and Congressional briefings, numerous solicitations of response to Congressional questions and requires adequate resources to be devoted to sufficiently respond to such inquiry.

For example, in 2003, the Department of Homeland Security testified at 148 hearings—some including multiple witnesses from both the full Department, as well of

each of its directorates. From January 28th through April 22nd of this year, the Department has produced witnesses for 82 hearings. Additionally, in 2003, DHS OLA was responsible for 838 briefings of Congressional members and staff. This year, DHS OLA has already conducted 509.

Congressional inquiry that specifically compares the full-time equivalent (FTE) and budget allotment of DHS OLA to that of other Federal Departments requires an examination of not only the unique functions of the DHS OLA but also requires a thorough inspection of the personnel numbers of other Legislative Affairs offices outside of DHS.

For example, other departments with comparable missions report similar or greater resources devoted to Legislative Affairs. DHS OLA shares similar personnel numbers not only within the Legislative Affairs offices of other departments, but also support staff, some greatly exceeding that of DHS OLA.

NEBRASKA AVENUE COMPLEX

Question. Legislation authorizing the transfer of the property from the Navy to GSA has been submitted. What is the status of the legislation in the various authorizing committees? What has the Department been doing to educate the authorizers and the leadership of the urgency in moving this legislation by April 30?

Answer. The proposed legislation from the Administration transferring the Nebraska Avenue Complex to the General Services Administration for the use of the Department of Homeland Security was submitted to Congress for consideration by letter from General Services Administrator Stephen A. Perry to Speaker of the House J. Dennis Hastert dated February 12, 2004, and by letter to Vice President Cheney, as President of the Senate, dated February 18, 2004. House and Senate Leadership, House and Senate Authorization Committees, and House and Senate Appropriation Committees have been briefed on the NAC legislation and the necessity of passing the legislation as soon as possible. A freestanding bill has been reported out of the House Armed Services and Transportation and Infrastructure Committees. Similar legislation has been reported out of the Senate Armed Services Committee as part of the fiscal year 2005 Department of Defense Authorization bill. Additionally, since February, the Appropriations and Authorizing Committees have both toured the NAC in preparation for the introduction of the legislation.

Question. What would it cost to lease the equivalent amount of space in Washington, DC for fiscal year 2005 and for fiscal year 2005–2009?

Answer. Using an average of \$46.34 per square foot (assuming a 5 year lease), the equivalent cost of leasing approximately 450,650 square feet of floor space (approximate NAC requirement), the cost would be \$20,883,000 in fiscal year 2005 and for the period fiscal year 2005–2009 would be \$106,523,000 (assuming an average cost inflation of 5 percent per annum). These costs do not include the cost of parking.

GRANT CONSOLIDATION

Question. What is the status of Secretary Ridge's proposal to consolidate TSA, FEMA, ODP and other grants in the Office of State and Local Government Coordination and Preparedness? Have any funds been officially transferred? If the proposal is still going forward, how many people from TSA and FEMA will be (or have been) transferred? Are they people associated only with grant stewardship, or are subject matter experts also being transferred?

Answer. The move to create a one stop shop for grants is based upon input from the user or grantee community and is designed to enhance coordination of the multitude of preparedness and security grants currently administered by the Department (ODP, FEMA and TSA). The one-stop shop consolidation will allow DHS to gain a global perspective on all of the grants to ensure that redundancies are minimized, funds are directed to the highest best use and DHS can proactively make recommendations to states, localities and other recipients on mutual aid and dual use opportunities.

Moving the TSA grants to SLGCP will provide DHS with concrete benefits. First, it will allow the substantial bulk of the TSA personnel who are not impacted by the consolidation to focus on their core mission of transportation security. Next, it creates internal (to DHS) and external (to recipients) improved efficiencies because only one DHS team (SLGCP) will interact with grant recipients rather than two separate teams (one at SLGCP and one at TSA) and, more importantly, recipients who apply for more than one type of grant (e.g. a UASI and a TSA grant) will only need to deal with one DHS team (SLGCP).

Final policy responsibility for grant guidance and grant distribution will reside with the Office of State and Local Government Coordination & Preparedness. How-

ever, overall hazards and transportation security policy input will remain with FEMA, TSA, as well as the Coast Guard, and MARAD. And, to ensure the continuing involvement of TSA in the grant process, ODP will create a distinct office dedicated specifically to transportation related grants. This office will work closely with TSA in developing transportation security grant policy.

HIRING PRIORITIES

Question. Recently, in the midst of budget constraints during this period of increased demand to protect the homeland, the Department announced its intention to hire a director of its Hollywood entertainment liaison office. This position would pay up to \$136,466. This salary would pay the entry level salaries of 5 TSA screeners, 4 ICE Special Agents, 4 U.S. Border Patrol Agents, 8 Coast Guard non-rate enlistees or 3 U.S. Secret Service Special Agents. How can the Department justify the creation of such a position when hiring for front line activities within the Department is ongoing and there are hiring freezes in other parts of the Department?

Answer. Public Affairs utilized an open, funded position from one of its bureau offices to create the Director of Entertainment Liaison position. By taking an FTE from an office where reorganization had created efficiencies in workload, the position utilized those efficiencies to create a position with value added to the Department.

The Entertainment Liaison Office is a necessary addition to the Office of Public Affairs. This person will work with television and movie producers to ensure that they do not take “editorial license” with Homeland Security matters that could provide the public with false impressions or inaccurate information. We spend a great deal of effort to educate people to help them to be better prepared for any possible disaster—natural or manmade. Millions of Americans get information through the entertainment industry. This position will help to ensure that these people get an accurate portrayal of the department’s mission, policies, and activities, while proactively working to help the American public better identify DHS functions. The Entertainment Liaison office will guide the direction of documentaries and law enforcement “reality” shows to provide real information about how the country is better prepared today.

This is not a unique position in government. Many other Federal agencies already utilize a liaison with the entertainment industry. The CIA has a Hollywood liaison, and the Department of Defense houses a large staff to serve the same function.

CONTRACTING OUT

Question. During the April 30, 2003, hearing, Secretary Ridge testified that he would provide the Subcommittee by August 2003 the fiscal year 2004 Management Plan of the Department. To date, that has not been submitted. Please submit the Plan. What are the Department’s plans for fiscal year 2004 and fiscal year 2005 for contracting out work currently provided by DHS personnel?

Answer. The Department has engaged in a 2004 Competitive Sourcing Plan that provides for the competition of approximately 1,500 commercial FTE at CIS and the USCG. No decisions have yet been reached regarding whether to retain the work in-house or convert it to contract performance. Competition based decisions are expected in the August/September timeframes. The Department is currently working with its Organizational Elements to identify opportunities for additional competitions in the fiscal year 2005 completion timeframe and based upon the 2003 FAIR Act inventory of commercial and inherently governmental functions, but we have not yet made any final decisions regarding what will be competed or the form of competition (streamlined or standard).

FUNDING FEDERAL AIR MARSHALS AND PORT SECURITY GRANTS

Question. Provide for the record the response to my March 9, 2004 letter to Secretary Ridge.

Answer. The Secretary appreciates the question and the opportunity to respond. A response to the Senator’s March 9, 2004 letter to the Secretary is forthcoming.

TRANSPORTATION SECURITY ADMINISTRATION

IMPLEMENTATION OF AIR CARGO STRATEGIC PLAN

Question. Please provide an update on all steps taken to date to implement your 11/03 Air Cargo Strategic plan. How are you integrating the hiring of 100 air cargo inspectors into that plan and what is the status of that hiring effort?

Answer. The Air Cargo Security Plan outlines a layered security strategy based on TSA's threat-based, risk managed approach to security. TSA is focused on numerous strategies to secure cargo aircraft, perimeters, facilities, and personnel. TSA plans to publish a Notice of Proposed Rule Making (NPRM) soon that will include requirements for further implementation of the Plan. But it is important to note that a significant number of measures called for by the Plan have already been implemented:

- As of April 18th, 2004, 75 out of the 100 cargo inspectors have been hired and are on board. The remainder has been tendered offers of employment, which are currently being processed. We expect the remaining inspectors to be on board within the next two pay periods. These inspectors will be deployed throughout the United States and under the supervision of the local Federal Security Director.
- A security directive requiring foreign all-cargo carriers to comply with the same cargo security procedures as domestic air carriers has been issued.
- A security directive requiring passenger and all-cargo carriers to perform random inspections of air cargo has been issued.
- TSA's research and development budget for fiscal year 2005 includes \$55 million to develop new technologies for inspecting cargo for explosives, radiation, chemical, and biological agents, and other dangerous substances.
- The Known Shipper database has been expanded by involving more companies and collecting more information to enhance shipper and supply chain security.
- To assist TSA in evaluating the latest technology available for identifying high-risk cargo, a Request for Information (RFI) was issued on April 12. The RFI will close on April 30th.
- Explosives Trace Detection (ETD) and Explosives Detection System (EDS) technology have been evaluated to determine their viability in conducting targeted air cargo inspections. The EDS Pilot program is progressing towards an operational phase. TSA has selected three vendors to test their machines against eight commodities. There are five airports selected to participate in the pilot; MIA, DFW, ORD, ATL, LAX. The first screening is scheduled to begin at the end of May and finish at the end of June.

AIR CARGO SCREENING: LEVERAGING DOD RESEARCH

Question. In his January 26, 2004 testimony before the National Commission on Terrorist Attacks Upon the United States, Principal Deputy Assistant Secretary of Defense for Homeland Defense, Peter F. Verga, spoke to three Advanced Concept Technology Demonstration (ACTD) efforts currently underway at DOD. One of them, the Air Transportable cargo screening ACTD, is designed to detect explosive threats in pallet cargo loads moving through the military transportation system. Is your agency aware of this effort and is its use under consideration for one of the pilot air cargo demonstration projects called for and funded in the fiscal year 2004 Homeland Security Appropriations Act? If not, why not? If so, please describe the testing being conducted—including the location, timeframe, and level of funding.

Answer. Both agencies benefit from research and development projects designed to provide technologies for screening cargo to be carried on board an aircraft. TSA has been in contact with the Department of Defense (DOD) regarding the Advanced Concept Technology Demonstration (ACTD), and will be working with DOD personnel to ensure that efforts undertaken by either TSA or DOD are complementary.

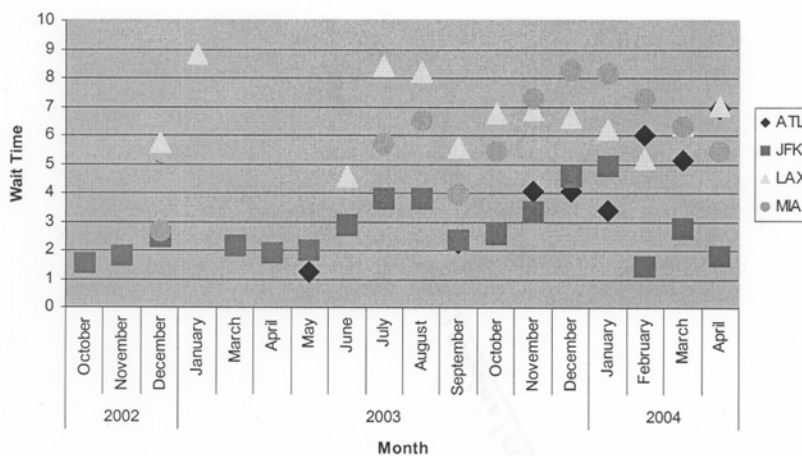
WAIT TIMES AT AIRPORTS

Question. Last summer, my staff requested information regarding the wait times for airline passengers nationwide and at the JFK, LAX, MIA, ATL, Charleston, WV, and Jackson, MS airports on a month-by-month basis for fiscal year 2003 and 2004. They are still waiting for this information. The wait times should be presented graphically with data on the level of airport screeners at each of the requested locations. Please provide the information.

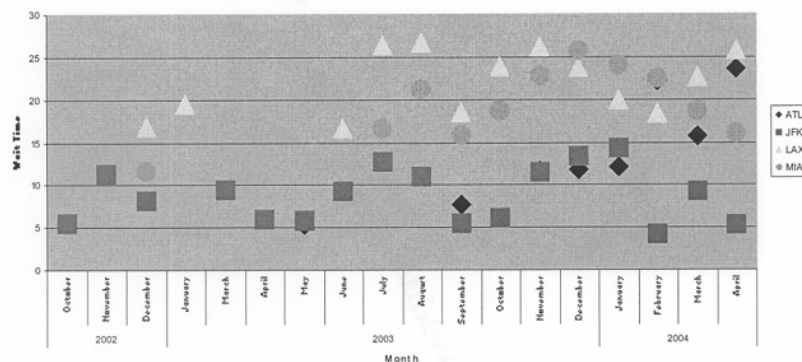
Answer. TSA's plan for wait time data collection rotates the responsibility of collecting passenger security checkpoint wait time data among different airports throughout the year. Each month, approximately 26 airports are instructed to conduct a wait time study of two consecutive weeks. These airports are selected according to their geographical and size categories in order to allow TSA to extrapolate across the full range of airport diversity. All Category X and I airports—as well as select Category II, III and IV airports—will be chosen to collect data at least three times each over the course of the year. The monthly airport selections are balanced in order to provide consistent data for headquarters analysis. In March, the average

wait time for this sample of airports was 3.1 minutes with an average of 10.4 minutes at peak time. Please see attachment for airport specific information.

Average Wait Time FY2003 to Present



Average Peak Wait Time FY2003 to Present



The average peak wait times are the wait times encountered by passengers during the airport's high passenger volume periods. This is an average of all the checkpoint's peak times at each of the selected airports over the given month.

DISCRIMINATION COMPLAINTS BY TSA SCREENERS

Question. Transportation Security Administration (TSA) employees have filed numerous discrimination complaints. Employees have filed complaints for a litany of reasons from poor agency management to failing to address the security problems at airports nationwide. As of January 2004 the agency faced a backlog of approximately 1,800 discrimination complaints. How has TSA addressed this problem and what plans are being considered to alleviate the backlog of discrimination complaints?

Answer. In January 2004, the Office of Civil Rights (OCR) implemented a "Backlog Elimination Strategy." With this strategy, the OCR sought to both eliminate the backlog of discrimination complaints, develop a system that would promote rapid processing and resolution of current complaints, and perhaps, most important, improve service to our customers. During fiscal year 2003, OCR received in excess of 1,800 informal complaints of discrimination. In January 2004, the OCR had a back-

log of 476 informal complaints that required action. As of April 8, 2004, OCR had a backlog of 8 informal complaints requiring action.

We have trained all of our EEO counselors and many OCR staff members in alternative dispute resolution techniques and have provided our EEO counselors with additional counselor training. We are proud to say that OCR's strategy of addressing EEO complaints is not reliant on the "pushing of paper." We are providing training to TSA managers that focuses on management practices that promote equal employment opportunity and are working closely with various TSA offices to identify and address potential civil rights issues.

AIR MARSHAL TRAINING

Question. In December 12, 2003 written testimony to Senator Hollings, the General Accounting Office stated that funding cuts and delays would push back into mid-2004 advanced air marshal training—scheduled for completion in January 2004 for those air marshals hired between October 2001 and July 2002. What is the current status of advanced air marshal training? Have all air marshals hired through the end of fiscal year 2003 received the required advanced training?

Answer. Phase II Training, the equivalent of advanced training for Federal Air Marshals, continues at the Federal Air Marshal Training Center in Atlantic City, NJ. Presently, the last class is scheduled to begin on May 31, 2004. At the end of that class, approximately 136 Federal Air Marshals will not have attended Phase II for the following reasons: debilitating medical conditions (61) active military duty (39); and administrative positions (36). The 36 Administrative Positions represent 36 Federal Air Marshals (FAMs), who have background investigation issues and/or disciplinary action pending. When those matters have been adjudicated, the FAMs will attend Phase II Training. These numbers may be reduced as personnel in those categories become available to attend Phase II Training, since training positions remain available to include the above.

CANINE TEAMS—DIVERSION FROM CURRENT MISSIONS

Question. The Secretary has proposed to increase rail security by diverting K-9 teams to rail stations. Yet, there is no new money for this purpose. Where are the K-9 teams being diverted from and what impact is the diversion having on those missions?

Answer. DHS has announced that it will create Rapid Response Teams to augment local dog teams through the Federal Protective Service (FPS). FPS, working with TSA, will determine how best to mobilize existing dog teams across the Federal Government during heightened alerts. We have no intention of taking K-9 teams away from screening air cargo and protecting other Federal infrastructure. TSA is developing a program to partner with local authorities to provide explosives detection training for current and future dog teams.

REGISTERED TRAVELER

Question. What are the costs in fiscal year 2004 and fiscal year 2005 to implement the registered traveler program, how much of that cost will be covered by fees on the registered travelers, and what will be the expected increase in wait times for non-registered travelers if the registered traveler program is implemented with no increase in the screener workforce?

Answer. TSA intends to conduct Registered Traveler (RT) Pilots at a limited number of airports beginning in June 2004. The pilot programs will assess improvements in security and enhancements in customer service for passengers. The pilots will last approximately 90 days. Results of these pilots will be analyzed to determine the program's effect on security and service.

During the RT Pilots, TSA will test technology, including biometric tools, to enhance identity verification at the passenger security checkpoint, in conjunction with business processes, including potential reconfiguration of select checkpoint lines and lanes. TSA will be testing a range of technology and operational variables. The RT Pilots will monitor and assess possibilities for a secure and expedited travel experience for those who volunteer for the program. The number of participants in the RT Pilots will be capped at 10,000, spread across a small number of airport locations. It is anticipated that this small RT Pilot test will not have a detrimental effect on either those who do not volunteer or on the screener workforce. Upon conclusion of the pilots, determination will be made regarding best practices and necessary enhancements required for larger implementation of the program.

The cost of the RT Pilots will be funded through \$5 million appropriated for the Registered Traveler program in the Homeland Security Appropriations Act, 2004

(Public Law 108–90). Contrary to media reports, TSA is not planning to charge a fee to passengers who participate in the 90-day RT Pilots.

TSA will await the results and analyses of the Pilots prior to making any decisions regarding the implementation of a Registered Traveler program in fiscal year 2005, including any costs that may be incurred by passengers who wish to participate in the voluntary program. The fiscal year 2005 request includes \$15 million to pay for additional start-up costs, such as IT infrastructure and staffing associated with an RT program. TSA anticipates that future operational program costs for the Registered Traveler Program would be covered by fees incurred by participants. Thus, the Registered Traveler Program would become self-funded.

Until the pilot has been conducted and the results fully evaluated, staffing requirements and their implications cannot be fully understood. However, TSA remains committed to its customer service objectives and minimizing the wait time for the traveling public.

EMERGENCY PREPAREDNESS AND RESPONSE

PROJECT BIOSHIELD

Question. How can the Department justify spending between \$1 billion and \$1.5 billion on experimental anthrax experimental vaccines not approved by FDA and unlikely to be approved for many years, when these vaccines have been developed by companies who have never had a commercially manufactured vaccine approved by FDA?

Answer. Anthrax tops virtually every biowarfare threat analysis, because of its high fatality rate (as demonstrated by the October 2001 attacks, where 45 percent of those with inhalation anthrax died), persistence in the environment, ease of production, and ease of aerosolization. Although antibiotic treatments are available, the use of an anthrax vaccine would provide pre-exposure protection for first responders and remediation workers. In a post-attack scenario, a vaccine would shorten the course and increase the effectiveness of treatment antibiotics when given to large exposed populations, and facilitate re-entry into contaminated space. It would also provide protection if a terrorist deployed antibiotic-resistant anthrax. Other important anthrax treatment modalities such as anthrax antitoxins, which can potentially save the lives of those already ill, are under advanced development and may become available for BioShield procurements in the future.

The current licensed anthrax vaccine, Anthrax Vaccine Adsorbed (AVA), has many disadvantages for civilian use, including a primary requirement of 6 doses over 18 months with annual boosters and a limited production capacity (the only producer has a maximum production of 6.6 million doses per year). However, it is currently available, effective, and safe; and newer, 3-dose schedules are being evaluated. Through an interagency agreement between the Department of Defense (DOD) and DHS, the manufacturer could provide 5 million doses to the stockpile by 2006.

Project BioShield provides for the acquisition of licensable products with the term “licensable” defined as within 8 years. This provision allows the Department to consider competitive bids proposed by companies that have a validated current Good Manufacturing Practices production process capable of scaled commercial production, as well as products that have been tested in appropriate animal models for efficacy and in human clinical trials for safety. New recombinant Protective Antigen (rPA) anthrax vaccines made using genetic recombinant biotechnology are being developed as next-generation anthrax vaccines. In preliminary studies, rPA vaccines protected animals against lethal anthrax aerosol challenge. Two manufacturers—one of them in the United States—are developing rPA vaccine under contract with the National Institutes of Health (NIH). Human trials to evaluate safety began in the summer of 2003. NIH contracts for advanced development, process development, and further clinical testing were awarded in September 2003. A 3-dose schedule has been suggested as likely, although studies could result in a 1–2 dose schedule in certain situations. Cost is estimated at \$10 per dose. Initial rPA delivery to the Strategic National Stockpile is expected in 2004 as an investigational product.

Two manufacturers have nearly completed phase I clinical trials, and further clinical and animal testing plans appear reasonable to NIH and Food and Drug Administration reviewers. Recent progress reports to NIH indicate steady progress by both manufacturers with no major obstacles envisioned. NIH will continue to support and monitor the current development of the product through phase II clinical trials.

HHS will request monthly progress reports from the manufacturers and will host interagency risk management meetings to review the reports and to intervene when necessary. Also, a significant percentage of the contract payment will not be available until after licensure, both for pre-exposure and post-exposure use.

After consideration of the anthrax threat, public health need, advanced development progress, manufacturing capability, and cost, the Policy Coordination Committee of the Homeland Security Council recommended, and the Deputies Committee approved, procurement of additional anthrax vaccine.

Question. Why doesn't DHHS adopt a near-term to long-term policy for stockpiling of anthrax vaccine with product available now for the next 5 years and with next generation vaccines thereafter? Isn't a mixed approach being used for the procurement of other vaccines?

Answer. DHS and HHS are working closely to develop both a near-term and a long-term strategy for stockpiling existing prophylactics and/or pharmaceuticals to protect against or to treat exposures to anthrax while continuing to seek and encourage the development of next-generation anthrax vaccines. Currently, the Strategic National Stockpile (Stockpile) contains a sizable inventory of antivirals for treatment of anthrax exposure, and due to their current availability, the Stockpile is markedly increasing its caches of such countermeasures—enough to treat 12 million people with an increase to 30 million by the end of this year. Additionally, DHS, through an interagency agreement with DOD, is purchasing the only FDA-licensed anthrax vaccine, AVA, in fiscal year 2004, fiscal year 2005, and fiscal year 2006—for a total of 5 million doses to be added to the Stockpile. As a result, the Stockpile will contain ample amounts of prophylaxis for anthrax exposure, and will serve as a bridge until the next-generation anthrax vaccine, rPA, is accepted into the Stockpile.

Question. Please provide an expenditure plan by quarter for fiscal year 2004 and fiscal year 2005 for Project Bioshield that identifies specific procurements for which decisions or solicitations have been made to date and general purposes or goals for remaining obligations.

Answer. Over the past 10 months, the Weapons of Mass Destruction (WMD) Medical Countermeasures subcommittee has developed countermeasures information of interest to administration policymakers who will make the BioShield procurement decisions. The WMD subcommittee commissioned an end-to-end analysis of medical countermeasures to Category "A" biological agents (anthrax, smallpox, plague, botulinum toxin, tularemia, Ebola, and other hemorrhagic fever viruses). Working groups developed initial requirements for four high-priority bioweapon countermeasures for which there is high need and a reasonable expectation that products will be available in the near-term:

- Next-generation anthrax vaccine (rPA)
- Anthrax immune therapy
- Next-generation smallpox vaccine (modified vaccinia, MVA or LC16m8)
- Botulinum antitoxin

STOCKPILE

Question. Please provide an expenditure plan by quarter for fiscal year 2004 and fiscal year 2005 for Strategic National Stockpile that identifies specific procurements for which decisions or solicitations have been made to date and general purposes or goals for remaining obligations.

Answer. The fiscal year 2004 Strategic National Stockpile spending plan has already been provided to the Appropriations Committee on May 11, 2004, during a Strategic National Stockpile (SNS) briefing. A fiscal year 2005 spending plan is being formulated by the Centers for Disease Control and Prevention, but it has yet to be provided to DHS.

REGIONAL OFFICE AND IMPACT ON EXISTING FEMA REGIONAL STRUCTURE

Question. Please provide an update on the Department's plans to establish a regional structure. What impact will this new structure have on FEMA'S 10 regional offices and their longstanding and successful linkages with State and local emergency managers?

Answer. An effective Department of Homeland Security (DHS) field operational management concept is essential to ensure that the Department fulfills its mission in leading the national unified effort to protect America. Of the 22 agencies that now comprise the Department, 7 have regional structures. DHS is conducting a baseline analysis regarding a regional concept of operations that would ensure effective management of field operations both on a day-to-day basis and during incidents.

One of the core missions of DHS regional offices would be to collaborate with Federal, state, local, tribal and private sector stakeholders within the region to coordinate homeland security activities. To ensure that the DHS regional offices are able to perform this coordination function, FEMA regional offices will continue to partner

with State and local governments to help ensure that communities throughout the Nation can prepare for, respond to and recover from incidents and disasters.

Question. How will those relationships be protected under a new regional structure?

Answer. Over the years, FEMA regional offices have developed such productive working relationships with their State and local partners that it is often touted as the hallmark of intergovernmental coordination and collaboration between a Federal agency and its constituent stakeholders. In recognition of these valuable partnerships, the Department is working to design a regional construct that will capitalize upon these excellent relationships to enable the more effective and efficient delivery of DHS services to external stakeholders.

DISASTER RELIEF

Question. Please provide the Subcommittee with an update on disaster relief funds.

Answer. As of April 28, 2004, \$1.487 billion remains unobligated in the Disaster Relief Fund. If obligations occur at the 5-year average of \$249 million per month for the remaining 5 months of the fiscal year and FEMA realizes another \$200 million in recoveries of prior year obligations (actual recoveries through March 31 equal \$194 million), FEMA will end the year with an unobligated balance of \$442 million, which is close to the estimate of \$453 million in the fiscal year 2005 President's budget. In summary (in thousands of dollars):

Unobligated Balance, 4/28	\$1,487,265
Estimated recoveries	200,000
Obligations May 1-Sept. 30 (5 × \$249 million)	– 1,245,000
Estimated unobligated balance 9/30/04	442,265

Of course, any large hurricane or other disaster events during the remainder of the fiscal year could significantly impact these estimates.

UNITED STATES SECRET SERVICE

CAMPAIGN LABOR COSTS

Question. The fiscal year 2004 budget includes \$64 million in costs associated with the 2004 campaign protection program. This budget was based on a historical average of 603 "protection days" covering multiple candidates. How many candidates have received protection during the 2004 campaign? Provide the date protection started for each candidate. Does the Secret Service still anticipate that 603 protection days will be required for the presidential campaign? What savings does the Secret Service anticipate from the campaign program, if any?

Answer. As you note, the Secret Service's campaign protection estimate is based on the historical average of the number of protection days provided for the last four elections. The Administration believes this is the most appropriate method for developing estimated campaign protection costs, since it does not presuppose a set number of candidates or particular days on which protection will begin or end.

To date, the Service has provided protection for two candidates and one spouse. Following the Democratic Convention, the Service will provide protection to the Vice-Presidential nominee and the Vice-Presidential nominee's spouse. Barring protection being provided to a third party, an independent candidate or, on the Republican ticket, someone other than the sitting President or Vice President, 421 days of protection will be provided.

Of the \$64 million budgeted for the campaign program, \$40.0 million is for direct costs related to protection, and \$24 million is for labor costs relative to personnel that are being reallocated from the Service's investigative activity to the campaign in order to staff the protective effort. These reallocated labor costs are covered by the Service's base budget. To the extent these personnel are not required for campaign-related work; they will continue their investigative activities.

Because of lower than originally projected campaign activity, the direct costs are now estimated to total only \$33 million. The Department and the Secret Service will work with Congress to find appropriate uses for any excess campaign protection funding.

Candidate/Nominee	Projected dates of Protection	Protection Days
John Kerry	February 20, 2004 through September 30, 2004	224
Mrs. Kerry ²	April 13, 2004 through September 30, 2004	85.5
John Edwards	February 22, 2004 through March 3, 2004	11
Dem. VP Nominee ¹	July 26, 2004 through September 30, 2004	67
Dem. VP Spouse ^{1,2}	July 26, 2004 through September 30, 2004	33.5
Total Projected Campaign Days .....	.....	421

¹ Estimated VP Nominee and Spouse start dates.

² Protection for spouses are projected as ½ day of protection.

“FORCE MULTIPLIER” TO FEDERAL AIR MARSHALS

Question. On February 24, 2004, the Immigration and Customs Enforcement and the Secret Service announced a new agreement to provide force multiplier to Federal air marshal service. According to the Department, this initiative would enable the ICE FAMS the flexibility to deploy their Federal Marshals to a wider range of flights. Other than providing the ICE FAMS with travel information for armed personnel traveling on U.S. commercial flights during their normal course of business, what specific responsibilities will Secret Service agents have on these flights that they didn’t have before February 24, 2004? In many cases, Secret Service agents travel from one city to another following several hours of protection responsibilities. Does this mean that U.S. Secret Service agents will then be asked to substitute as Federal air marshals when traveling on official business?

Answer. The objective of the Force Multiplier Program (FMP) is to capitalize on the presence of literally thousands of armed Federal law enforcement officers (LEOs) that routinely travel throughout the country on commercial carriers in support of the missions of their respective agencies. Essentially, the FMP is a system that would allow the Federal Air Marshal Service (FAMS) to track and coordinate LEO flight activity to optimize the use of Federal Air Marshals and otherwise enhance the level of LEO coverage provided to the Nation’s civil aviation system.

While USSS Special Agents are participating in the Force Multiplier Program, they will not be acting as “de facto FAMS” and are not a substitute for Federal Air Marshals (FAMS). While they receive a briefing, they are neither fully trained nor tactically positioned on the aircraft to serve as FAMS. The USSS Special Agents will have no additional responsibilities while aboard U.S. commercial flights during the course of their official travel. It will, however, heighten their awareness within the aviation domain and allow the FAMS to monitor the presence of armed LEOs on flights. In the event of an in-flight crisis, the USSS Special Agents would react accordingly to the threat as prescribed by applicable statutes and their agency policy.

IMMIGRATION AND CUSTOMS ENFORCEMENT AND CITIZENSHIP AND IMMIGRATION SERVICES

IMMIGRATION-RELATED CASEWORK—ASSISTANCE TO CONGRESSIONAL OFFICES

Question. I am troubled by the reports I am receiving from members of my staff about the difficulties that they are having in obtaining help from your agency for my constituents. Under the current reorganization regime, my staff is finding that their efforts to get answers to even some of the most basic questions about visas and immigration processes are meeting with resistance from agency staff. Contacts, both e-mails and follow-up phone calls, from my office to district office staff in your agency are not receiving timely responses. It sometimes takes days to get even an acknowledgment of an inquiry. In many cases, contract personnel, particularly at the service centers, are less acquainted with the intricacies of immigration law than are members of my own Senate staff. On many occasions my staff has made inquiries only to receive responses that are strictly scripted. Even more disturbing, calls from my Senate office are not even being answered at headquarters. I would like to know what efforts are being made to monitor service to the public and to ensure that Congressional inquiries are handled promptly?

Answer. The Director, U.S. Citizenship and Immigration Services (USCIS) is also troubled if you and your staff are not receiving timely and appropriate responses to your inquiries from USCIS personnel and appreciate your bringing it to his attention. You should know that the Standard Operating Procedures for all congressional units, both here at USCIS headquarters and in the field, specifically state that all phone calls from congressional offices must be returned within 24 hours, e-mails within 10 days, and written correspondence or faxes within 30 days. If this is not

being done, then the Director would be happy to look into any specific instances or cases you could provide to me. However, it is important to note that some case resolution (which should be considered distinct from the return of a phone call or the answer to a letter), because of its complexity, may take considerably longer.

The Director appreciates you bringing this to his attention and wants to assure you that customer service is one of the top three priorities of USCIS. We will continue to commit ourselves to building and maintaining an immigration services system that provides information and benefits in a timely, accurate, consistent, courteous and professional manner and ensure that those values are exhibited in our congressional units.

It appears that the above question regarding responsiveness primarily relates to immigration services issues under the purview of U.S. Citizenship and Immigration Services (USCIS). However, the Assistant Secretary, Immigration and Customs Enforcement (ICE) wants to ensure you that ICE is fully committed to providing timely and informative responses to all congressional inquiries. The ICE office of Congressional Relations can be reached at (202) 514-5232 to assist in immigration casework relating to detention and removal, humanitarian parole and other matters under ICE's jurisdiction. For your information, USCIS Office of Congressional Relations can be reached at (202) 514-5231.

OFFICE FOR DOMESTIC PREPAREDNESS

METROPOLITAN MEDICAL RESPONSE SYSTEM

Question. Provide a detailed description of how fiscal year 2002, fiscal year 2003, and fiscal year 2004 funds appropriated for the Metropolitan Medical Response System have been spent. Has the Department fully met the requirements of cities, as laid out in the MMRS contracts? If not, how much work, and in which cities, remains to be done? How much of the fiscal year 2004 appropriation is obligated? What are the plans for remaining funds? If the Department does not plan to obligate all appropriated fiscal year 2004 funds for MMRS, please provide a rationale; the proposal for how remaining funds will be spent; and indicate whether you will submit a reprogramming or transfer proposal to the Committee.

Answer. In fiscal year 2002, the Metropolitan Medical Response System (MMRS) program was located in the Department of Health and Human Services' (HHS') Office of the Assistant Secretary for Public Health Emergency Preparedness (OAS PHEP). The funds were used to initially establish an MMRS in 25 new jurisdictions at a cost of \$400,000 each, for a total of \$10 million (this was less than the historical cost of \$600,000 for an MMRS contract), and to fund special projects in MMRS jurisdictions.

In fiscal year 2003, \$49.1 million of the \$50.1 million appropriation was allocated to MMRS within the HHS OAS PHEP, and is broken out as follows:

- \$200,000 was provided to each of the 25 fiscal year 2002 jurisdictions to “make them whole” for baseline capability development, for a total of \$5 million
- Funds for fiscal year 2003 Program Support Contracts, providing \$280,000 for capability sustainment and optional operational area expansion, were obligated for each of the 122 MMRS jurisdictions, for a total of \$34.16 million
- A total of \$2.4 million was used to establish 3 new MMRS jurisdictions and to upgrade Atlanta to MMRS status (\$600,000 for each)
- \$3 million was provided to the National Emergency Training Center (NETC) for MMRS training course development and for Noble Training Center facility upgrades
- \$1.5M was spent on the final phase of a special project to obtain a mobile field hospital for the Charlotte-Mecklenburg, North Carolina, MMRS
- The remainder was used for technical support contract fees, official travel, printing, and other overhead expenses

In fiscal year 2004:

- \$3 million was transferred to the NETC for 1 MMRS course development and 2 facility upgrades at the Noble Training Center
- \$500,000 has been used for staff travel and administrative expenses

As of May 5, 2004, 65 of the 124 MMRS jurisdictions have completed their baseline capability development. Of these 65 jurisdictions, 24 have begun work under the fiscal year 2003 Program Support contracts. None of the jurisdictions has yet completed its fiscal year 2003 Program Support contract. Of the remaining 59 jurisdictions:

- 25 jurisdictions have nearly completed their baseline capability development (only 1 or 2 deliverables remaining)

—13 jurisdictions are on track (have 3 or more deliverables remaining and are on schedule to complete them)

—21 jurisdictions are delayed

As an incentive for completing baseline capability development, activation of the fiscal year 2003 Program Support Contract (up to \$280,000) is conditional upon completion and approval of all deliverables required in the initial MMRS contract, and its modifications. The table below provides the information by jurisdiction.

Baseline Deliverables Completed	2003 Sustainments Started	Submitted Technical and Cost Proposals for the Fiscal Year 2003 Program Support Contracts
Akron, OH	Anaheim, CA	Akron, OH
Albuquerque, NM	Aurora, CO	Albuquerque, NM
Anaheim, CA	Bakersfield, CA	Amarillo, TX
Anchorage, AK	Birmingham, AL	Anaheim, CA
Arlington, TX	Columbus, GA	Anchorage, AK
Aurora, CO	Columbus, OH	Arlington County, VA
Austin, TX	Denver, TX	Arlington, TX
Bakersfield, CA	Fremont, CA	Austin, TX
Baltimore, MD	Fresno, CA	Baton Rouge, LA
Baton Rouge, LA	Honolulu, HI	Shreveport, LA
Birmingham, AL	Indianapolis, IN	Chattanooga, TN
Boston, MA	Jacksonville, FL	Cincinnati, OH
Chesapeake, VA	Las Vegas, NV	Dallas, TX
Chicago, IL	Mesa, AZ	Dayton, OH
Cleveland, OH	Milwaukee, WI	El Paso, TX
Columbus, GA	Minneapolis/St. Paul, MN	Fort Wayne, IN
Columbus, OH	Nashville, TN	Fremont, CA
Dallas, TX	Omaha, NE	Fresno, CA
Denver, CO	Phoenix, AZ	Ft. Worth, TX
Detroit, IL	Riverside, CA	Garland, TX
El Paso, TX	Salt Lake City, UT	Glendale, CA
Ft. Wayne, IN	San Antonio, TX	Glendale, AZ
Fort Worth, TX	San Diego, CA	Greensboro, NC
Fremont, CA	St. Louis, MO	Hampton Roads District Planning Commission
Fresno, CA .....	.....	Hialeah, FL
Glendale, AZ .....	.....	Honolulu, HI
Honolulu, HI .....	.....	Houston, TX
Houston, TX .....	.....	Huntington Beach, CA
Huntington Beach, CA .....	.....	Irving, TX
Huntsville, AL .....	.....	Southeast Alaska Region
Indianapolis, IN .....	.....	Los Angeles, CA
Jacksonville, FL .....	.....	Las Vegas, NV
Kansas City, MO .....	.....	Lexington, KY
Las Vegas, NV .....	.....	Lincoln, NE
Long Beach, CA .....	.....	Little Rock, AR
Los Angeles, CA .....	.....	Lubbock, TX
Memphis, TN .....	.....	McAllen, TX (Rio Grande)
Mesa, AZ .....	.....	Mesa, AZ
Miami, FL .....	.....	Mobile, AL
Milwaukee, WI .....	.....	New Orleans, LA
Minneapolis, MN .....	.....	NY City Mayor's Office
Mobile, AL .....	.....	Oakland, CA
Nashville, TN .....	.....	Oklahoma City, OK
Newport News, VA .....	.....	Omaha, NE
New York, NY .....	.....	Phoenix, AZ
Oklahoma City, OK .....	.....	Portland, OR
Omaha, NE .....	.....	Richmond, VA
Philadelphia, PA .....	.....	Riverside, CA
Phoenix, AZ .....	.....	San Antonio, TX
Portland, OR .....	.....	San Bernardino, CA
Riverside, CA .....	.....	San Diego, CA
Salt Lake City, UT .....	.....	San Jose, CA
San Antonio, TX .....	.....	Santa Ana, CA
San Diego, CA .....	.....	Seattle, WA
San Francisco, CA .....	.....	Spokane, WA
San Jose, CA .....	.....	St. Louis, MO

Baseline Deliverables Completed	2003 Sustainments Started	Submitted Technical and Cost Proposals for the Fiscal Year 2003 Program Support Contracts
Seattle, WA		St. Petersburg, FL
Shreveport, LA		Stanislaus County, CA
St. Louis, MO		Stockton, CA
St. Paul, MN		Tacoma, WA
St. Petersburg, FL		Tampa, FL
Syracuse, NY		Toledo, OH
Tampa, FL		Tucson, AZ
Tulsa, OK		Tulsa, OK
Wichita, KS		Wake County, NC
		Wichita, KS

As of April 30, 2004, \$3.5 million of the \$50 million appropriation has been obligated. The funds that Congress has appropriated for MMRS over the last several years have been used to establish certain capabilities, to get the program up to its baseline, and to facilitate transfer of the program to the localities for continuation, once the baseline is established. We will reach the baseline this fiscal year (2004), and therefore no additional funding is being requested. As such, the Department has submitted to the House and Senate Appropriations Subcommittees a notification, dated April 27, 2004, of its intent to reprogram \$40 million of the \$50 million MMRS appropriation. Should this reprogramming be approved, the remaining funds, approximately \$6 million, would be used to develop a plan to terminate the program as currently structured and to seek the continuance, in some form, of its key components in the eventual “one-stop shop” grants operation to be administered by the DHS Office of State and Local Government Coordination and Preparedness. Under this arrangement, FEMA would have no further role in the MMRS program for fiscal year 2004, and there will be no Federal program in fiscal year 2005.

There are other Federal programs that provide more narrowly focused, but related, support. These include the Centers for Disease Control and Prevention-Health Resources and Services Administration (HRSA) Bioterrorism Preparedness Grants and the HRSA Hospital Grants; the Office for Domestic Preparedness (ODP) Training and Exercise Programs and Equipment Grants; and ODP Urban Area Security Initiative funding to the designated States, which will then work with counties and cities to form regions that will work together through mutual aid agreements, interoperable communications, statewide intelligence centers, and community and citizen participation.

OBLIGATIONS

Question. How does ODP verify that States have obligated funds to cities, as required in the State formula and UASI grants? What are the mechanisms for States to notify ODP, and for ODP to verify that obligation was made? What does “obligate” mean in this program? What steps must a city take to be able to get funds from the State for a particular expenditure?

Answer. For the fiscal year 2003 State Homeland Security Grant Program (SHSGP), Part I and II and Urban Areas Security Initiative (UASI) Part I and II grants, ODP’s grant guidance notes that states were expected to obligate 80 percent of equipment funding for SHSGP I, 80 percent of first responder preparedness funding in SHSGP II, 50 percent of CIP funding in SHSGP II, and 80 percent of all funding for the UASI II program to units of local government within 45 days. To that end, ODP set up a follow-up system whereby ODP would notify the State 10 days out from the 45th day (via a letter) that ODP expects states to certify that they had obligated these funds. The certification was done via a “fax back” form to their ODP preparedness officer. On the 46th day after the grant award, we sent out a letter reminding them of the obligation requirement, with an accompanying fax back form that required them to certify that they had met this obligation requirement, and to further explain (through a narrative) how the funds were being used.

We received a majority of the fax backs within the allotted time, and ODP is relying on the certification of those states that they have met the statutory requirement. For states that did not provide the information, or noted that they did not comply, we provided a number of options. ODP offered technical assistance to help them comply with certification. In other cases, states notified us of a date they would be in compliance (in some states, legislatures and other elected bodies need to meet so that can hold up Federal funding obligation). The last resort for states who did not comply was the notification that ODP intended to put a hold on the state portion of their funding until they came into compliance.

In fiscal year 2004, the Homeland Security Grant Program and the Urban Area Security Initiative grantees will certify their obligations through the Initial Strategy Implementation Plan (ISIP), which is due 60 days after grant award. The grantees will submit this form to ODP, and failure to submit the form will cause funding to be administratively held, as noted in the special condition in the grant.

Obligation for ODP purposes means: (1) a definite commitment which creates a legal liability for the payment of funds for goods and services ordered or received, or; (2) a commitment during the grant period to pay under a grant, subgrant, and/or contract determinable sums for services or goods ordered or received during the grant period; (please note that this does not include operational costs associated with raising the threat level in the State Homeland Security Grant Program-Part 2; please reference the ODP Grant guidelines for specific details) or (3) evidence that funds are encumbered, such as a purchase order or requisition, to cover the cost of purchasing an authorized item during the grant period.

In terms of eligible subgrantees (such as cities, counties, regions and other units of government) to receive funds from the state, ODP leaves the discretion to the State as to who will receive subgrants. This varies from State to State; as mentioned earlier, it can be cities, counties, regions, port authorities, tribes, and other local units of government. As well, most states make it clear to their locals that there may not be an expectation that everyone will receive a subgrant. This will be based upon risk, threat, population or other means. If a locality is chosen as a subgrantee, the State makes a subgrant award document available to them, with instructions for how to proceed with procurement or other items, such as training procurement or exercise planning. Depending on the requirements in the grant, in most cases subgrantees are required to submit detailed budget worksheets to the State in order to receive their funding. Since ODP operates on a reimbursement basis, the locality will have to order items from a vendor, and then receive the item before the monies can be reimbursed. States are the only unit of government authorized to make drawdowns against the U.S. Treasury for ODP funds.

TRAINING

Question. How does the Department plan to spend the \$60 million for competitive training? Please provide a break down of continuing training costs.

Answer. The funding breakdown of the \$60 million (\$59,646,000 with the 0.59 percent rescission) for continuation of ODP's current training programs, as well as the competitive training grant program is as follows:

Competitive Training Grants	\$33,646,000
Naval Postgraduate School	14,000,000
National Sheriff's Association	3,000,000
Dugway Proving Ground	3,000,000
IACLEA	1,500,000
Michigan State University	500,000
Virtual Medical Campus (WVU)	2,000,000
International Association of Chiefs of Police	2,000,000
International Association of Firefighters	1,000,000
Total	59,646,000

TASK FORCE

Question. The Secretary has established a task force responsible for identifying roadblocks in moving homeland security funding from States to cities, and for identifying solutions. Who makes up the task force? How many meetings have there been to date? What problems have been identified?

Answer. Secretary Ridge has established a Homeland Security Funding Task Force composed of state, county, city, and tribal representatives to examine the funding process and ensure that Department of Homeland Security funds move quickly to local first responders. The primary goal of the Task Force is identify State and local funding solutions that work effectively—"best practices"—and can be extended to situations where there are impediments to efficient and effective distribution of State and local homeland security funds.

The Department expects the Task Force to provide a report to the Secretary within the next several weeks that will identify several "best practices" for ensuring the expeditious award of funds to local first responders. The report will also identify barriers to the quick and efficient award of funds to local first responders and offer recommendations to address these barriers. The Task Force, led by Mitt Romney,

Governor of Massachusetts, is composed of 20 representatives who have first-hand experience in homeland security issues and whose expertise in this area should allow for a thorough examination of the issue.

As of May 2004, the Task Force has met twice, and has also convened two conference calls to discuss the issues surrounding the most efficient and effective means to ensure that homeland security funds are passed through to local first responders.

STATE GRANTS (INCLUDING LAW ENFORCEMENT TERRORISM PREVENTION GRANTS)

Question. How much of the fiscal year 2002 funds have been obligated, and expended, by state? At a national level, describe the uses of the funds and how much has been spent on those uses. Please provide the same information for fiscal year 2003 and fiscal year 2004 funds.

Answer. Please see charts below for information on the fiscal year 2002 and fiscal year 2003 State formula grant programs. At this point, ODP does not have information on the fiscal year 2004 program as many states have only recently received their awards. Overall, though, these awards could be used for a variety of purposes, including procurement of specialized equipment, exercise support, and training. In all instances, draw down information is provided to ODP by the States and reflect State and local draw down amounts. Often times, these draw down reports require ODP to validate the accuracy of the amounts reported. Given that ODP is relying on State- and local-generated information, this process can be time-consuming. Currently, ODP is still verifying correct draw down amounts from States and localities. The result of this is that State and local draw down amounts exceed obligated amounts due to State and local reporting inaccuracies. ODP's validation process will reconcile these numbers to reflect more accurate final draw down amounts.

HIGH THREAT, HIGH DENSITY URBAN AREA SECURITY GRANTS

Question. How much of the fiscal year 2002 funds have been obligated, and expended, by state? At a national level, describe the uses of the funds and how much has been spent on those uses. Please provide the same information for fiscal year 2003 and fiscal year 2004 funds.

Answer. Please see attached charts below. Overall, though, these awards could be used for a variety of purposes, including procurement of specialized equipment, exercise support, and training.

FISCAL YEAR 2002 OBLIGATION & DRAWDOWN

STATE	AWARD AMOUNT	OBLIGATION	DRAWDOWN
ALABAMA	\$5,317,000.00	\$5,317,000.00	\$3,227,957.57
ALASKA	2,783,000.00	2,783,000.00	116,217.02
AMERICAN SAMOA	828,000.00	713,671.00	713,671.00
ARIZONA	5,770,000.00	5,770,000.00	3,275,843.00
ARKANSAS	4,141,000.00	4,141,000.00	1,812,350.69
CALIFORNIA	24,831,000.00	24,695,730.27	6,770,544.91
COLORADO	5,220,000.00	5,220,000.00	2,185,101.69
CONNECTICUT	4,626,000.00	3,132,870.26	3,132,870.26
DELAWARE	2,887,000.00	2,887,000.00	2,522,055.43
DISTRICT OF COLUMBIA	2,747,000.00	2,558,690.00	2,558,690.00
FLORIDA	12,967,000.00	12,967,000.00	10,092,752.25
GEORGIA	7,797,000.00	7,797,000.00	1,322,400.00
GUAM	892,000.00	892,000.00	782,785.64
HAWAII	3,172,000.00	3,172,000.00	388,734.56
IDAHO	3,226,000.00	837,369.26	837,369.26
ILLINOIS	10,604,000.00	10,135,950.00	6,421,617.60
INDIANA	6,400,000.00	4,710,688.00	4,341,379.22
IOWA	4,308,000.00	4,288,520.64	4,288,520.64
KANSAS	4,151,000.00	4,047,426.32	4,047,426.32
KENTUCKY	5,048,000.00	5,048,000.00	860,155.73
LOUISIANA	5,331,000.00	5,255,906.92	2,932,832.10
MAINE	3,213,000.00	2,759,787.38	2,759,787.38
MARYLAND	5,881,000.00	5,881,000.00	5,058,472.14
MASSACHUSETTS	6,579,000.00	6,283,971.94	6,067,184.38
MICHIGAN	8,958,000.00	8,958,000.00	6,797,636.52
MINNESOTA	5,631,000.00	5,631,000.00	4,232,332.00
MISSISSIPPI	4,255,000.00	4,255,000.00	134,618.95
MISSOURI	6,079,000.00	6,079,000.00	4,512,600.00

FISCAL YEAR 2002 OBLIGATION & DRAWDOWN—Continued

STATE	AWARD AMOUNT	OBLIGATION	DRAWDOWN
MONTANA	2,967,000.00	2,967,000.00	2,356,138.40
NEBRASKA	3,502,000.00	2,365,560.04	2,365,560.04
NEVADA	3,693,000.00	2,932,185.27	2,932,185.27
NEW HAMPSHIRE	3,187,000.00	3,187,000.00	566,551.14
NEW JERSEY	7,948,000.00	7,948,000.00	.....
NEW MEXICO	3,574,000.00	861,485.41	861,485.41
NEW YORK	14,953,000.00	10,860,400.00	8,000,000.00
NORTH CAROLINA	7,706,000.00	7,339,690.00	4,589,749.00
NORTH DAKOTA	2,794,000.00	2,788,952.00	1,935,923.60
NORTHERN MARIANAS (MP)	835,000.00	634,948.00	631,569.00
OHIO	9,897,000.00	9,897,000.00	6,894,513.59
OKLAHOMA	4,656,000.00	4,450,000.00	474,551.16
OREGON	4,637,000.00	4,637,000.00	1,322,762.23
PENNSYLVANIA	10,512,000.00	10,512,000.00	5,524,635.76
PUERTO RICO	4,894,000.00	4,602,000.00	415,718.67
RHODE ISLAND	3,063,000.00	2,448,593.17	1,170,550.04
SOUTH CAROLINA	5,028,000.00	5,028,000.00	3,805,485.55
SOUTH DAKOTA	2,868,000.00	2,799,987.64	2,744,690.06
TENNESSEE	6,140,000.00	5,854,806.53	2,847,838.44
TEXAS	16,196,000.00	16,196,000.00	3,954,498.71
UTAH	3,849,000.00	3,849,000.00	2,331,617.46
VERMONT	2,772,000.00	2,772,000.00	1,883,177.41
VIRGIN ISLANDS	861,000.00	861,000.00	133,381.16
VIRGINIA	7,062,000.00	7,062,000.00	5,853,231.82
WASHINGTON	6,276,000.00	5,733,465.11	4,979,929.00
WEST VIRGINIA	3,567,000.00	3,567,000.00	3,567,000.00
WISCONSIN	5,925,000.00	4,842,045.00	4,137,494.44
WYOMING	2,696,000.00	2,157,207.03	2,157,207.03
TOTAL	315,700,000.00	295,372,907.19	170,631,350.65

FISCAL YEAR 2003 SHSGP I

Grantee	Award Amount	Obligation	Amount Drawn Down
Alabama	\$9,457,000.00	\$9,457,000.00	\$175,934.60
Alaska	4,995,000.00	4,995,000.00	184,464.63
American Samoa ¹	1,482,000.00	1,482,000.00	.....
Arizona	10,584,000.00	10,584,000.00	2,074,597.00
Arkansas	7,394,000.00	7,394,000.00	3,383,376.03
California	45,023,000.00	45,021,503.60	5,141,147.64
Colorado	9,480,000.00	9,480,000.00	771,927.24
Connecticut ¹	8,265,000.00	2,688,030.55	.....
Delaware	5,185,000.00	5,185,000.00	.....
District of Columbia	4,910,000.00	4,910,000.00	.....
Florida	23,654,000.00	23,654,000.00	3,194,791.29
Georgia	14,188,000.00	11,344,100.00	2,749,000.00
Guam	1,596,000.00	1,596,000.00	138,141.80
Hawaii	5,693,000.00	5,693,000.00	160,895.41
Idaho ¹	5,803,000.00	5,396,000.00	1,210,840.19
Illinois	18,879,000.00	17,353,243.00	6,532,800.91
Indiana	11,399,000.00	11,399,000.00	4,859,561.60
Iowa ¹	7,656,500.00	7,656,500.00	232,884.14
Kansas	7,401,000.00	6,353,209.03	264,327.00
Kentucky	9,001,000.00	8,527,000.00	2,789,560.10
Louisiana	9,451,000.00	9,451,000.00	182,686.24
Maine	5,751,000.00	5,751,000.00	1,589,384.57
Maryland	10,585,000.00	10,585,000.00	1,223,974.47
Massachusetts	11,711,000.00	.....	68,752.97
Michigan	15,918,000.00	15,918,000.00	899,860.42
Minnesota	10,076,000.00	10,076,000.00	614,470.00
Mississippi	7,582,000.00	7,582,000.00	1,001,844.54
Missouri	10,834,000.00	10,834,000.00	3,358,900.00

FISCAL YEAR 2003 SHSGP I—Continued

Grantee	Award Amount	Obligation	Amount Drawn Down
Montana	5,303,000.00	5,303,000.00	367,734.49
N. Mariana Islands	1,496,000.00	1,234,698.00	749,082.00
Nebraska	6,254,500.00	6,254,500.00	1,618,344.69
Nevada	6,771,000.00	6,771,600.00	1,259,918.90
New Hampshire	5,727,000.00	5,727,000.00	858,982.35
New Jersey	14,222,000.00	14,222,000.00	.....
New Mexico	6,401,000.00	6,401,000.00	133,918.45
New York ¹	26,492,000.00	14,872,000.00	19,000,000.00
North Carolina	13,908,000.00	13,908,000.00	1,228,130.00
North Dakota	4,983,000.00	4,983,000.00	1,046,030.93
Ohio	17,510,000.00	17,510,000.00	3,551,943.24
Oklahoma	8,304,000.00	6,847,000.00	414,231.39
Oregon	8,336,000.00	8,336,000.00	2,118,757.40
Pennsylvania	18,570,000.00	18,570,000.00	3,286,780.86
Puerto Rico	8,727,000.00	8,727,000.00	.....
Rhode Island	5,489,000.00	5,489,000.00	1,899,312.04
South Carolina	9,017,000.00	9,017,000.00	485,499.18
South Dakota	5,131,000.00	5,131,000.00	217,204.19
Tennessee	10,978,000.00	10,978,000.00	490,436.93
Texas	29,538,000.00	29,538,000.00	3,520,908.18
U.S. Virgin Islands	1,542,000.00	1,542,000.00	134,353.56
Utah	6,937,000.00	6,937,000.00	1,190,912.95
Vermont	4,963,000.00	4,963,000.00	1,466,921.25
Virginia ¹	12,716,000.00	8,031,200.00	6,369,466.20
Washington	11,294,000.00	11,194,000.00	6,653,422.04
West Virginia	6,340,000.00	6,340,000.00	5,034,308.70
Wisconsin	10,565,000.00	10,565,000.00	5,577,914.15
Wyoming	4,827,000.00	4,827,000.00	1,101,205.77
Total	566,295,000.00	524,584,584.18	112,579,842.63

¹ Verification of Obligation Data in Progress

FISCAL YEAR 2003 SHSGP II

Grantee	Award Amount	Obligation	Amount Drawn Down
Alabama	\$25,049,000.00	\$22,448,099.99	\$2,077,219.12
Alaska	13,230,000.00	11,466,000.00	82,013.14
American Samoa ¹	3,926,000.00	3,403,000.00	398,076.00
Arizona	28,033,000.00	28,033,000.00	3,124,190.00
Arkansas	19,585,000.00	16,974,000.00	4,718,796.73
California	119,256,000.00	119,186,813.00	22,821,978.15
Colorado	25,111,000.00	25,111,000.00	1,587,461.43
Connecticut ¹	21,893,000.00	3,326,834.23	.....
Delaware	13,733,000.00	13,733,000.00	.....
District of Columbia	13,006,000.00	1,734,000.00	1,753,163.37
Florida	62,655,000.00	62,655,000.00	6,932,847.97
Georgia	37,579,000.00	37,579,000.00	2,764,500.00
Guam	4,226,000.00	4,226,000.00	.....
Hawaii	15,079,000.00	15,079,000.00	1,183,054.77
Idaho	15,375,000.00	14,350,000.00	2,059,200.37
Illinois	50,005,000.00	44,656,232.00	258,979.73
Indiana	30,194,000.00	26,285,402.27	9,776,430.67
Iowa ¹	20,282,000.00	17,689,625.12	1,337,200.95
Kansas ¹	19,603,000.00	16,989,000.00	24,886.33
Kentucky	23,838,000.00	20,660,000.00	2,204,308.52
Louisiana	25,037,000.00	22,741,123.28	569,112.82
Maine	15,232,000.00	15,232,000.00	2,403,869.60
Maryland	28,037,000.00	28,037,000.00	519,347.05
Massachusetts	31,020,000.00	31,020,000.00	8,321,342.08
Michigan	42,162,000.00	36,227,500.00	469,974.88
Minnesota	26,690,000.00	23,845,370.12	693,032.00
Mississippi	20,083,000.00	20,083,000.00	654,920.00
Missouri	28,697,000.00	28,697,000.00	5,048,400.00

FISCAL YEAR 2003 SHSGP II—Continued

Grantee	Award Amount	Obligation	Amount Drawn Down
Montana	14,047,000.00	13,110,500.00	205,653.27
N. Mariana Islands	3,963,000.00	3,963,000.00	186,642.00
Nebraska	16,568,000.00	16,568,000.00	4,128,342.94
Nevada	17,935,000.00	17,935,000.00	845,533.87
New Hampshire	15,172,000.00	13,362,968.47	6,664,255.98
New Jersey	37,671,000.00	37,671,000.00	2,318,264.63
New Mexico	16,956,000.00	13,635,150.00	68,600.00
New York ¹	70,172,000.00	70,172,000.00	63,000,000.00
North Carolina	36,840,000.00	36,840,000.00	455,173.00
North Dakota	13,200,000.00	11,440,410.00	247,219.42
Ohio	46,378,000.00	46,378,000.00	3,047,735.70
Oklahoma	21,996,000.00	21,996,000.00	183,361.58
Oregon	22,081,000.00	19,403,038.00	1,344,549.74
Pennsylvania	49,189,000.00	49,189,000.00	2,255,466.08
Puerto Rico	23,118,000.00	23,118,000.00	.....
Rhode Island ¹	14,540,000.00	12,603,756.96	9,285,838.00
South Carolina	23,882,000.00	23,882,000.00	830,961.88
South Dakota	13,591,000.00	13,591,000.00	3,499,236.39
Tennessee	29,080,000.00	29,080,000.00	28,493.47
Texas	78,238,000.00	78,238,000.00	1,412,151.75
U.S. Virgin Islands	4,085,000.00	4,085,000.00	2,358,158.50
Utah	18,374,000.00	18,374,000.00	3,388,302.90
Vermont	13,147,000.00	13,147,000.00	559,083.58
Virginia	33,683,000.00	29,861,000.00	21,240,605.96
Washington	29,917,000.00	27,080,797.47	1,614,935.49
West Virginia	16,792,000.00	14,553,000.00	.....
Wisconsin	27,985,000.00	27,985,000.00	12,926,737.90
Wyoming	12,784,000.00	12,784,000.00	149,005.29
Total	1,500,000,000.00	1,411,514,620.91	224,028,615.00

¹ Verification of Obligation Data in Progress.

FISCAL YEAR 2003 UASI I

Grantee	Award Amount	Obligation	Amount Drawn Down
New York City	\$24,768,000.00	.....	.....
National Capital Region	18,081,000.00	.....	.....
Los Angeles	12,422,000.00	.....	.....
Seattle	11,201,000.00	\$1,597,300.00	\$65,825.45
Chicago	10,896,000.00	2,700,000.00	.....
San Francisco	10,349,000.00	42,000.00	.....
Houston	8,634,000.00	.....	.....
Total	96,351,000.00	4,339,300.00	65,825.45

FISCAL YEAR 2003 UASI II

Grantee	Award Amount	Obligation	Amount Drawn Down
NEW YORK	\$135,266,607.00	\$33,816,652.00	\$82,816,652.00
New York City, NY	125,000,000.00	.....	.....
Buffalo, NY	10,266,607.00	.....	.....
NATIONAL CAPITAL REGION	42,409,851.00	.....	.....
ILLINOIS	29,975,733.00	.....	.....
Chicago, IL	29,975,733.00	.....	.....
TEXAS	34,165,283.00	963,124.96	7,987.72
Houston, TX	23,766,700.00	.....	.....
Dallas, TX	10,398,583.00	.....	.....
CALIFORNIA	62,202,490.00	.....	134,049.00
Los Angeles, CA	18,874,838.00	.....	.....
San Francisco, CA	18,587,312.00	.....	.....

FISCAL YEAR 2003 UASI II—Continued

Grantee	Award Amount	Obligation	Amount Drawn Down
San Diego, CA	11,359,682.00	.....	.....
Sacramento, CA	6,912,795.00	.....	.....
Long Beach, CA	6,467,863.00	.....	.....
WASHINGTON	18,186,668.00	600,000.00	13.09
Seattle, WA	18,186,668.00	.....	.....
MASSACHUSETTS	16,727,125.00	1,718,408.00	.....
Boston, MA	16,727,125.00	.....	.....
COLORADO	15,568,474.00	.....	.....
Denver, CO	15,568,474.00	.....	.....
PENNSYLVANIA	21,038,924.00	.....	.....
Philadelphia, PA	14,215,223.00	.....	.....
Pittsburgh, PA	6,823,701.00	.....	.....
MISSOURI	19,548,603.00	2,466,979.96	365,000.00
St. Louis, MO	9,850,142.00	.....	.....
Kansas City, MO	9,698,461.00	.....	.....
FLORIDA	18,959,558.00	3,695,318.60	3,296,000.00
Miami, FL	13,184,569.00	.....	.....
Tampa, FL	5,774,989.00	.....	.....
OHIO	13,859,426.00	202,370.00	7,874.27
Cincinnati, OH	7,991,055.00	.....	.....
Cleveland, OH	5,868,371.00	.....	.....
MICHIGAN	12,272,550.00	.....	.....
Detroit, MI	12,272,550.00	.....	.....
NEW JERSEY	11,892,942.00	.....	.....
Newark, NJ	11,892,942.00	.....	.....
ARIZONA	11,033,467.00	200,000.00	14,469.00
Phoenix, AZ	11,033,467.00	.....	.....
MARYLAND	10,900,944.00	2,725,236.00	1,464,126.51
Baltimore, MD	10,900,944.00	.....	.....
HAWAII	6,870,891.00	.....	1,717,723.00
Honolulu, HI	6,870,891.00	.....	.....
OREGON	6,766,108.00	150,000.00	1,151.99
Portland, OR	6,766,108.00	.....	.....
LOUISIANA	6,282,661.00	1,570,665.00	.....
New Orleans, LA	6,282,661.00	.....	.....
TENNESSEE	6,071,695.00	30,000.00	.....
Memphis, TN	6,071,695.00	.....	.....
Total	500,000,000.00	48,138,754.52	89,825,046.58

STATE PLANS

Question. States were to submit their plans to the Department by December 31, 2003. How many State plans were delivered by that date? How many State plans have now been submitted? How many, and which, State plans have not yet been approved? In reviewing the plans, what lessons have been learned about DHS plan requirements and what best practices have been identified?

Answer. Each State, the District of Columbia, the Commonwealth of Puerto Rico, and the territories were required to submit their assessments and strategies by January 31, 2004. Much of how the States and territories will distribute and utilize Homeland Security Grant Program funds will be influenced by the results of the State Homeland Security Assessments and Strategies.

These assessments and strategies are critically important to both the States and the Federal Government. They provide a wealth of information regarding each State's vulnerabilities, capabilities, and future requirements, as well as each State's preparedness goals and objectives. They provide each State with a roadmap as to how current and future funding, exercise, training, and other preparedness resources should be directed and targeted, and they provide the Federal Government with a better understanding of needs and capabilities.

All assessments and strategies have been received and reviewed or currently are under review by an intra-DHS review board comprised of representatives from major Department components. Of those 56 strategies, 53 have been approved by the Department. The remaining three—Idaho, Northern Mariana Islands, and the District of Columbia—should be approved soon. ODP officials are continuing to work

with officials from these states and territories to ensure that the requisite information and changes are made to their strategies.

QUESTIONS SUBMITTED BY SENATOR ERNEST F. HOLLINGS

SEAPORT SECURITY IMPLEMENTATION COSTS

Question. The Coast Guard has estimated that the cost of meeting security mandates from the Maritime Transportation Security Act will be \$1.1 billion initially and then \$7.1 billion over the next 10 years.

The deadline for submitting port security plans to the Coast Guard passed at the end of 2003 and many ports and facilities either turned in nothing, or submitted reports that the analysis was still pending. It has been reported that the Coast Guard also does not have the personnel resources to review and evaluate the assessments when they are turned in.

Most shipping activity is controlled by State, local and private sector operations, and the Federal presence is minimum. The ports are not deep pocketed, and tend to focus all activity on efficiency. Relying on them as the total source of funding will ensure that we get weak port security. By way of comparison, this would be like saying at the Southwest Border, where a rancher's ranch borders the Rio Grande and the Mexican border; "we have concerns about illegal immigration over your land, and we want you to put up gates and fences and conduct surveillance of your property, and if you don't we will take your ranch away from you". While the protection of our border is a shared burden, the Administration budget proposal does not adequately address it's obligation.

The cost of securing our seaports is high, yet not impossible to cover. The Coast Guard has published estimates that the cost will be over \$7 billion over the next 10 years. Why has the administration only provided \$46 million in the budget to meet this need?

Answer. The President's Budget provides \$1.9 billion for port security in the Department of Homeland Security, a 13 percent increase over the 2004 level.

Within the 2005 total is \$1,675 million for Coast Guard port, waterway, and coastal security activities, including over \$100 million to implement the Maritime Transportation Security Act (MTSA).

The DHS port security total also includes \$164 million in U.S. Customs and Border Protection for the Container Security Initiative and the Customs Trade Partnership Against Terrorism as well as the \$46 million in the Office for Domestic Preparedness for port security grants.

The Administration's budget request supports the President's National Strategy for Homeland Security. This strategy provides the basic framework to mobilize and organize the Nation—Federal, State and local governments, the private sector, and the American people—in the complex mission of protecting our homeland.

To date, the Coast Guard has received approximately 97 percent of the Facility Security Plans that it anticipates receiving in response to the Federal Maritime Security Regulations that were promulgated under the Maritime Transportation Security Act (MTSA). The Coast Guard is currently reviewing these Facility Security Plans with the assistance of one of the Nation's premier engineering companies, Black and Veatch. The review process includes three stages that concludes with an on-site examination to ensure that the security measures outlined in the plan are appropriate and are being fully implemented. The Coast Guard has allocated the resources necessary to conduct a full review of each Facility Security Plan before July 1, 2004 when all facilities are required to be operating under their approved plans.

The estimated costs of meeting the security mandates from the Maritime Transportation Security Act do not account for the security measures that companies have already taken to enhance security. For the sake of good business practice, or to comply with regulations promulgated by other Federal and State agencies, many companies have already made substantial investments to upgrade and improve security of their operation. We also realize that not every company engaged in maritime commerce would implement the requirements for increased security in exactly the same manner. Depending on each company's choices, some companies could spend much less than what was anticipated in the regulatory analysis for the MTSA regulations.

The Department fully understands there will be short-term costs, particularly for many smaller ports or companies with less security experience. The Coast Guard is fully engaged with the maritime industry to help alleviate the burden. The Department has also awarded or made available a total of nearly \$500 million in port security grants over the past 2 years and anticipates convening the fourth round of grants in spring 2004.

The security requirements of the Maritime Transportation Security Act were developed with the full cooperation of the private sector. The implementation of these requirements will complement the Department's already strong response.

OVERALL COAST GUARD BUDGET REQUEST ONLY 6 PERCENT INCREASE

Question. The Commandant of the Coast Guard testified that the Coast Guard was on track to restore resources and performance of non-security missions, such as search and rescue of stranded mariners, to pre-9/11 levels. However, a draft GAO report (non-public until mid-March) finds that the resource hours dedicated to the search and rescue mission search & rescue is down 22 percent from pre-9/11 levels. The resource hours dedicated to many other non-security missions, such as fisheries enforcement, living marine resources, and drug interdiction, are all down as well.

Does this budget really fund the Coast Guard at sufficient levels? The request is really only a 6 percent increase over what we enacted last year, if you include the supplementals. Why is Coast Guard getting so little of the increase when it has so many responsibilities related to security and non-security missions?

Answer. Yes, the fiscal year 2005 budget request is sufficient to fund Coast Guard operations. A 6 percent increase is not a fair comparison since the fiscal year 2004 Coast Guard budget includes supplemental funding provided for Iraqi Freedom and Hurricane Isabel. Supplemental appropriations are for specific purposes and are non-recurring. Therefore, the fiscal year 2005 Coast Guard budget would not reflect this funding.

While the draft GAO report referenced in this question noted that that the resource hours for non-homeland security programs decreased, the report also had the following conclusion: "The Coast Guard's performance results—measures used to track each program's annual progress—generally did not mirror the trends in resource use. Instead, results for programs GAO reviewed were generally stable or improved regardless of the resources applied, and nearly all of the programs that GAO reviewed met their performance targets." (Draft GAO-04-043, March 2004).

Search and Rescue (SAR) is a demand driven mission. While resource hours for SAR are down, it is due to less distress calls than from lack of resource hours. Also from the GAO report: ". . . the search and rescue program's target for fiscal year 2003 was to save 85 percent of mariners in distress and the program achieved this goal by saving over 87 percent of them."

While resource hours are an important measure, the Coast Guard relies on the judgment of the operation commander to apply available resources based on the risks in the relevant area of operations. This flexibility is critical to apply Coast Guard resources to the numerous missions mandated in Section 888 of the Homeland Security Act of 2002.

Question. I am hearing reports that the Coast Guard's resource hours for most non-security missions are still down below pre-9/11 levels. For example, I've heard that the search and rescue mission is down 22 percent from pre-9/11 levels. What can you tell me about that?

Answer. In fiscal year 2003, search and rescue operational activity, as reported by cutters, aircraft and boats (ashore) in the Abstract of Operations (AOPS), was 22 percent lower than pre-9/11 levels. The pre-9/11 level is defined as the annual average of the eight-quarter period beginning with the 4th quarter of fiscal year 1999 and ending with the 3rd quarter of fiscal year 2001.

The observed decrease in operational activity does not necessarily reflect reduced readiness or responsiveness. Search and rescue is a demand-driven mission. As such, a decrease in search and rescue resource hours is a result of a reduction in the number of distress calls received. Further, search and rescue operational activity may also be affected by any number of the following factors:

- The economy—boating activity mirrors the economy's fluctuations.
 - Weather patterns and number of severe storms.
 - Improved safety equipment onboard vessels.
 - Better built craft; modern vessels are more reliable.
 - Better communications that prevent false overdue cases.
 - Increased use of private towing companies providing non-emergency assistance.
- The Coast Guard continues to respond to all urgent search and rescue calls.

INTELLIGENCE DISSEMINATION

Question. Section 70113, of the MTSA mandated a single system of collection and analysis on vessels, cargo, crew, and passengers entering into the U.S. Maritime intelligence had traditionally been developed in response to the needs of the U.S. Navy, and the Office of Naval Investigations ("ONI") was crucial during World War II as they were responsible for de-encrypting German and Japanese naval codes.

Later during the Cold War, this agency was charged with the tracking of Soviet naval assets and submarines. The first efforts in tracking and monitoring commercial maritime shipping occurred in the 1980's, when the Coast Guard was brought into the naval intelligence world, primarily to help track vessels that might be involved in drug running.

The current headquarters for the Maritime Intelligence Center ("MIC") located in Suitland, Md, houses Navy and Coast Guard officials. There were 1,500 Navy officers and about 40 Coast Guard officers working the unit. Since then, some strides have been taken to improve the unit, including the formal recognition of the Coast Guard into the intelligence community, appointment by the Coast Guard of the first head of Coast Guard intelligence, and a slight increase of resources. However, much remains to be done in this area, and the agencies have not cooperated at all to forge a common program. In response to your concerns about coordination of intelligence, you earmarked \$25 million to TSA, in hope that bringing new money to the pot might stimulate a more coordinated effort. Given that we only inspect 2 or 3 percent of our cargo entering into U.S. ports, and good, coordinated intelligence will be vital.

Mr. Secretary, you mentioned in your testimony that DHS is working to improve the sharing of intelligence. You have a major issue facing you in developing a coherent policy that will allow for the dissemination of intelligence reports to many of the different personnel involved in Homeland Security. First off, you have to collect certain information from officials at places like the CIA, or FBI, and get it presented to your department. Then you have to analyze it and verify it, and then pass the information out to the people who we can provide the highest degree of oversight and security. In many cases, this may be an official who works at a power plant, or is in charge of a rail terminal, or chemical facility, and who are currently not able to receive government security information that is classified. In the case of homeland security many officials that will provide security will either be from the private sector, or local or State officials.

Even within the Federal Government, and within your Agency, we are experiencing coordination problems. The Maritime Transportation Security Act mandated the creation of a single system of information collection and analysis in order to bring together information on ship movements, and connect it to information on cargo and shippers, and information on crew members and passengers to make sure that we have the best information possible to evaluate risk.

Yet, since the passage of our legislation, there have been no efforts at all to coordinate this information. In fact, since we passed the bill, Customs who used to have a presence at the Coast Guard Maritime Intelligence Center has eliminated its presence, and started construction of a new cargo intelligence facility. This is ludicrous. What are you going to do to make sure that the public can receive and act upon our intelligence, and increase homeland security, and can you take steps to start to harmonize the own agencies within your Department?

Answer. The Office of Information Analysis (IA) works in close connection with the State and Local and Private Sector Directorates within the Department of Homeland Security (DHS) in order to provide timely and valuable threat-related information to the State and local officials and private sector workforce that protect and provide for our Nation's people and infrastructure. This involves receiving and acting on feedback from such individuals, updating and specifying recommended protective measures, and communicating directly with first responders and State officials when necessary. Additionally, in an effort to unite and coordinate Department wide efforts, the Assistant Secretary for Information Analysis hosts a twice monthly meeting of the intelligence and operations directors and/or their representatives from each DHS entity. This meeting is used to coordinate policies and efforts, to ensure close and consistent communication, and to discuss recommendations for improvements in information sharing. The Department has taken preliminary steps to harmonize the intelligence efforts of its 20 plus separate entities by identifying legacy and new analytic resources as well as the missions and capabilities of the respective offices.

The Department of Homeland Security is coordinating information sharing. The Coast Guard has taken a leadership role within DHS to ensure that maritime intelligence products are accurate and available to the DHS Information Analysis and Infrastructure Protection (IAIP) Directorate and throughout the entire Federal Government. The Coast Guard Command Center is co-located with the National Response Center (NRC) sharing threat information and reports of suspicious activities from the maritime industry and other maritime stakeholders. In addition, the Coast Guard has provided access to its intelligence databases, advice to other agencies developing intelligence-shared architectures, and exchanged intelligence analysts and liaison officers with other agencies active in the maritime arena. These liaison officers work with the following organizations: Terrorist Threat Integration Center, De-

fense Intelligence Agency, Federal Bureau of Investigation, Border and Transportation Security, U.S. Navy, IAIP, National Security Agency, Central Intelligence Agency, National Drug Intelligence Center, El Paso Intelligence Center, and Joint Intelligence Task Force for Combating Terrorism. The Coast Guard and Navy also continue to build an effective joint intelligence partnership to enhance maritime domain awareness. The Coast Guard's Intelligence Coordination Center is co-located with the Office of Naval Intelligence, which comprises the National Maritime Intelligence Center (NMIC).

Further, the Coast Guard and Border and Transportation Security (BTS) have exchanged personnel to enhance data sharing between the CG Intelligence Coordination Center's COASTWATCH (which analyzes information from notice of arrival reports on vessels, people, and certain dangerous cargoes approaching U.S. ports) and BTS' National Targeting Center (cargo tracking process). Additionally, the Coast Guard's two Maritime Intelligence Fusion Centers are collocated with the U.S. Navy Shipping coordination Center to exchange Maritime Homeland Security (HLS) and Homeland Defense (HLD) information.

PASSENGER SCREENING & CHECKPOINT ISSUES

Question. A provision in the fiscal year 2004 Homeland Security Appropriations bill that was signed into law by President Bush on October 1, 2003, maintains a cap on TSA's full-time staffing at 45,000 positions. TSA has been trying to meet this employment cap since it was first imposed, and over the last 6 months has cut more than 6,000 screener positions from its workforce.

Does the employment cap of 45,000 positions in the fiscal year 2004 Homeland Security Appropriations bill provide TSA the flexibility it needs to devise appropriate staffing levels for individual facilities?

Answer. TSA is managing to keep the workforce under the 45,000 FTE level by creating a more flexible workforce. TSA is better coordinating airline schedules and passenger load with staffing needs, is increasing the proportion of part-time to full-time screeners, and is strategically using its mobile national screener force to meet seasonal fluctuations in workload. TSA expects to have a part-time screener workforce of close to 20 percent by the end of the current fiscal year. Part-time screeners create additional operational flexibility when scheduling screeners to satisfy varying levels of demand. As a result of reducing excess capacity at periods of lower demand, TSA is seeking to make more FTEs available to the system as a whole during peak periods.

Question. How will TSA deal with the employment cap as air traffic returns to more normal traffic growth levels?

Answer. We share Congress' desire to ensure that our screeners are deployed effectively and efficiently to maximize the safety and security of the traveling public. TSA will continue to review its workforce requirements at each airport, considering the number, location, and balance of full-time and part-time screeners. We will engage airport operators and air carriers to ensure that growth rates, changes in flight schedules, and other concerns, such as new technology that improves screener performance and efficiency, are incorporated into our planning. As we move forward into the busy summer travel season, we will gain a better understanding of whether or not screener staffing levels are adequate for the long term.

Question. Do you believe that this is a situation where budgetary issues may end up driving operational issues rather than the actual threat levels?

Answer. Budgetary considerations are not driving decisions on the level of aviation security provided by our screening operation. Ensuring adequate operating efficiency on the part of airlines and airports given the need to maintain high security is a continuing challenge that TSA will work through as we refine and improve screening operations.

Question. Would it be more effective for TSA to develop staffing standards for screeners that are based on ensuring that the average aviation security-related delay experience by passengers does not exceed 10 minutes per boarding?

Answer. TSA is in the process of completing work on the development of staffing standards for each airport based on modeling which include criteria such as passenger wait times.

QUESTIONS SUBMITTED BY SENATOR PATRICK J. LEAHY

ALL-STATE MINIMUM

Question. I was disappointed that President Bush's proposed budget for fiscal year 2005 drops the all-state minimum formula, which I authored, from the State Home-

land Security Grant Program. This formula assures that each State receives a minimum of 0.75 percent of those grants to help support their first responders' basic preparedness needs.

Not only would this change result in the loss of millions in homeland security funding for the fire, police and rescue departments in small- and many medium-sized states, but also deal a crippling blow to their efforts to build and sustain their terrorism preparedness.

Mr. Secretary, you and I have often spoken on how to fairly allocate domestic terrorism preparedness funds to our states and local communities. I thought we both agreed that fire, police and emergency medical rescue teams in each State deserve support in achieving the new homeland security responsibilities the Federal Government demands. Imagine my surprise, then, when I read in the fiscal year 2005 budget proposal that the State Homeland Security Grant Program would be allocated among the states based on population concentrations, critical infrastructures, and other significant terrorism risk factors, as determined by you.

Mr. Secretary, does the Bush Administration want to shortchange rural states, rolling back the hard-won progress we have begun to make in homeland security by slashing the protections provided to us by the all-state minimum?

Answer. The provision of homeland security funds to all states and territories is essential to the Federal, State, and local effort to enhance national security. I have said consistently that I believe there should be a minimum level of preparedness across the country. The language in the President's fiscal year 2005 request for the Department of Homeland Security recognizes that factors other than a minimum formula and population should be considered in making overall funding allocations. The language further states that the Secretary should have the latitude and discretion to make this determination based on a number of factors, including population concentrations, critical infrastructure, and other significant terrorism risk factors.

Terrorism and the threat of terrorist acts are not static, as is the current formula included in the USA PATRIOT Act. Instead, threats, risks, and vulnerabilities are fluid and can change based on a number of factors. The Department of Homeland Security should not be constrained by a formula and distribution method that does not change to meet current and future security needs. As you know, each State has submitted an updated homeland security strategy as a requirement of receiving and distributing fiscal year 2004 Office for Domestic Preparedness grant funds. It is the Department's expectation that these strategies, and periodically updated strategies, will provide invaluable information to determine appropriate funding levels for all states—large and small, urban and rural.

The Administration and Congress share the goal of enhancing the Nation's ability to deter, prevent, respond to, and recover from acts of terrorism. The Administration firmly supports the notion that security needs to be improved across the Nation. The Administration, however, has consistently supported a change in the USA PATRIOT Act formula so that we can apply more factors than just population to distributing and expending limited homeland security resources.

Question. Mr. Secretary, would you agree that homeland security is a national responsibility shared by all states, regardless of size?

Answer. I strongly support the idea that homeland security is a national responsibility shared by all states, regardless of size. That is why I firmly believe that there should be a minimum level of preparedness across the country. Since its creation last year, the Department has provided more than \$8 billion to support and enhance the security of states and localities. The President's fiscal year 2005 budget request continues this strong support and commitment to the Nation's emergency prevention and response community. The President's budget clearly demonstrates the continuing priority placed on homeland security through requesting \$40.2 billion in total new resources for fiscal year 2005, which is an increase of 10 percent above the comparable fiscal year 2004 level.

Question. Mr. Secretary, do you agree that each State has basic terrorism preparedness needs and, therefore, a minimum amount of domestic terrorism preparedness funds is appropriate for each state?

Answer. I strongly support the idea that homeland security is a national responsibility shared by all states, regardless of size. That is why I firmly believe that there should be a minimum level of preparedness across the country.

Question. Mr. Secretary, would you support a budget supplement amendment to restore the 0.75 percent minimum to the State Formula Grants Program, which include the State Homeland Security Grant Program, the Citizens Corps and the Law Enforcement Terrorism Prevention Grants Program?

Answer. I strongly support the President's fiscal year 2005 budget request that provides for additional factors to be considered when making determinations on how to distribute homeland security funds to states and localities. While I support the

concept behind the PATRIOT Act—that every State should receive minimum levels of support—I firmly believe that funding allocations decisions should be based on a number of other factors not included in the PATRIOT Act formula, including the presence of critical infrastructure and other significant risk factors. With the input that the Department is receiving from the states through their updated homeland security strategies, and with the more robust intelligence analysis and data collection capabilities within the Department, the Department will be better able to prioritize support for your efforts to prevent, prepare for, and respond to terrorist incidents. The President's fiscal year 2005 request recognizes this enhanced ability, and provides the Secretary of Homeland Security the latitude and discretion to determine appropriate funding levels to the states.

FIRST RESPONDERS

Question. President Bush often says that he wants to ensure that our State and local first responders receive the resources necessary to do the job the American public expects them to do.

I find that hard to believe, though, when I read that he proposes an \$805 million, or 18.4 percent, overall cut in funds for Office for Domestic Preparedness funding programs that directly benefit police, fire and medical rescue units. The Administration argues this is justified because it does not believe those funds are “targeted” to homeland security capabilities.

I believe, however, that the current Administration has failed to make first responders a high enough priority by consistently underfunding homeland security efforts of every state.

The Hart-Rudman Terrorism Task Force Report argued that our Nation will fall approximately \$98.4 billion short of meeting critical emergency responder needs through this decade's end if current funding levels are maintained.

Clearly, the domestic preparedness funds available are still not enough to protect from, prepare for and respond to future domestic terrorist attacks anywhere on American soil.

Would you agree, Mr. Secretary, that to be truly protected from, prepared for and able to respond to future terrorist attacks we should be looking to increase the funds to our Nation's State and local first responders, rather than decrease them, as proposed by the President?

Answer. The President's fiscal year 2005 request includes more than \$3.5 billion to support ODP programs and activities. This represents a \$3.3 million increase over the Fiscal year 2004 request. The fiscal year 2005 request includes funds to continue the Homeland Security Grant Program which includes the State Homeland Security Program at \$1.4 billion; the Law Enforcement Terrorism Prevention Program at \$500 million; and the Citizen Corps Program at \$50 million. Funds are also provided for the continuation of the Urban Areas Security Initiative at \$1.4 billion; the Fire Act Program at \$500 million; the Emergency Management Performance Grants at \$170 million; as well as for ODP's training, exercise, and technical assistance efforts.

The continuation of these efforts, and the \$3.3 million increase in ODP's overall request, coupled with the President's request for a 10 percent increase in funding for DHS as a whole, provides ODP, and the entire Department, with the resources we require to help secure the Nation from acts of terrorism. The Administration and Department remain committed to providing our Nation's emergency prevention and response community the resources they need to continue to secure our Nation from future acts of terrorism.

FIRE SERVICES

Question. After paying repeated lip service to the great sacrifices made by our Nation's first responders, last week President Bush unveiled a budget that cuts total Federal assistance to first responders by \$800 million.

This fiscal year Congress appropriated \$4.2 billion to address first responder and homeland security needs. Despite heightened terror alerts and multiple studies documenting the pressing needs of the fire service, the administration has proposed a \$3.5 billion package for fiscal year 2005 that cuts the FIRE ACT and grant programs to State and local jurisdictions.

Consistent with the President's opposition to using Federal dollars to hire fire fighters, the budget does not include any funding for the newly authorized SAFER (Staffing for Adequate Fire and Emergency Response) program, which fire departments nationwide argue is critical to maintaining their commitment to public safety.

The budget also proposes cutting a total of \$435 million from first responder grants to states and other important fire service programs, including eliminating

the \$60 million grant program for Urban Search and Rescue and the \$60 million competitive training grant programs. An additional \$20 million has been slashed from the fund for technical training and national exercises.

Each year since the terrorist attacks of 9/11, Congress has increased President Bush's proposed appropriations to the fire service. And it is now incumbent upon us to do that again.

Mr. Secretary, this is a time when our Nation needs to support our communities' firefighters. On September 11th, the Nation saw that the first on the scene at the World Trade Center were the heroic firefighters of New York City. Those real-life heroes, 343 of whom gave the ultimate sacrifice, should remind us of how essential that support is.

We hear a lot of rhetoric from this Administration about the need to secure our homeland and keep our Nation safe. It is very unfortunate that the President has decided not to put his money where his mouth is. These cuts are unconscionable and lack clear understanding of the many problems facing our Nation's first responders—especially those serving in our fire departments.

Aside from rearranging the deck chairs at DHS, how will your budget plan at least as much money out to our brave firefighters as it did last year?

Answer. The Department is strongly committed to addressing the needs of the Nation's first responders. In fiscal year 2005, the DHS budget request includes \$3.6 billion for terrorism and emergency preparedness grants and assistance. Since March 1, 2003, the Department has allocated and awarded more than \$8 billion in overall grant funding for States and Territories to enhance the abilities of their first responders. President Bush is the first president to request funding for the fire service and the emergency medical services, and the first to call specifically for funding of the Assistance to Firefighter Grant Program in his budget. When the 2004 grant process is completed, DHS will have distributed almost \$2 billion to more than 20,000 local fire departments, and the President's fiscal year 2005 Budget has proposed another \$500 million. From fiscal year 2002 through fiscal year 2004, the Administration as a whole has approved or requested more than \$17 billion for State and local fire departments, law enforcement, public health biodefense, and emergency response. In addition, the Bush Administration has trained more than 700,000 first responders since September 11, 2001.

IMMIGRATION

Question. The President's budget proposes a 40 percent cut in the amount of directly appropriated funds for the Bureau of Citizenship and Immigration Services (CIS), from the nearly \$235 million appropriated for the current year to \$140 million for fiscal year 2005.

You mention in your written testimony the President's guest worker proposal. If Congress approves such a guest worker plan, it would drastically increase the workload of CIS. Why is the President proposing a 40 percent cut in an agency whose workload he wants to increase dramatically?

Answer. The President's fiscal year 2005 Budget is not proposing a cut in the USCIS budget. In fact, the President's budget includes a \$300 million increase over last years levels, including an additional \$60 million in discretionary funding towards backlog reduction efforts aimed at achieving a 6-month processing time for all immigration benefit applications by fiscal year 2006.

The President's fiscal year 2005 budget reflects the current proposal recently adopted by USCIS to adjust its fee schedule through the rulemaking process. This fee adjustment includes amounts for administrative support services (\$155 million) previously funded through appropriated funds (tax dollars). Thus, this proposal has no impact on the USCIS budget except for the fact that the funding source for these services will be by way of fees versus tax dollars. With the exception of the \$140 million in appropriated backlog reduction funds, USCIS will be a wholly fee-funded agency in fiscal year 2005.

Beginning in fiscal year 2002, USCIS has been receiving a total of \$100 million in funds for backlog reduction to achieve the 6-month processing time. The \$100 million is made up of \$80 million in appropriated funds and \$20 million in premium processing fees. The President is proposing a 60 percent increase for backlog reduction efforts in fiscal year 2005, bringing the total backlog reduction funds from \$100 million to \$160 million (\$140 million in appropriated funds and \$20 million from the premium processing fees).

Question. Speaking of the guest worker program, I wrote to the President last month and asked him to submit a legislative proposal to Congress that would implement his plan. As you know, we have a short legislative year ahead of us. Why has the President not already submitted proposed legislation? Will he do so?

Answer. On January 7, 2004, the President announced principles in creating a new temporary worker program that would match willing foreign workers with willing U.S. employers when no Americans can be found to fill the jobs. We look forward to working with Congress to develop legislation that incorporates the best ideas for the American worker and our foreign visitors. Through the principles outlined by the President, the best course to the end goal of opportunity, security, safety, compassion, jobs and growth can be achieved.

Question. President Bush has promised to reduce the average wait time for applicants for immigration benefits to 6 months by 2006. In light of that goal, and the increased burden the President would place on the CIS through the guest worker program, why does the President's budget not seek any directly appropriated funds for backlog reduction?

Answer. As answered above, the President is seeking in the fiscal year 2005 budget a 60 percent increase in the total funds towards backlog reduction efforts, from \$100 to \$160 million, including \$140 million in appropriated funds. CIS will meet the President's goals no later than 2006. CIS does not believe that the President's Temporary Worker Proposal will impact the backlog.

CRITICAL INFRASTRUCTURE

Question. DHS published a proposed rule on critical infrastructure information, or CII, on April 15, 2003. What is the current status of the CII rule?

Answer. The Interim Final Rule establishing the regulations (6 CFR 29) to implement the CII Act of 2002 were published in the Federal Register for immediate implementation on February 20, 2004. Has DHS received CII submissions from corporations? If so, how many? How is DHS handling such information?

Answer. We have not received any submissions under the Interim Final Rule as of March 1, 2004.

Question. Despite the lack of a final rule on the handling of CII, are submissions effectively restricted from public disclosure and from transmittal to other Federal agencies?

Answer. The Interim Final Rule has been published and submissions meeting all the requirements of the Act and the implementing regulations (known as Protected Critical Infrastructure Information (PCII)) are exempt from release under the Freedom of Information Act. PCII may be shared with other Federal agencies engaged in critical infrastructure activities authorized under the CII Act and with State and local governments performing those activities that have signed agreements with DHS.

Question. Secondly, as I understand it, DHS received numerous substantive comments on the proposed rule, including many submissions that raised concerns with the draft rule. If substantive changes are made, based either upon these comments or other reasons, will DHS issue a new proposed rule before finalizing this controversial provision?

Answer. The Notice of Proposed Rulemaking was published for comment on April 20, 2003. A total of 117 comments were received. Based on these comments the draft regulation was revised and an Interim Final Rule was published for immediate implementation on February 20, 2004. DHS issued an Interim Final Rule to provide a framework necessary to receive voluntarily provided Critical Infrastructure Information and protect it from public disclosure, while allowing the Department to adapt as program operations evolve. The Department has asked for additional comments on the Interim Final Rule by May 20, 2004. These comments will help DHS determine whether possible supplemental regulations are needed as experience is gained in implementing the CII Act of 2002.

QUESTIONS SUBMITTED BY SENATOR TOM HARKIN

Question. I have heard from the Iowa State Secretary of Agriculture that the Department of Homeland Security is no longer funding certain veterinary positions assigned to monitoring for animal diseases that USDA used to fund before the funding stream was switched to the Department of Homeland Security. As the recent case of a BSE-positive cow in Washington showed, our State Departments of Agriculture are our front lines of defense against animal diseases, whether intentionally or naturally caused, and our veterinarians are our calvary. These positions, which were funded through a USDA grant program, provide States with essential animal disease preparedness and response capability. Many of the positions funded through the program are essential to states bioterrorism planning and response efforts as well.

Why did your department cease funding for these positions when the authority for the program was switched as part of the Homeland Security Act? How are States

supposed to make up for the loss in animal disease monitoring capabilities? Are you considering reinstating the program?

Answer. The U.S. Department of Agriculture (USDA) is responsible for the monitoring for animal diseases. The Department of Homeland Security (DHS) is responsible for conducting document verifications of certain restricted meats and for ensuring compliance with entry requirements for animals and animal by-products set by USDA. USDA retained authority for the animal disease-monitoring program and veterinary positions referred to in the question. DHS has no involvement in the funding of these positions. This question would be best directed to USDA.

Question. The Emergency Management Grant Program (EMPG) was transferred with FEMA to the Department of Homeland Security. It is the grant program that funds the basic emergency management functions of State and government. This is the money Ellen Gordon and her team use to prepare for hurricanes, floods, hazardous materials spills, accidents, or any other kind of disaster.

When EMPG was moved to DHS, the Bush Administration tried to merge it into the new terrorism First Responder grant program. States argued to keep it separate because they did not want their broad emergency response functions shifting to a terrorism-only focus. Congress agreed and the program has been kept separate—and has been fully funded.

In his fiscal year 2005 budget request, Bush proposes to cut it by 5 percent—but, more importantly, to cap personnel costs at 25 percent of the grant award.

If that were to be endorsed by the Congress, Iowa would lose one-third of our entire emergency management function and our local governments would lost between 20–30 percent of their staff.

Exercises planned would have to be canceled. The critical coordination between our traditional emergency management planning and our post-9/11 planning would be severely impacted. This is not the time to be cutting staff in this area.

I am very concerned with the requirement in the budget request that only a certain percentage of the Emergency Management Performance Grant program can be used to pay for personnel. As you know, this is the program which undergirds our very critical need to be prepared for any kind of disaster, whether terrorism, floods, hurricanes, earthquakes, etc. While it is never popular to pay for the services of staff, these staff do the work of coordinating our response plans and their work is very, very critical to us (particularly as the terrorism grants are threatening to shift to urban areas). Can you tell me the rationale behind this change and how you believe it will impact preparedness in our communities?

Answer. The Administration's fiscal year 2005 request for the Emergency Management Planning Grants is \$170 million, which is higher than any previous request for this program. The funds will be used to assist the development, maintenance, and improvement of State and local emergency management capabilities, specifically to build local capacity for homeland security needs.

As you note, though, the request does cap the amount that states can use for salaries, thereby significantly increasing the amount of funds available for planning, training and exercises. The request shifts the emphasis to Federal support for planning while properly aligning responsibility for staffing and salaries with the states and local governments. The Administration and Department have consistently supported the idea that homeland security is a shared responsibility between Federal and State and local governments. Additionally, it is important to remember that we are operating in a fiscal and security environment where we must ensure maximum security benefits are derived from every security dollar. To do that, we must be able to take a new look at the way in which we allocate resources, including sharing financial responsibility with our State and local partners.

QUESTIONS SUBMITTED BY SENATOR HERB KOHL

DISASTER MEDICAL ASSISTANCE TEAMS

Question. Disaster Medical Assistance Teams, or DMATs, can provide states with valuable extra capacity in the case of a disaster or terrorist attack. These volunteer teams act as important reserves without costing the taxpayers a great deal of money. However, neither Wisconsin nor our neighbor Illinois has a DMAT. This is especially troubling considering how many people live between Milwaukee and Chicago. The State of Wisconsin is behind the effort to create a new team, but I hear the Department of Homeland Security has put a stop to creating new teams because of some problems with current teams. If teams are not meeting requirements then eliminate those teams, but in areas without a team, Homeland Security needs to move forward. While the National Guard used to be an option when states faced

a crisis, Guard Units may not be available now with the war in Iraq and Afghanistan.

Don't these teams provide additional capability at a reasonable cost? Will the Department reconsider its moratorium on new Disaster Medical Assistance Teams?

Answer. The Department of Homeland Security's (DHS') National Disaster Medical System (NDMS) has received a number of inquiries over the past year from communities wanting to start new Disaster Medical Assistance Teams (DMATs). DHS is pleased at the level of interest and enthusiasm supporting the Nation's capacity for health and medical response during times of disasters. Rather than adding teams at this time, DHS is focused on strengthening existing teams to enhance depth of membership and rapidness of response under the new national response plan and incident management system, as required in HSPD-5.

The Department will consider the creation of new NDMS teams once it has reviewed the strategic capability and locations of the existing teams, and it has brought the teams to full operational capability.

NDMS teams provide significant enhancement to a region's medical capacity. The costs of developing, supplying, training, and maintaining these teams are significant. The Department feels these costs are reasonable for the benefit provided by these emergency reserve medical assets.

In the event of a public health emergency, the Milwaukee and Chicago region could be served by any of the 110 teams currently within the NDMS. This geographic area is within a 12-hour ground response radius for five existing Operational DMATs including MI-1, MO-1, OH-1, and OH-5. In addition, two Developmental DMAT teams (MN-1, KY-1) bordering this area could be used to support a response in the Milwaukee and Chicago area.

During this moratorium, NDMS' recommendation to communities interested in developing DMATs has been to support NDMS teams already within their states or regions. While this is not always possible, many of these requests come from communities within states that already have DMATs. When the NDMS office makes such a recommendation, it also ensures that the existing DMAT leadership in the area is notified.

There are other strategies for motivated communities besides the creation of DMATs. The Medical Reserve Corps through HHS' Office of the Surgeon General may be a model to help focus the community's motivation into developing a coordinated medical response asset. In addition, there are other volunteer organizations, such as the American Red Cross and National Voluntary Organizations Active in Disaster, that welcome the support of health care professionals.

SECURITY IN THE AGRICULTURE SECTOR

Question. Secretary Ridge, the President has unveiled a new food and agriculture defense initiative. This new effort puts you in charge of organizing security with USDA and the FDA.

I would like to hear your thoughts on how to coordinate these activities and how protection of food and agriculture rank in your overall perspective of homeland security threats. I ask this because you now have responsibility for the Plum Island animal disease laboratory in New York. Prior to last year, Plum Island was funded through the Agriculture Appropriations Subcommittee, where I am Ranking Member. As part of the President's fiscal year 2004 request, more than \$6 million of USDA funding for research and diagnostic activities were transferred to your Department from USDA and agreements were supposed to be reached to reimburse USDA employees for that work. I understand those agreements have not yet been completed.

Last year I expressed some concerns about transferring agricultural programs out of USDA. In fact, last May, when Secretary Veneman appeared before the Agriculture Subcommittee, I asked her about these transfers and she agreed that there was a concern among livestock producers that their priorities would not be reflected in programs conducted by your Department. She did say that USDA and DHS would work together to develop a research and diagnostics program to meet the needs of both Departments. In report language to accompany the fiscal year 2004 appropriations bill for your Department, you were instructed to report to the Congress by January 15th on a comprehensive strategy to combat agroterrorism.

What is the status of that report, and how can you assure farmers and ranchers across America that your Department is better suited to combat agroterrorism than USDA? How do you intend to engage USDA in this strategy?

Answer. DHS is committed to enhancing the Nation's agricultural security by complementing the mission of USDA as the sector-specific agency for agriculture [and USDA and the Food and Drug Administration (FDA) for food security] and

bringing a new sense for urgency and investments to enhance the Nation's capability to anticipate, prevent, detect, respond to, and recover from the intentional introduction of foreign animal disease.

The report requested by Congress, 'A National Strategy for Agricultural Biosecurity' builds on the strengths of each agency to develop comprehensive preparedness and response capabilities. USDA's Agricultural Research Service (ARS) will continue its basic research and early discovery work, USDA's Animal and Plant Health Inspection Service (APHIS) its diagnostics (including the Foreign Animal Disease Diagnostic Laboratory), while DHS will invest in advanced development research to expedite the transition of capabilities to operational end-users in USDA and DHS. DHS will also provide capability for certified forensics analysis in support of law enforcement.

The report was drafted by a working group of senior officials and scientists from the respective agencies (DHS, USDA APHIS and ARS), with representation of key industry groups. The draft report is complete and is currently undergoing final interdepartmental reviews prior to transmittal to the House and Senate Appropriations Committees.

This report and the DHS/USDA strategic partnership are executed in accordance with the Homeland Security Act of 2002; fiscal year 2004 appropriations for DHS and USDA; as well as Homeland Security Presidential Directive/HSPD-9 "Defense of United States Agriculture and Food" and HSPD-7 "Critical Infrastructure Identification, Prioritization, and Protection," both of which delineate the roles of sector-specific agencies.

As part of DHS's extensive commitment to agricultural security, it is also establishing two University Homeland Security Centers (HS-Centers); one in foreign animal and zoonotic diseases, and one in post-harvest food security. These new HS-Centers were awarded in April 2004. Additionally, DHS is coordinating with USDA on a review team for high-consequence reference scenarios for strategic planning for DHS's programs and activities on biological and chemical countermeasures.

Finally, the Homeland Security Act of 2002 transferred the facilities and liabilities of the Plum Island Animal Disease Center to DHS from USDA. A working group of program staff and scientists from the two departments have worked closely on a variety of aspects of this new collaboration including enhancing the operations, facilities and security on the island, developing a joint R&D plan for foreign animal diseases which emphasizes foot-and-mouth disease and roadmaps for assays and diagnostics, and vaccines and anti-virals.

Question. What is the status of completing an agreement with USDA for reimbursement for research and diagnostic work at Plum Island?

Answer. The statement of work for reimbursement of research and diagnostic work at Plum Island Animal Disease Center for fiscal year 2004 has been agreed to by DHS and USDA. The reimbursable agreement is currently being implemented at Plum Island Animal Disease Center.

Question. The President's request for the Food and Agriculture Defense Initiative includes a \$5 million item for research at DHS. What will be the focus of this research and where will it be conducted?

Answer. As summarized above, one of the reference scenarios is focused on bulk food contamination and is based on one of a series of food vulnerability studies conducted by the Homeland Security Council (HSC) Interagency Food Working Group during fiscal year 2003-fiscal year 2004. These studies form the basis for the design and implementation of food shields to protect critical central food processing nodes in the production system.

DHS is currently funding an end-to-end systems study for the reference scenario on bulk food contamination, and this study will be followed in fiscal year 2005 by a design for a food sensor, a requisite next step in the implementation of a food shield based on requirements identified in the systems study. The food sensor funding is included in the President's fiscal year 2005 budget request.

INTELLIGENCE ANALYSIS

Question. The Homeland Security Act established a Directorate of Information Analysis within the Department of Homeland Security. In July 2003 there were only 53 analysts and liaison officials within that Directorate, with plans to triple that number. President Bush has since created the Terrorist Threat Integration Center (TTIC—pronounced "T-Tick"), which includes the CIA's Counterterrorist Center (CTC) and the FBI's Counterterrorism Division. This did not relieve DHS of its intelligence analysis responsibilities, but TTIC's assigned responsibilities are very similar to those of DHS.

In your opinion, does the creation of multiple organizations to analyze terrorist-related intelligence thwart the initial goal of the Department of Homeland Security, that is to centralize this function and facilitate cooperation and information sharing among the various intelligence related agencies? If not, what is being done to preserve this goal that is not immediately apparent from the fractured structure of these functions? Would it be better to consolidate these functions in one place, either within DHS or within the CIA in the form of TTIC?

Answer. The Department of Homeland Security, as stated in the Homeland Security Act, is singularly focused on the protection of the American homeland. DHS/IAIP independently analyzes threat-related information it receives from the entire Intelligence Community, other DHS entities, and the Terrorist Threat Integration Center and issues warning products to State and local officials and the private sector after matching terrorist threats and capabilities with our Nation's vulnerabilities.

In contrast, the TTIC is responsible for the analysis of all international terrorism threat information, whether collected domestically or abroad. TTIC uses this information to create an overall threat picture and to issue reports to the appropriate IC members. Accordingly, the TTIC is vital to serve the entire Intelligence Community. While TTIC is an essential resource upon which DHS relies to complete its mission, they are also integral to completing the mission of other entities within the Intelligence Community.

EMERGENCY MANAGEMENT PERFORMANCE GRANTS

Question. I am also concerned about the Administrations cuts and policy changes to the Emergency Management Performance Grants. Not only is there \$9 million less than last year, but the \$170 million that is included in the President's budget will no longer fund all hazard planning. This is a real disappointment for county emergency managers in my state. They used these funds to help them prepare for terrorist attacks as well as natural disasters like floods and tornados. A reduction in funding, especially when adjusted for inflation, could force some counties to reduce staff as well as leave them unprepared for non-terrorism catastrophes.

Why did the Administration reduce these funds, and why did they prohibit these funds from being used for all hazard planning?

Answer. The Administration's fiscal year 2005 request for the Emergency Management Planning Grants is \$170 million, which is higher than any previous request for this program. The funds will be used to assist the development, maintenance, and improvement of State and local emergency management capabilities, with the specific goal of building capabilities for homeland security needs.

As you note, though, the request does cap the amount that states can use for salaries, thereby significantly increasing the amount of funds available for planning, training and exercises. The request shifts the emphasis to Federal support for planning while properly aligning responsibility for staffing and salaries with the states and local governments. The Administration and Department have consistently supported the idea that homeland security is a shared responsibility between Federal and State and local governments. Additionally, it is important to remember that we are operating in a fiscal and security environment where we must ensure maximum security benefits are derived from every security dollar. To do that, we must be able to take a new look at the way in which we allocate resources, including sharing financial responsibility with our State and local partners.

FLIGHT CANCELLATIONS

Question. Most of the flights stopped were from British Airways and Air France, but every day airlines based in more volatile regions land in this country. We never hear about planes from Morocco or Pakistan not being allowed to land. Are airlines that fly from the Middle East and Africa somehow safer than those that fly from Paris and London?

Answer. Flight cancellations during the holiday period were based upon specific intelligence that warranted such action. Appropriate information was shared with our foreign counterparts and foreign air carriers, which sometimes led to their decisions to cancel flights and/or implement enhanced security measures. These actions were not necessarily tied to the Nations from which the flights originated. In principle and practice, DHS does not recommend or take security actions based solely upon the origin or destination of a flight independent of specific information that may pertain to that location.

Question. Are the cancellations a result of limited intelligence cooperation between the United States, Britain and France making it harder to determine who is on these planes? Or is the problem exactly the opposite, we are getting good informa-

tion about European flights, but it is difficult to figure out if a threat is flying on a plane from Islamabad?

Answer. As I indicated above, flight cancellations over the holiday period were based on specific intelligence that warranted such action, and were examples of good intelligence cooperation. The cancellation of these particular flights is unrelated to the question of how robust our capacity is to assess the security of flights originating in other parts of the world.

Question. Are flights out of these major airports more attractive to terrorists than flying from Karachi or Rabat? Is there something our European allies are NOT doing that makes these good targets, or do we just not have a good way of monitoring what might be going on in other countries?

Answer. These cancellations were not based on an assessment of security practices at European airports, which are generally fully compliant with ICAO standards and deemed to be of high quality. Again, during the holiday period, DHS received specific information and shared it appropriately with French and British allies, resulting in decisions being made to cancel these flights. DHS and our European allies continue to work in close collaboration to share best practices and enhance aviation security.

QUESTIONS SUBMITTED BY SENATOR PATTY MURRAY

Question. Mr. Secretary, I agree that CSI and C-TPAT are important pieces of our cargo security system but they aren't going to do the job alone. In fact, they have significant issues that would benefit from Operation Safe Commerce moving forward.

You may be aware of a recent GAO study entitled, "Preliminary Observations on Efforts to Target Security Inspections of Cargo Containers."

This report is clearly critical of the lack of methodology incorporated in these Customs and Border Protection initiatives.

The report states that—quote—"while CBP's strategy incorporates some elements of risk management, it does not include other key elements, such as a comprehensive set of assessments that experts told GAO are necessary to determine risk and the types of responses necessary to mitigate that risk."

The report says "CBP's targeting system does not include a number of recognized modeling practices, such as subjecting the system to peer review, testing and validation."

The report goes on further to say that—quote—"CBP does not have a national system for reporting and analyzing inspection statistics and the data provided to us by ports were generally not available by risk level, were not uniformly reported, were difficult to interpret, and were incomplete."

Mr. Secretary, for the sake of our Nation's security it is imperative that we are able to learn from all of our port security programs.

We must tie them together and rapidly institute a large-scale, operational cargo security program in the United States. And, for the sake of our economy, we must get this right.

What are your reactions to this report?

Answer. In general, GAO's report "Challenges Remain in the Targeting of Ocean-going Cargo Containers for Inspection," is constructive, and CBP will be initiating several corrective actions in fiscal year 2005 to address issues identified by GAO. However, GAO's assertion that CBP does not "incorporate all key elements of a risk management framework and recognized modeling practices" is not accurate. Although CBP characterizes its approach to risk management for terrorism as a "layered approach," the fundamental components of this approach can also be characterized within GAO's risk management framework. The following provides a brief discussion of the relationships between the Automated Targeting System (ATS) and several CBP initiatives within GAO's risk management framework to demonstrate the fulfillment of the framework's key elements.

The key elements of GAO's Risk Management Framework are:

- Threat Assessment
- Criticality Assessment
- Vulnerability Assessment
- Risk Assessment
- Risk Characterization
- Risk Mitigation
- Monitoring and Evaluation
- Repetition of the Risk Management Process

CBP and GAO's Risk Management Framework

- Threat (event) Assessment.*—CBP utilizes incoming intelligence from various sources that include the U.S. Intelligence community to identify threats. These threats include general assessments as discussed in GAO's report (e.g. vulnerability of supply chains and containerized cargo) as well as classified, specific threats regarding individuals. Collection of these threat assessments is an ongoing activity. Also, targeting is integrated into CBP's Treasury Enforcement Communication System (TECS) enforcement database to ensure that specific intelligence is integrated with targeting activity. Also, incoming intelligence is evaluated by the National Targeting Center to develop targeting strategies appropriate to the risk. Responses to certain threats may be expanded to include additional targeting rules for ATS, lookouts, and/or cargo targeting criteria.
 - Criticality Assessment.*—As GAO indicates, criticality assessments "help provide a basis for prioritizing protection relative to limited resources" for a critical asset. With respect to "national security, economic activity, and public safety" this critical asset is the flow of trade in both a free and secure manner. This goal is fundamental to CBP's operations. CBP cannot inspect all cargo coming into the United States; however, the organization can and does prioritize shipments by risk and does inspect all high-risk cargo (mandatory inspections through threshold targeting) coming into the United States. While ATS provides a system for prioritizing and targeting high-risk cargo through transactional targeting rules, C-TPAT provides a programmatic mechanism for identifying relatively low risk supply chains and allows CBP to direct resources to other higher-risk entities.
 - Vulnerability Assessment.*—As indicated in GAO's report, there has been extensive work regarding vulnerability assessments concerning maritime assets (specifically containerized cargo), and other agencies that contributed to this work include the FBI, CIA, academic, think tank and business organizations. As discussed extensively with GAO, CBP's layered approach to this vulnerability includes initiatives such as C-TPAT, Non-Intrusive Inspection Technology (NII), Container Security Initiative (CSI), and ATS targeting.
 - Risk Assessment.*—GAO defines risk assessments to "include scenarios under which two or more risks interact creating greater or lesser impacts; they also include the filtering and ranking or prioritization of risky events." Where an "event" can be a shipment, ATS utilizes a battery of rules to vet and prioritize the shipment transactions by scoring the different variables of each transaction and ranking/prioritizing the transactions by total scores for each transaction. To the extent that risk assessments might also be in the form of intelligence reports, this information is also integrated into targeting through the development of specific rules, lookouts, cargo criteria, TECS records, and the performance of targeting "sweeps" by the National Targeting Center when warranted.
 - Risk Characterization.*—GAO defines risk characterization as "designating risk on a scale, for example low, medium, or high." As defined, risk characterization is inherent to the ATS targeting program as a decision support tool that generates risk scores to prioritize cargo for inspection.
 - Risk Mitigation.*—GAO indicates that risk mitigation may involve risk acceptance, risk avoidance, risk reduction, and risk sharing. In terms of risk acceptance (taking no action) and risk sharing, CBP minimizes inspections through the C-TPAT Program. A certain level of risk acceptance is also inherent to targeting higher risk cargo for inspection and not inspecting lower risk cargo. In terms of risk avoidance (taking action to avoid activities that involve risk), CBP increases inspections through the use of NII (e.g. x-rays and radiation pagers) instead of increasing time consuming physical exams that would limit the number of shipments that can be inspected and increase vulnerabilities.
- CBP is also actively engaged in activities identified by GAO's systems approach to risk mitigation: personnel (e.g. training), processes, technology, infrastructure, and governance. ATS training classes are being implemented on an ongoing basis (Sea Cargo) and with the deployment of new ATS threshold targeting rule sets (e.g. Northern Border Truck, Southern Border Truck, and Rail). The Manifest Review Unit (MRU) Handbook will be updated in fiscal year 2005 to address process and governance issues. For technology, the additional development of software and acquisition of hardware upgrades is ongoing. For infrastructure, certain ports analyze their local flow of traffic for improved efficiency and some are receiving upgrades to physical examination resources.
- Monitoring and Evaluation.*—A key element to CBP's ability to monitor and evaluate the performance of targeting will be the ability to accurately capture findings. As GAO pointed out, CBP is hampered by non-integrated sub-systems for recording findings. The full implementation of the ATS findings module will

provide CBP with a single place for recording the findings, increase the accuracy of the findings, and facilitate reporting, monitoring and evaluation.

With respect to peer review, CBP is actively working with other Government agencies such as FDA and USDA as well as foreign government agencies such as the Canadian Customs and Revenue Administration (CCRA) to further develop targeting concepts. CBP hopes to expand on these collaborative efforts in fiscal year 2005. With respect to testing and validation, CBP will also be conducting internal security exercises that test our layered enforcement in fiscal year 2005.

—*Repetition of the Risk Management Process.*—The activities previously described are ongoing and fulfill the “loop” of assessments, mitigation, and monitoring and evaluation.

In conclusion, while CBP can always do a better job of fulfilling and expanding upon all of the key elements of the risk management framework described by GAO, CBP does actively engage in activities that fulfill these key elements.

CBP and GAO's Modeling Practices

The following provides a brief discussion of CBP's initiatives in terms of the issues identified with respect to ATS development and “recognized modeling practices.”

—*Conducting external peer review.*—As indicated earlier in this document, CBP is actively working with other Government agencies such as FDA and USDA as well as foreign government agencies such as the Canadian Customs and Revenue Administration (CCRA) to further develop targeting concepts. CBP hopes to expand these collaborative efforts in fiscal year 2005.

—*Incorporating additional types of information.*—CBP agrees with the premise that “linkages” to other sources of information can enhance targeting. Linkages between manifest and entry information to TECS records represents such an effort. Recently, FDA information was integrated into CBP's ATS system, and CBP is actively working with USDA to integrate some of their data into ATS. Other large, commercial sources of information such as Dun and Bradstreet (D&B) are also being explored but will require a lengthy cost-benefit analysis, proof of concept, and significant budget procurement. Another effort involves the procurement of container tracking information.

—*Testing and validating through simulated terrorist events.*—As discussed with GAO, ABC News did conduct their own “test” of importing a shipment of radioactive material, and ATS did successfully target this shipment for mandatory inspection. CBP will be conducting its own “red team” simulations in fiscal year 2005.

—*Using random inspections to supplement targeting.*—As discussed earlier, the stratified random sample of CBP's Compliance Measurement Program will be utilized to further evaluate the performance of the ATS targeting.

DATA INTEGRITY ISSUES

Question. The GAO Report also made the following conclusion: “CBP does not have a national system for reporting and analyzing inspection statistics and the data provided to us by ports were generally not available by risk level, were not uniformly reported, were difficult to interpret, and were incomplete”.

Currently, CBP has a number of non-integrated subsystems through which it reports its examination findings. CBP's effort to ensure data consistency for reporting purposes and analysis is hampered by these multiple subsystems and CBP is addressing this issue through the implementation of a “Findings Module” within its Automated Targeting System. This module, which will be completed in fiscal year 2004, will provide CBP with a single place for recording and retrieving its examination findings, which will increase the accuracy of those findings and facilitate CBP's reporting, monitoring and evaluation activities.

Please explain why the Administration would abandon Operation Safe Commerce—a program specifically designed to test various cargo-security techniques, and the analysis associated with them, to create a true container security program for our country?

Answer. The President's fiscal year 2005 budget request for DHS includes \$1.9 billion for port security activities, including \$126 million for the Container Security Initiative (CSI). The funding for this initiative, which is \$25 million more than the fiscal year 2004 level of funding, focuses on pre-screening cargo before it enters the United States. The first phase of CSI focused on implementing the program at the top 20 foreign ports, which ship approximately two-thirds of the containers to the United States. Phase II expands the program to additional ports based on volume, location, and strategic concerns. Phase III further increases security at the highest risk ports.

The President's fiscal year 2005 budget request also includes \$50 million for the development of the next generation of screening devices, which can be used at the Nation's port facilities. Additionally, the budget request includes \$64.2 million to enhance land-based detection and monitoring activities between ports. Further, the budget request includes \$46 million for port security grants to be administered by the Office for Domestic Preparedness and more than \$1.4 billion for the Urban Areas Security Initiative (UASI). The UASI program, among other things, can be used to support security enhancements at our Nation's port facilities.

The Department firmly believes that these resources will allow us to properly and effectively enhance security at our Nation's port facilities.

—*Operation Safe Commerce.*—A program specifically designed to test various cargo-security techniques, and the analysis associated with them, to create a true container security program for our country.

DHS is not abandoning Operation Safe Commerce. As you know, OSC is a collaborative pilot effort between the Federal Government, the three largest U.S. container load centers (Los Angeles/Long Beach, Seattle/Tacoma, and New York/New Jersey), private industry, and the maritime community, to develop and share best practices for the secure and expeditious movement of containerized cargo. OSC's goal is to serve as a test bed to examine methods to increase supply chain security, protect the global supply chain, and facilitate the flow of commerce. The Administration continues to administer OSC in fiscal year 2004 as a multi-agency program with participants from the Departments of Homeland Security, Transportation, State, Commerce, and Justice. An Executive Steering Committee (ESC) was formed to provide guidance for OSC. The ESC is co-chaired by the Transportation Security Administration, Bureau of Customs and Border Protection, and the Department of Transportation.

Congress has provided \$75 million for this program over a 2-year period to conduct three very robust and comprehensive pilots at the selected locations. The expected test period is 1 year. At this point in time, Seattle/Tacoma has progressed furthest. There, the first container shipment tracked by the program is expected to arrive by the end of March 2004. First arrivals are expected in April 2004, for the Port of New York/New Jersey and in June 2004, for the Port of Los Angeles/Long Beach. As we complete each of the pilots, we will ascertain the lessons learned and whether program elements are applicable to ports across the country. We are hopeful that any positive results of OSC will eventually be adopted by ports, cargo companies and, where appropriate, incorporated into both existing and future cargo security efforts by DHS and international governments.

SUBCOMMITTEE RECESS

Senator COCHRAN. Our next hearing on the budget request for the Department of Homeland Security will be held on Thursday, February 26, in room 124 of the Dirksen Senate Office Building. At that time, the Under Secretary for Emergency Preparedness and Response, Mr. Michael Brown, will be here to discuss the budget for the programs under his jurisdiction.

Until then, the subcommittee stands in recess.

[Whereupon, at 12:40 p.m., Tuesday, February 10, the subcommittee was recessed, to reconvene at 10 a.m., Thursday, February 26.]