

**THE PRESIDENT'S FISCAL YEAR 2009 BUDGET
REQUEST FOR THE DEPARTMENT OF HOME-
LAND SECURITY**

HEARING

BEFORE THE

COMMITTEE ON HOMELAND SECURITY

HOUSE OF REPRESENTATIVES

ONE HUNDRED TENTH CONGRESS

SECOND SESSION

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FEBRUARY 13, 2008
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THE PRESIDENT'S FISCAL YEAR 2009 BUDGET REQUEST FOR THE DEPARTMENT OF HOMELAND SECURITY

Wednesday, February 13, 2008

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

The committee met, pursuant to call, at 10:12 a.m., in Room 311, Cannon House Office Building, Hon. Bennie G. Thompson [Chairman of the committee] presiding.

Present: Representatives Thompson, Sanchez, Harman, Lofgren, Jackson Lee, Christensen, Etheridge, Langevin, Cuellar, Carney, Clarke, Green, Perlmutter, Pascrell, King, Smith, Rogers, Reichert, McCaul, Dent, Brown-Waite, Bilirakis, Davis, and Brown.

Chairman THOMPSON [presiding]. For the sake of the audience, we have Ranking Member King, who is on his way. As soon as he arrives, we will start the hearing.

Mr. King has sent word that we can start, because we want to take full advantage of the secretary's time that he is with the committee.

The Committee on Homeland Security will come to order. The committee is meeting today to receive testimony on the president's fiscal year 2009 budget request for the Department of Homeland Security. On behalf of the committee, Mr. Secretary, welcome.

Today, you will testify about the President's budget that, last time, as secretary of the Department of Homeland Security, which will officially be 5 years old on March 17, 2008 of this year. I thank you for your testimony and your service at the Department.

In today's hearing, the committee is reviewing the President's fiscal year 2009 budget request for the Department, a budget which you state will protect the Nation from dangerous people and goods; protect critical infrastructure; improve emergency preparedness and response; and improve the operations and management of the Department.

Like you, Mr. Secretary, I am committed to a homeland that is truly secure. That is why when I assumed the chairmanship of this committee last January, I unveiled my eight goals in charting the course toward freedom from fear. Those items are: improving the functionality, governance and accountability of the Department of Homeland Security; enhancing security for all modes of transportation; response, resilience and recovery in the wake of a national catastrophe; shielding the Nation's critical infrastructure from foreign and domestic terrorism; securing the homeland and preserving

civil liberties in times of terror; connecting the dots, intelligence, information-sharing, and interoperability; implementing common sense border and port security; and inspiring minds and developing technology, the future of homeland security.

Our Nation is in a precarious state. We have an administration that has beaten the drums of the war on terror, but has failed to propose a sound budget that addresses mass transit and rail security concerns. This administration has boasted about our first responders, but now proposes to eliminate the SAFER grant program, cut FIRE grants by 50 percent, zero-out the metropolitan medical response system, and reduce funding for the emergency management performance grant program by one-third.

We have heard high rhetoric about supporting State and local governments, but then the President's budget shortchanges them by slashing the funding for the State homeland security grant program by 79 percent.

That being said, not all is lost with the budget. I will note that there are increases proposed in the budget for cybersecurity and border security. However, I fear that behind the "increases" lurk more problems than answers. For example, I look forward to hearing from you which metrics the Department has to measure the budget's effectiveness at stopping terrorism, preparing for natural disasters, and improving the Nation's resiliency to man-made emergencies.

I would also like to know what safeguards exist in the budget that will ensure contracts are not given away to friends of the administration, while small, minority and women-owned businesses are shut out from the competitive process.

At the end of the day, Mr. Secretary, the committee wants a robust Department with a clear mission, trained personnel, and the necessary resources that are vital to the security of the homeland. The Department must complete its obligations to the American people by fully implementing H.R. 1, applying the lessons learned from Hurricane Katrina, and ensuring that the Department is prepared to undergo its first-ever Presidential transition.

Simply put, the American people deserve a budget and a plan from the President that ensures that the groundwork has been laid for a resilient Nation.

Mr. Secretary, I look forward to hearing how the budget for the Department of Homeland Security pulls together the talents from our diverse Nation to make clear that our American Government can provide the American people security, accountability, and most important, freedom from fear.

With that, I look forward to your testimony on the Department's fiscal year 2009 budget priorities and justification.

[The statement of Chairman Thompson follows:]

PREPARED STATEMENT OF CHAIRMAN BENNIE G. THOMPSON

In today's hearing, the committee is reviewing the President's fiscal year 2009 budget request for the Department of Homeland Security—a budget which you state will: Protect the Nation from dangerous people and goods; protect critical infrastructure; improve emergency preparedness and response; and, improve the operations and management of the Department.

Like you, Mr. Secretary, I am committed to a homeland that is truly secure. That is why when I assumed the Chairmanship of the committee last January, I unveiled my 8 goals in charting the course towards freedom from fear. They are:

- Improving the Functionality, Governance, and Accountability of the Department of Homeland Security;
- Enhancing Security for All Modes of Transportation;
- Response, Resilience, and Recovery in the Wake of a National Catastrophe;
- Shielding the Nation's Critical Infrastructure from Foreign and Domestic Terrorism;
- Securing the Homeland and Preserving Civil Liberties in Times of Terror;
- Connecting the Dots: Intelligence, Information Sharing, and Interoperability;
- Implementing Common Sense Border and Port Security;
- Inspiring Minds and Developing Technology—The Future of Homeland Security.

Our Nation is in a precarious state. We have an administration that has beaten the drums of the war of terror, but has failed to propose a sound budget that addresses mass transit and rail security concerns.

This administration has boasted about our first responders, but now proposes to eliminate the SAFER Grant program, cut FIRE grants by 50%, zero-out the Metropolitan Medical Response System (MMRS), and reduce funding for the Emergency Management Performance Grant program by one-third.

We have heard high rhetoric about supporting State and local governments, but then the President's budget shortchanges them by slashing the funding for the State Homeland Security Grant Program by 79%.

That being said, not all is lost with the budget. I will note that there are increases proposed in the budget for cybersecurity and border security.

However, I fear that behind the INCREASES—lurk more problems than answers.

For example, I look forward to hearing from you which metrics the Department has to measure the budget's effectiveness at stopping terrorism, preparing for natural disasters, and improving the Nation's resiliency to man-made emergencies.

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Mr. Secretary, I look forward to hearing how the budget for the Department of Homeland Security pulls together the talents from our diverse Nation to make clear that our government can provide the American people security, accountability, and most importantly, freedom from fear.

Chairman THOMPSON. The Chair now recognizes the Ranking Member of the full committee, the gentleman from New York, Mr. King, for an opening statement.

Mr. KING. Thank you, Mr. Chairman.

Good morning, Mr. Secretary. It is a pleasure to see you here this morning.

Let me at the outset, as you enter the final year of this administration, comment on the fact that during your time as secretary of homeland security, not only did you basically have to put a department together, consolidate so many different departments and agencies, encounter the horror of Katrina—do all of that, and the fact is we have not been attacked during that time.

The fact is that any number of attacks have been stopped. The fact is that the coordination between Federal, State and local officials has never been better. The coordination between the Department of Homeland Security and overseas intelligence agencies has never been better. So I think it is really important to put that out there and acknowledge what has been done.

Also, on the issue of funding, there is no doubt there were some severe differences in previous years, and you in effect inherited a system which was not working very adequately. That was my opin-

ion then, and I really commend you for the fact that you jumped into that. You really took it on, and took personal control over it. Just for instance 10 days ago, I guess, when you were in New York is, the fact is the mass transit funding has tripled over the last 2 years, gone up 50 percent in the last year.

This is, to me, work which is often not acknowledged. We get sidetracked into different issues or that issue, and it is easy to make headlines for criticisms. The fact is the bottom line is extraordinary progress is being made. More obviously has to be made because we have an enemy which is also constantly adapting. I think it is very important we put that out there.

Also, for instance, when we meet with Customs and Border Protection you realize the job they are doing, not just on the border itself, but at our ports and docks, the work that they are doing. TSA, which really is a thankless job—it is very easy to take shots at what they are doing or not doing—but again the fact is that there has been on plane attack at all since September 11. The way TSA responded to the threats of the summer of 2006 I think speaks volumes as to what is being done.

Having said that, I have certain criticisms with the budget, not at all with your leadership there. But even though the budget is up over last year's, it is still considerably below the enacted levels that Congress enacted last year. I will say this to the Chairman while he is here that I will work with him to try to increase the amount of the budget. Certainly, on grants, I believe the safety grants, money going to police, fire, mass transit, port security—all of that we cannot afford to be cutting back on the numbers of those.

I am confident that if we do work in a bipartisan way, we can achieve that. I am not trying to bring you into that dispute that we are going to have here on Capitol Hill, but I do want to make you aware of that.

Also, Mr. Secretary, I think one place which Congress has not done the job, and that is on the consolidation of committees and jurisdiction. I believe when the 9/11 commission report came out, they criticized the fact that the Department had to go before 88 committees and subcommittees. I think that has now been reduced to 86.

Obviously, it is important that there be congressional oversight. I agree with the Chairman on this. Congressional oversight is vital. But if you and your assistants and deputies spend all of their time, or so much time testifying on Capitol Hill, that is time that you are not defending the country. Also, much of it is repetitious. Much of it is superfluous. It is overlapping. It is each committee trying to get a piece of it, trying to keep their jurisdiction, and it really is counterproductive for the homeland security of this country.

I would hope we can make more efforts, again whether it is Democrat or Republican leadership, if we can find a way to do a much better job of consolidating the whole issue of jurisdiction.

Also, this is an issue which I have mentioned to the Chairman before, I know he has indicated he is not certain that there is going to be an authorization bill this year. I would just ask him to do all that he can sometime during this year to get that authorization bill. I think it is important for the Department. I think it is impor-

tant for the entire issue of homeland security. But it is also important for us as a committee to establish our bona fides as the prime committee dealing with homeland security.

Whether or not the Senate does should not be the issue. We did an authorization bill in 2005 and 2006, and in 2007 under Chairman Thompson's leadership last year. The bill went through in a very bipartisan way. We worked together on it. I think that was good for the country, good for both parties, good for the Department of Homeland Security, and good for the Congress. So Mr. Chairman, again I would implore you to try to find a way to get an authorization bill done so we can fulfill our responsibility.

With that, Mr. Secretary, I thank you for your service and look forward to your testimony.

Chairman THOMPSON. Thank you very much, Mr. King. I assure you we are working on the authorization suggestion that you made. It might be a series, but we will try to establish a procedure where I think we both can work cooperatively on. I look forward to doing that with you.

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

[The statements of Hon. Jackson Lee and Hon. Brown-Waite follow:]

PREPARED STATEMENT OF HON. SHEILA JACKSON LEE

FEBRUARY 13, 2008

After the events of September 11, 2001 the American people became painfully aware of the difference between feeling secure and actually being secure. As we examine the DHS's fiscal year 2009 budget, we must take decisive steps to ensure that adequate funds are available so that the trust that the American people have placed in our hands is fully protected and guarded and that we take strategic steps to ensure their future safety from terrorist attacks.

The President has a fiscal year 2009 budget request of \$50.5 billion for the Department of Homeland Security, excluding emergency funding, a 7 percent increase over the enacted fiscal year 2008 level. I am concerned that the President's proposed budget will not be sufficient to secure our Homeland in an efficient way.

As the Chair of the Subcommittee on Transportation Security and Infrastructure Protection, I have a number of concerns with the President's proposed budget as it relates to issues within the subcommittee's jurisdiction:

SURFACE TRANSPORTATION SECURITY (MASS TRANSIT AND RAIL SECURITY)

The proposed budget request for the Transportation Security Administration's surface transportation program is \$37 million—a decrease of nearly \$10 million that was appropriated by Congress for 2008. The request also calls for a decrease in surface transportation security inspectors 138 in 2008 to 96 requested for 2009. This is the result of a so-called realignment but is counter to congressional mandates. In the 9/11 bill we require an increase in surface transportation inspectors, not a decrease.

This is unacceptable. We cannot continue to remain solely focused on protecting against the last terrorist attack. Millions of people who live in America's cities use these modes of transportation everyday. Worldwide, there has been much success in attacking rail and mass transit, with deadly consequences. This is a persistent threat. The administration's proposal for a decrease in mass and rail funding demonstrates the failure to prioritize surface transportation as a security issue or to learn from the mass transit and rail bombings of Madrid, London, and Mumbai.

CRITICAL TRANSPORTATION INFRASTRUCTURE

The administration's proposed budget for the Targeted Infrastructure Capability Grants Program (port, mass transit, bus, and trucking) proposes drastic cuts in rail mass transit, trucking, and port security funding. The enacted funding for rail and

mass transit was \$400 million, while the president only requests \$175 million. The administration requests \$8 million for trucking security, cutting last year's funding in half.

Also, the administration's proposed budget for port security grants, at \$210 million, is nearly half of the \$400 million enacted for 2008. It is disappointing that the administration is not more forward leaning in protecting critical transportation infrastructure that is very vulnerable to attack. Shortchanging surface transportation and ports for security dollars may have dire consequences to the economy and in loss of life if terrorists decide to attack these modes.

TRANSPORTATION SECURITY ADMINISTRATION (TSA) BUDGET FISCAL YEAR 2009 REQUEST

The budget request for the Transportation Security Administration (TSA) provides for an initial increase of \$286.5 million over the fiscal year 2008 enacted amount. The President's request, in some cases, adequately addresses the mandates in the 9/11 Act; however, we are looking closely at the decrease in requested funds of certain programs that may help the administration meet homeland security goals—particularly those programs directly aligned to the mandates within the 9/11 Act.

With respect to the Transportation Threat Assessment and Credentialing office, the budget requests a mere \$1,528,000 over the fiscal year 2008 enacted amount. With respect to Transportation Security Support, the President's budget increases this amount by \$402,485,000; however, the proposal reflects a decrease in the number of Full Time Employees (FTEs). This is the second consecutive year that the President cuts funding for this office. We are also concerned about the "mandatory proposal for a temporary 4-year surcharge to the Passenger Security Fee." We need further clarification and justification for the need to support additional taxes on air passengers.

In general, Aviation Security reflects a growth in FTEs of up to 800. This is a good thing, since it outlooks new job opportunities in the field. Additionally, we commend the President for requesting \$43 million for the deployment of the Behavioral Detection Officers, a popular TSA Initiative among our committee Members. As well as continuing to strengthen the Canine Explosive Detection Program.

NATIONAL PROTECTION AND PROGRAMS DIRECTORATE (NPPD); RISK MANAGEMENT AND ANALYSIS (RMA), NPPD; CFIUS, OFFICE OF POLICY, OFFICE OF THE SECRETARY AND EXECUTIVE MANAGEMENT; INFRASTRUCTURE PROTECTION AND INFORMATION SECURITY (IPIS)

The Department's Budget-in-Brief says that there is an \$186,470,000 increase for Infrastructure Protection and Information Security from the enacted fiscal year 2008 budget \$654,730,000 and fiscal year 2009 \$841,200,000. Regrettably, the proposed funding for "infrastructure protection" drops \$3,179. Critical infrastructure, if compromised, would negatively affect the economy, government, and morale of the United States. Due to the committee's increased oversight of this issue area during this Congress, it is plainly clear to the committee that this is no time to lessen our commitment to infrastructure protection given the threats to our Nation from human-made and natural disasters.

The foundation for Infrastructure Protection in the United States is the National Infrastructure Protection Plan (NIPP). This plan supports the voluntary partnership between Government and industry via the 17 Critical Infrastructure/Key Resources (CIKR) sectors. Because this plan is the prism by which the Department measures performance of measures taken to protect critical infrastructure, the \$14,116,000 cut in resources for NIPP Program Management is baffling. The budget justification notes that the mission area regards the "status of risk management efforts performed under the NIPP, and the progress made in managing risk to the Nation's CIKR from terrorist attacks and other hazards . . . to support development of the National and Sector CIKR Protection Annual Reports." This cut in funding will make the execution of this objective nearly impossible, thus prohibiting the Department from adequately monitoring which measures work to protect infrastructure and how to effectively buy down risk.

Sector-Specific Agencies (SSAs) are the Government departments and agencies responsible for partnering with the private sector to implement the NIPP. Because the NIPP is in the implementation stage and still acquiring stakeholders, the nearly identical investment from the enacted fiscal year 2008 budget \$19,519,000 and the fiscal year 2009 request \$20,443,000 for the five SSAs that the Department controls is inexcusable. They have done fairly little in terms of robust implementation, scorekeeping, and revision. The biggest concern however, is that the budget does not say how much money the other departments and agencies under the NIPP are investing in compliance with the Plan. Until those figures are made available, it will

be nearly impossible for Congress to gauge the cooperation that the Department is acquiring from the relevant departments and agencies. If the NIPP is coordinated by the Department, then the budget justification should make note of the resource allocations by the other departments and agencies.

The Homeland Infrastructure Threat and Risk Analysis Center (HITRAC) allows IP to “provide Department decision-makers and external customers with immediate, actionable analysis and recommendations to manage risk.” The effective management of risk would enable the Department to discern how resources should best be allocated and provide rational, justifiable budget recommendations. The acquisition of reliable data to “buy down” risk to tolerable levels would provide a clear roadmap ahead for the Department, especially in the area of Infrastructure Protection. The budget request does not provide clear numbers in terms of funding for risk analysis, but the committee has been made aware that the number is around \$2,000,000, which is staggeringly low. The \$1,551 increase for HITRAC is inadequate and will not provide for thorough risk analysis. Monies should be taken from the Risk Management and Analysis Office (RMAO) and be applied to HITRAC for the purposes of risk assessment and analysis.

There is a \$63,000,000 request for chemical site security, which is an increase of \$48,000,000 over the fiscal year 2008 request and \$13,000,000 million over the fiscal year 2008 enacted amount. The funding is needed for the Department to carry out the Chemical Facility Anti-Terrorism Standards (CFATS) program, which regulates the security practices at the Nation’s high-risk chemical facilities.

The Protective Security Advisors (PSAs) are the link between the Department and all levels of government as well as the private sector. The budget calls for a \$565,000 increase from fiscal year 2008 enacted figures of \$13,190,000. Although it is laudable that “this enhancement will place PSAs in the 10 States that currently do not have PSAs,” the budget is unclear about the number of PSAs per State. The committee has been told on numerous occasions that the PSAs are spread too thin and, as a result, their coordinating function is not as maximized as it should be. The Department needs to be clear about how close it is to placing at least one PSA in each State in order to help the States effectively protect critical infrastructure.

RISK MANAGEMENT AND ANALYSIS OFFICE (RMAO)

The budget requests an increase for RMAO in fiscal year 2009 to \$9,500,000 from fiscal year 2008 \$9,412,000. The committee has begun to do extensive oversight of this office including its overall mission, partnerships with relevant stakeholders, and whether it needs the resources provided to it to coordinate the development of a common risk framework. The committee is concerned that some of its activities appear to stray away from its central mission. Because of the lacking risk analysis funding of HITRAC, it may be necessary for a large portion of these monies designated for RMAO to be allocated for HITRAC so real, tangible results can be delivered in terms of risk management. RMAO has been operational since April 2007, and to date has failed to list which methodologies it is studying. After repeated requests, it still has not provided to the committee a list of the contracts it has not awarded. The NPPD appendix to the budget states, “of the total amount provided under this heading, \$5,000,000 shall not be obligated until the Committees on Appropriations of the Senate and the House of Representatives receive and approve an expenditure plan by program, project, and activity.” The committee is exploring whether the withholding of these funds should be targeted at RMAO until it more effectively justifies its mission and the steps it is taking to accomplish it.

COMMITTEE ON FOREIGN INVESTMENT IN THE UNITED STATES (CFIUS)

The budget request for the Office of Policy within the Office of Secretary and Executive Management does not even make mention of CFIUS. Not 2 years after the debacle involving Dubai Ports World—and the legislation reforming CFIUS signed into law in 2007 (H.R. 556, Foreign Investment and National Security Act of 2007)—the budget in brief only states that, among other activities, a \$1,600,000 increase in the Office of Policy will “support [the] Committee on Foreign Investment in the United States.” Because this committee has exercised a great deal of oversight over the Department regarding CFIUS, the lack of acknowledgement with regard to CFIUS is troubling. It is clear that the officials who work on CFIUS matters for the Department are overburdened with work and that the office is understaffed. With an ongoing surge in CFIUS applications, this lack of resources puts our national and homeland security in jeopardy because applications will not be able to be thoroughly vetted in the legislatively prescribed time. The Department needs to articulate its resource allocations for CFIUS matters more thoroughly.

I eagerly look forward to Secretary Chertoff's testimony and discussion today of these issues.

PREPARED STATEMENT OF HON. GINNY BROWN-WAITE

FEBRUARY 13, 2008

Thank you Chairman Thompson and Ranking Member King for holding this hearing today, and thank you Secretary Chertoff for appearing before us to discuss the President's fiscal year 2009 budget request.

Secretary Chertoff, you have guided the Department of Homeland Security through extremely challenging times while shaping its identity. I applaud your steadfast efforts to keep Americans safe from the numerous and ever-changing threats we face.

While many elements of the President's budget request must be addressed today, I will only focus on a few. Regarding the critical issues of illegal immigration and border security, I was pleased by the decision to increase funding for CBP and ICE. Ensuring that adequate manpower and resources are available to enforce America's immigration laws is a critical, but basic, step in the right direction. I hope that this funding allocation signals a broader intent to strengthen efforts to confront illegal immigrants and those businesses and cities that provide them sanctuary.

However, I am outraged by the status of the southwestern border fence, and baffled by the administration's lack of urgency in completing this project. After the omnibus appropriations bill for fiscal year 2008 weakened critical provisions of fence construction, this Nation cannot afford to gamble further with our security by holding back funding for the fence. The 2009 budget must provide any and all resources necessary to complete this project as soon as possible. Congress will never adequately address the growing challenge of illegal immigration and potential terrorism unless we seal our porous borders. Failure to do so is simply not an option.

Additionally, we must remain vigilant in protecting our Nation's transportation system. Most striking are the glaring weaknesses in the security of our airports. These shortcomings cannot continue to be ignored. DHS took a positive step when TSA recently announced a program to test the effectiveness of airport employee screening at a handful of sites. However, this program is far less comprehensive than the program Ms. Lowey and I recently passed through the House. I worry that the TSA program does not go far enough to test employee screening thoroughly. As the budget process continues, the Department must receive the funding necessary to measure the effectiveness of full, 100 percent airport employee screening.

Finally, I know I am echoing the sentiments of some of my colleagues, but the cuts in funding to State and local homeland security grants are alarming. Local first responders are on the front lines when emergencies occur, they are the individuals we depend on everyday when lives are on the line, and accordingly we cannot leave them without the resources they need to fulfill their considerable duties. I am confident that Congress will ensure that essential grants do not fall by the wayside in the fiscal year 2009 budget.

As the Department of Homeland Security continues to evolve and improve, I look forward to working with you, Secretary Chertoff, to secure our borders, enforce our laws, and keep America safe.

Thank you.

Chairman THOMPSON. Again, I welcome our witness today. When he was confirmed in 2005, Secretary Michael Chertoff became the second person to serve as the head of the Department of Homeland Security. Prior to his confirmation, Mr. Chertoff served as a United States Circuit Judge for the Third Circuit Court of Appeals. Prior to that, he served as an assistant attorney general at the Department of Justice, where he was instrumental in helping to trace the September 11 terrorist attacks to the Al Qaeda network. He has served in a number of other public service positions.

Mr. Chertoff, I thank you for your service. I appreciate your agreeing to testify here today. Without objection, the witness's full statement will be inserted into the record.

Secretary CHERTOFF. I now recognize you to summarize your statement for 5 minutes if you can. If not, we will be more than generous. Thank you very much.

**STATEMENT OF MICHAEL CHERTOFF, SECRETARY,
DEPARTMENT OF HOMELAND SECURITY**

Secretary CHERTOFF. Thank you very much, Mr. Chairman and Congressman King.

It is a pleasure to appear here. I believe this is my fourth budget hearing. We are also 2 days away from my third anniversary of being sworn in. As you observed, it is the fifth anniversary of the Department that is looming on the horizon in March.

I think we have a widespread agreement between members of my Department and this committee on the fact that we need a robust, effective Homeland Security Department that deals with all hazards, and does so in a way that is a responsible steward of the public risk, but also recognizes the need to adapt to new challenges. Because as Representative King said, the enemy is not static. It is dynamic, and we have to continue to adapt.

I believe that the budget that we propose for 2009 is sound and fiscally responsible. It advances the Department's most critical priorities, focuses resources on the greatest risks, and gives our 208,000 employees the tools they need to continue to protect the American people.

Like any budget, it reflects tough choices. There are many things one could spend money on in the area of homeland security as to which one can make a reasonable case. But like everybody else who deals with a budget on the Federal level or on the State and local level, the pie is only so large and whenever you want to enlarge one slice of the pie, you have to ask what slice you are going to diminish. I think we have balanced here in a way that maximizes our capacity to contend with the real risks that are out there.

In all, we are requesting \$50.5 billion in total funding for fiscal year 2009. That reflects a 6.8 percent increase, about \$3.2 billion, over the previous year's enacted budget, that is 2008, without emergency appropriations. That is a 62 percent increase since our creation nearly 5 years ago.

Let me take a moment to just tell you what the threat picture is now, as compared to what it was about 1 year ago when I testified in connection with the 2008 budget. As I have said repeatedly over the last year, in some respects the strategic picture with respect to Al Qaeda has indicated that there is some enhanced strategic threat. I am not suggesting, again, that there is an imminent specific threat, but the strategic picture suggests a somewhat increased capability on the part of Al Qaeda.

As has been described in the unclassified NIE and in a lot of public testimony, a good deal of this reflects efforts by Al Qaeda in certain areas of South Asia to be able to plan, recruit and train, particularly with an eye to training operatives who might function in Europe and in the United States. I have also previously expressed and reiterate my concern that Europe could be a target, as well as a platform for attacks.

These predictions have been borne out by the facts over the last year. Last summer at the beginning of the summer we saw aborted

efforts to carry out attacks in London and in Glasgow. A serious plot in Germany by Islamic Jihad Union was disrupted by the German authorities. In the last month, we have seen major arrests in Spain. Just yesterday, or today, the newspaper reported three arrests in Denmark in connection with allegations that extremists were going to kill a cartoonist who was responsible for some controversial cartoons.

All of these aborted or disrupted plots indicate the intent and the capability remains. It is a credit to a lot of the progress our allies have made overseas. I would say that the happy fact that we have not successfully been attacked in this country reflects in large part credit to all of the agencies that have taken action against terror, both those who have done so overseas and those who have done so domestically.

Today, what I would like to do is highlight just a few of the key elements of the budget across our five major goals, which are protecting the Nation from dangerous people, protecting it from dangerous goods, protecting our critical infrastructure, boosting our emergency preparedness and response, and strengthening our management and operations.

Let us talk about the border. First, let us talk about the space between the ports of energy. We have as of the beginning of this month built a total of about 294 miles of fencing, both pedestrian and vehicle fencing, along our southwestern border. We have about 15,200 Border Patrol agents who are currently sworn on-duty, which puts us on track to meeting our goal of exceeding 18,000, doubling the number of Border Patrol agents by the end of this year.

You will recall that about 1½ years ago, we ended catch-and-release at the border. We have sustained ending catch-and-release ever since then. We have seen some positive metrics that indicate success at the border. Apprehensions were down 20 percent-plus in fiscal year 2007. Remittances are down. Information that we have from activity south of the border indicates that there is a decrease in some of the infrastructure that supports smuggling.

I am also informed that the cost of smuggling has gone up. The price that has to be paid to coyotes has increased. These are not indications that we have solved the problem, but they are indications that we are on the way to solving the problem. If we continue what we are doing—and this budget does continue that—we will be a long way down the road of living up to our commitment to the American people to secure the border after what has been practically 30 years of not doing so.

For fiscal year 2009, we are requesting \$3.5 billion—that is a plus-up of about \$500 million—for the Border Patrol. That additional money will allow us to hire, train and equip 2,200 new Border Patrol agents in 2009, so that by the end of fiscal year 2009 we will have more than 20,000 Border Patrol agents.

We are requesting an additional \$775 million to continue our efforts to develop and deploy technology, tactical infrastructure, including fencing at the border, to prevent incursions and to give the Border Patrol the leverage that they need so they can effectively apprehend people who are coming illegally.

We recognize as well that the economic draw that brings people across the border has to be tackled at the interior. In fiscal year 2007, ICE broke records with 863 criminal arrests, including 750 indictments and 561 convictions as a result of worksite enforcement operations. About 92 of the people who were charged were in the employer-supervisory chain and 771 were employees.

To continue to move forward in the interior enforcement area, we are requesting \$1.8 billion. That is over \$250 million increase to help ICE expand detention beds for a total of 33,000 beds. This is a 78 percent increase from where we were just 4 years ago.

In all, we are requesting \$3 billion for ICE interior enforcement-related activities, including fugitive operations, the criminal alien program which removes illegal aliens from prison systems so they don't get released back into the community when they serve their sentences, supporting State and local government anti-dine initiatives and worksite enforcement.

Finally, we are requesting \$100 million—that is an increase of \$40 million—for our E-Verify system, which gives employers an automated system to run employment authorization checks against DHS and Social Security databases. We have dramatically increased the number of employers who are voluntarily using this system. It is now up to 53,000. I think we are adding them at a significant rate.

It is important, by the way, that Congress reauthorize the program because the program's authority runs out at the end of this year. There is a great deal of demand for the program. It helps employers. It helps us enforce the law, and we want to continue to build on it.

The next challenge, of course, is protecting our Nation from dangerous goods. As of the end of the last calendar year, we are scanning virtually 100 percent of containers coming in at the southern border and at our seaports. That is a dramatic increase from where we were several years ago when the number was about zero. We are at about 91 percent at the northern border, and at the end of this year we expect to be at close to 100 percent there as well. That is a big step forward in protecting against weapons of mass destruction.

Our container security initiative has been expanded to 58 foreign ports. In response to the 9/11 bill which passed last year, we have begun 100 percent radiation scanning at three pilot ports. That was part of the mandate of Congress. Those ports are Pakistan, Honduras, and Britain. We have agreements with four more countries to move forward with that overseas scanning this year.

Finally, our domestic nuclear detection office, we are requesting \$157 million so that we can continue to support the deployment of the radiation portal monitors, and to go forward and see what we can do to deploy the next generation.

Protecting critical infrastructure, we have released our chemical security final rule. We have completed the national infrastructure protection plan. We have completed the 17 sector-specific plans. We have established an Office of Bombing Prevention to share information about bombing challenges and response techniques with first responders all across the country. We have added additional layers of security to aviation.

Among the things I would highlight, we are requesting \$1.3 billion—that is an increase of over \$350 million—for Department-wide efforts to counter improvised explosive device threats. This includes more than \$1 billion for TSA explosive detection technology, \$50 million for science and technology development, \$30 million for training transportation security officers, and \$9 million for the Office of Bombing Prevention.

We are requesting an increase of \$15 million, for a total of \$45 million, for behavior detection officers who are trained to look at behavior as a way of identifying people who are potentially threats to our aircraft. We are requesting \$30 million—an increase of \$10 million—for our 10 VIPR teams, which are visible intermodal protection and response teams. These are teams with dogs that we put into our mass transit facilities, into our airports, on the ground both on a random basis and a surge basis, to increase the visible protection of our mass transit systems.

Finally, as you noted, Mr. Chairman, we are requesting an \$83 million increase, to a total of \$293 million, to further deploy our EINSTEIN system against cyber-threats and intrusions, and as part of a national cybersecurity initiative which we are in the process of rolling out.

Let me touch briefly on two other critical elements. First, building an effective emergency response system. We have continued to implement what we learned from Hurricanes Katrina and Rita. We released our national response framework earlier this year. It was widely applauded by those in the emergency management community and in the law enforcement community. Frankly, the leaders of these groups stood behind me when we unveiled the national response framework.

We have strengthened and professionalized FEMA leadership and capabilities, and we are requesting \$164.5 million—that is a \$64 million increase—for FEMA Vision initiatives, which among other things converts what used to be temporary workers into permanent workers, so that we have a cadre of trained and experienced disaster management officials who can go out into the field and actually work when we have emergencies, and we can build temporary workers around them so that we really have people who know what they are doing when we have a crisis. That is something that was a very clear lesson from Hurricane Katrina.

I might say that if I look at the responses that we had to the wildfires, tornadoes and floods of last year, I think almost uniformly we got praise for FEMA's much more efficient, rapid and customer-friendly response to these disasters.

With respect to grants, we are requesting the levels we requested last year in all the major categories. I understand Congress almost invariably enacts more money in grants. I am quite sure I will have an opportunity to discuss this. We have set levels that we think over time goes to the right degree of preparedness. We are seeking to sustain those levels.

You could make the case that you can spend more, but again I have to go back to that pie. If you are going to add money to a slice of grants to State and local government, you are going to take it out of something else in our Department. Frankly, there are some missions that only we can do. If we don't do them, nobody else is

going to do them. So I think we have tough decisions to make, and I am prepared to address them further.

Finally, although not glamorous, there is the very important work of allowing the Department to become a fully mature, well-managed department in terms of its institutional capabilities. We are requesting \$120 million for the DHS headquarters project. This is the only major area in which we were disappointed in the 2008 omnibus appropriations, when we didn't get any money for this.

It may seem that bricks and mortar don't add value, but I can tell you in terms of morale, in terms of capability of managing, in terms of being able to put into place the very things which assure that we are responsible stewards of the public purse, having an ability to bring people together and work efficiently is critical in order to get the job done. I hope we can get the money for that this year.

Finally, I want to say, Mr. Chairman, I am very focused on your to-do list which you presented to me last year, about things you were particularly concerned about. I think we have either completed these identified tasks, or we are on track to meet the scheduled requirement of completion.

Vacancies. We have added 113 executive positions this past calendar year. Our vacancy rate is now about 10 percent, putting to one side the 40 new SES allocations which we just received about 2 months ago. So I think we are at or better than the mark of most departments.

With respect to continuous security standards, we published a request for information on December 12, and we have received 10 responses. As I indicated, we are issuing the national response framework. With respect to the transportation worker identity credential, enrollments began on October 16 in Delaware. We have had more than 148,000 pre-enrollments, more than 78,000 enrollments, more than 30,000 cards printed, and more than 16,000 activated.

On explosives detection, we sent our interim passenger security strategic plan to Congress in October, and expect to produce the final plan as required by law in June. Finally on our critical border security initiatives, we expect to publish a proposed rulemaking soon that will require the transportation industry to deploy biometric US-VISIT exit procedures at airports and seaports by the end of 2008. This is a very important initiative.

I am going to tell you, there is going to be push-back by the industry, but we are going to be resolute in pushing ahead with an initiative which is long overdue, and is important also as part of the President's commitment to the visa waiver program.

We have also conditionally accepted P-28, and we are now reviewing it in terms of final acceptance. I am prepared to talk about that as well.

Finally, Mr. Chairman, I want to thank you again for your support. I want to echo what Representative King said. We welcome oversight. On oversight, we have engaged I think frequently, both formally and informally, with the committee, as well as with your counterparts in the Senate and the appropriators. What would be helpful to us, though, is to have a reasonable number of oversight committees.

The difficulty with many committees is not merely the duplication of effort, but the fact that we are getting conflicting signals. This committee, as far as the House is concerned, and the Appropriations Committee, are the two committees that are best situated to have an overall picture of what it is we do and what we have to accomplish. Both for me and whoever my successor is, it will help us enormously if we can rationalize this process.

Thank you very much.

[The statement of Secretary Chertoff follows:]

PREPARED STATEMENT OF MICHAEL CHERTOFF

FEBRUARY 13, 2008

Mr. Chairman, Congressman King, and Members of the committee, let me begin by saying thank you for the strong support you have consistently shown the Department, and I look forward to working with you to make certain that we make the most effective and efficient use of our resources and capabilities to protect the homeland and the American people. While we have had many successes, there are numerous challenges that still remain. I am here today to ask for your partnership and support as we face these challenges. We may not see eye to eye on all issues, but we certainly agree that our interests are best served when we work together to achieve our common goal of securing this great Nation.

I am pleased to appear before the committee today to highlight some of our key accomplishments of the last year and to present President Bush's fiscal year 2009 budget request for the Department of Homeland Security (DHS).

This year, as DHS embarks on our fifth-year anniversary, we continue to protect the Nation from dangerous people and goods; to protect critical infrastructure; to build a nimble, effective emergency response system and a culture of preparedness; and to strengthen the Department's operations and management. The Department has made tremendous progress in achieving effective control of the border, screening passengers, protecting critical infrastructure, responding to emergencies, and enforcing our immigration laws. In fiscal year 2007, we invested significant time and effort to implement the requirements of the Post-Katrina Emergency Management Reform Act, to focus our efforts on the greatest risks, to be nimble in our response to changing threats, and to be disciplined in our use of resources as we build a Department ready to meet future challenges seamlessly with State and local leadership, first responders, the private sector, our international partners, and most certainly, the public.

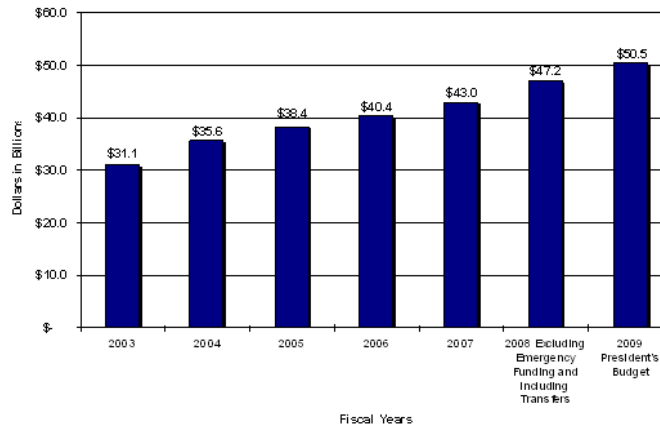
It is no accident that we have not suffered a major terrorist attack on U.S. soil since September 11, 2001. It is the result of the President's leadership, the support of Congress, and the hard work and constant vigilance of hundreds of thousands of men and women—including the employees at DHS—who are working tirelessly both at home and overseas to protect our country. Under the President's leadership, the Department will continue to effectively carry out its critical mission and will leave a strong foundation for the future.

FISCAL YEAR 2009 BUDGET REQUEST

Six years after September 11, 2001, we are moving beyond operating as an organization in transition to a Department diligently working to protect our borders and critical infrastructure, prevent dangerous people and goods from entering our country, and recover from natural disasters effectively. The total fiscal year 2009 budget request for DHS is \$50.5 billion in funding, a 7 percent increase over the fiscal year 2008 enacted level excluding emergency funding. The Department's fiscal year 2009 gross discretionary budget request is \$40.7 billion, an increase of 8 percent over the fiscal year 2008 enacted level excluding emergency funding. Gross discretionary funding does not include mandatory funding such as the Coast Guard's retirement pay accounts and fees paid for immigration benefits. The Department's fiscal year 2009 net discretionary budget request is \$37.6 billion, which does not include fee collections such as funding for the Federal Protective Service and aviation security passenger and carrier fees.



**Department of Homeland Security
Total Budget Authority**



In pursuit of the five priorities we established in 2007, the Department continues to efficiently align resources to lead a unified national effort in securing America. Those five priorities are:

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

We have made great progress in each of these areas, and with the fiscal year 2009 budget, we will continue that momentum. Let me highlight some of our key accomplishments along with initiatives and ongoing programs in our fiscal year 2009 budget request.

GOAL 1: PROTECT OUR NATION FROM DANGEROUS PEOPLE

We will continue to protect our Nation from dangerous people by strengthening our border security efforts and continuing our efforts to gain effective control of our borders. The Department's main priority is to prevent additional terrorist attacks against our country. DHS has worked to prevent the entry of terrorists while facilitating the legitimate flow of people.

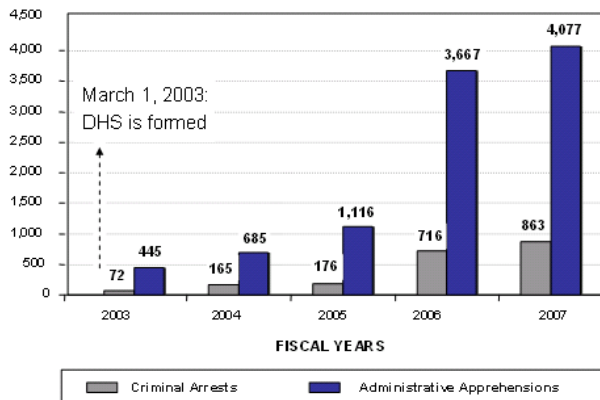
Key Accomplishments

- *More Fencing at the Border.*—By the end of calendar year 2007, 287 miles of pedestrian and vehicular fencing was in place at the border. By the end of 2008, U.S. Customs and Border Protection (CBP) will have constructed a total of 670 miles of fencing, which will include roughly 370 miles of pedestrian fencing and 300 miles of vehicular fencing. CBP also took conditional possession of the prototype Project 28 development of nine towers equipped with radar and communications systems and automated ground sensors linked to a command and control center and border patrol vehicles. A new task order was issued to design, develop and test upgraded Common Operating Picture software for the systems.
- *Increased Air and Marine Support.*—CBP opened its fourth new air branch in North Dakota this past September and is on track to begin operations at the last northern border air branch in Michigan this spring. Delivery of a fourth DHS Unmanned Aircraft System (UAS) will enable the Department to operate three UASs along the southwest border and to deploy one UAS to the northern border this spring. The fiscal year 2009 request supports the hiring and training of 24 new UAS pilots and the establishment of a joint CBP/U.S. Coast Guard (USCG) UAS program office for the development of a maritime variant of the Predator B. It also supports the continuation of an aggressive service life extension program for the Department's P-3 maritime patrol aircraft that are

so critical to intercepting drug traffic in the Caribbean and eastern Pacific and countering the increasing threat posed by the cartels' use of semi-submersible vessels.

- *Secure Documentation Standards.*—Compliance with secure identification requirements for air travel under the Western Hemisphere Travel Initiative (WHTI) has exceeded 99 percent since implementation in January 2007. A Notice of Proposed Rulemaking for WHTI land and sea requirements was issued in June 2007 and final rule implementation is expected in June 2009.
- *Enhanced Driver's Licenses.*—The Department signed agreements with the States of Washington, Vermont, New York, and Arizona to enhance the security of their State driver's licenses and to potentially satisfy REAL ID requirements or serve as alternatives for entry at land and sea borders.
- *Better Biometrics.*—Ten-fingerprint collection from international visitors has been deployed by CBP at nine ports of entry, and will be implemented at 278 other ports of entry by the end of 2008. This upgrade from two- to ten-fingerprint collection will enhance security and fingerprint matching accuracy, improving the ability to compare visitors' fingerprints against latent fingerprints collected from known and unknown terrorists around the world. US-VISIT, the Science and Technology Directorate (S&T) and the Coast Guard have partnered on a pilot fingerprint collection at sea program near Puerto Rico, resulting in 114 prosecutions and a 53 percent reduction in migrant flow.

ICE: Worksite Enforcement Sets Record in FY 2007



- *Record-Breaking Law Enforcement.*—U.S. Immigration and Customs Enforcement (ICE) removed roughly 240,000 illegal aliens, and made 863 criminal arrests and fined or seized more than \$30 million following worksite investigations. Its Border Enforcement Security Task Forces made more than 500 criminal arrests and 1,000 administrative arrests, and seized roughly \$2.5 million in cash as well as significant amounts of narcotics and weapons. Further, ICE ACCESS was launched to foster collaboration between its agents and State and local leaders to identify crime-fighting priorities.
- *Enhanced Aviation Security.*—The Transportation Security Administration (TSA) increased by more than 175 percent the number of personnel trained in techniques to identify potentially high-risk passengers in airports. Furthermore, TSA required that holders of airport-issued identification credentials be subjected to regular vetting against the Terrorist Screening Database. It also harmonized the 3–1–1 Liquids Rule with the European Union and many other countries, and published a Notice of Proposed Rulemaking in August to take over watch-list checks from the airlines under the Secure Flight program in 2010.
- *Connecting the Dots.*—The Department renewed a Passenger Name Record (PNR) agreement with the European Union to share advance information on passengers arriving in and departing from the United States. PNR data has

helped frontline personnel to identify scores of dangerous people and deny them entry into the country.

- *Protecting U.S. and World Leaders.*—The U.S. Secret Service (USSS) continues to meet unprecedented challenges of protecting domestic and world leaders. In addition, protection of Presidential candidates has resumed and comprehensive plans for securing the 2008 Presidential campaign are being implemented.

Fiscal Year 2009 Budget Request

- *Border Patrol Agents.*—Funding of \$442.4 million is requested in the President's budget to hire, train and equip 2,200 new Border Patrol Agents and appropriate support. The additional agents represent the fiscal year 2009 increment of the President's goal of adding 6,000 new Border Patrol Agents by the end of the first quarter of fiscal year 2009. This request would increase the Border Patrol to over 20,000 agents by the end of September 2009, more than double the amount in 2001.
- *Western Hemisphere Travel Initiative.*—A total of \$140.0 million is requested for CBP's implementation of infrastructure and technology in support of the Western Hemisphere Travel Initiative (WHTI). These funds will complete the infrastructure improvements at the top 39 Land Ports of Entry, covering 95 percent of the land border arrivals.
- *E-Verify.*—Total funding of \$100 million is requested for E-Verify. This U.S. Citizenship and Immigration Services (USCIS) program allows employers to use an automated system to verify name, date of birth, and Social Security Number, along with immigration information for non-citizens, against Federal databases to confirm the employment eligibility of both citizen and non-citizen new hires. USCIS will deploy additional staff covering information status verification, compliance, and monitoring. It is important that Congress reauthorize the program so that these employers can continue to benefit from E-Verify and not have to play detective when hiring new employees.
- *Vetting Infrastructure Improvements.*—An increase of \$30 million is requested to support TSA's Vetting Infrastructure Improvements, providing screening and credentialing of individuals requiring special access to U.S. transportation and other critical infrastructure. These funds will enhance and stabilize the infrastructure necessary to perform vetting operations on populations that access our most critical infrastructure.
- *Secure Flight.*—The budget requests an increase of \$32 million that will accelerate the Secure Flight Program by replacing the current airline managed passenger vetting program with a Government-operated program in 2010. In addition to using improved technology, the Secure Flight Program will alleviate the variability in performance of the current system and reduce the risk for compromised watch list data.
- *Additional Bedspace and Staffing.*—An increase of \$46 million is requested to help provide 1,000 additional beds, staffing, and associated removal costs required to meet current demand and demand generated by increased immigration enforcement activities. Of the 1,000 beds, the addition of 275 will be funded through projected increases in collections.
- *Automation Modernization of Information Technology Systems.*—The budget includes \$57 million for ICE to acquire secure and interoperable tactical communications equipment, a biometric detainee location tracking module, and to develop and integrate an enhanced Investigative Case Management system. These improvements promote officer safety, emergency response coordination, and case management efficiencies.
- *Federal Law Enforcement Training.*—An increase of \$10 million is requested for the Federal Law Enforcement Training Center (FLETC) to provide training to meet increases in border security and law enforcement hiring levels.
- *US-VISIT.*—A total of \$390.3 million is requested for US-VISIT. This funding will complete the transition from two-print to ten-print collection. Taking all ten fingerprints will improve accuracy and allow us to increase the number of matches from latent prints captured all over the world. This funding also allows US-VISIT to continue to provide biometric identity services to law enforcement and intelligence, and it will help complete interoperability between US-VISIT and FBI databases.
- *Command 21 and Situation Unit Watchstanders.*—The budget includes \$7.3 million to support continued development of Command 21 and additional watchstanders at USCG Command Centers to meet increasing operational demands and support additional vessel monitoring, information collection, and interagency coordination capability provided by Command 21. These initiatives will provide information sharing and situational awareness tools required to

close the gap between current port and coastal surveillance capabilities and the need for greater Maritime Domain Awareness in an all-hazards, all-threats operating environment.

GOAL 2: PROTECT OUR NATION FROM DANGEROUS GOODS

We have also made much progress in protecting our Nation from dangerous goods. As a part of its risk-based approach, the Department is expanding its programs to identify, track, and intercept nuclear and radiological components and systems at ports of entry and in transportation systems within U.S. borders. We are intensifying our efforts to bolster capabilities to reduce the risk of a biological attack in the United States.

Key Accomplishments

- *Overseas Radiation Scanning.*—100 percent of shipping containers bound for the United States from three foreign ports—Port Qasim (Pakistan), Port Cortes (Honduras), and Port Southampton (United Kingdom)—are now scanned for radiological and nuclear materials prior to departure. Scanning equipment is also being deployed to Port Busan (South Korea), Singapore, Hong Kong, and Salalah (Oman).
- *Comprehensive Radiation Detection.*—The Department has deployed more than 1,000 radiation detection devices to the Nation's land and sea ports of entry. Today, 100 percent of cargo containers crossing the southern border are scanned for radiation, 91 percent at the northern border, and more than 98 percent of cargo containers are scanned at our seaports.
- *Improving Import Safety.*—The Office of Health Affairs (OHA) engaged in the President's Import Safety Working Group to develop a comprehensive action plan with short- and long-term recommendations that better protect consumers and enhance the safety of imported goods.
- *Expanded Container Security Initiative.*—CBP expanded the Container Security Initiative to 58 ports screening 86 percent of maritime containers bound for the United States.
- *Record-Breaking Narcotics Seizures.*—USCG seized more than 350,000 pounds of cocaine at sea this year—a record-breaking 160 metric tons—worth an estimated street value of more than \$4.7 billion. CBP frontline personnel seized more than 3.2 million pounds of narcotics at and between ports of entry.
- *Southwest Border Drug Strategy.*—The Office of Counternarcotics Enforcement co-chaired the creation of the first-ever National Southwest Border Counternarcotics Strategy and Implementation Plan, which identifies major goals, objectives, and resource requirements for closing gaps in U.S.-Mexico counternarcotics capabilities at the southwest border.
- *Reducing Risk From Small Vessels.*—USCG worked with small boat manufacturers, industry groups and the public on mitigating the security risks posed by small vessels. Thirteen Maritime Safety and Security Teams, part of a 3,000 person Specialized Deployed Forces Command, are stationed at strategic ports Nation-wide with unique training to counter the small boats threat. The Coast Guard and the Domestic Nuclear Detection Office (DNDO) are collaborating with local authorities on a pilot program in Puget Sound and San Diego waterways on small vessel radiation detection.

Fiscal Year 2009 Budget Request

- *Nuclear Detection Research, Development, and Operations.*—The budget request includes \$334.2 million to support DNDO's Research, Development and Operations program which provides resources for the development and evolution of the global nuclear detection architecture. Included in this research are development of an Advanced Spectroscopic Portal (ASP) suitable for examining cargo containers, trucks and privately owned vehicles, and development of Human Portable Radiation Detection Systems (HPRDS) to provide handheld and "relocatable" equipment to be used as primary detection tools by Customs Officers, Border Patrol agents, and USCG personnel.
- *Next Generation BioWatch.*—The budget includes \$111.6 million, an increase of \$34.5 million, for OHA's Next Generation BioWatch. Funding will begin to procure BioWatch automated detection sensors and initiate deployment activities of the automated sensor system to existing BioWatch jurisdictions. Automated detection will enhance the capabilities of the BioWatch environmental monitoring system designed for early warning of bioterrorism incidents.
- *Aviation Security.*—The budget addresses the need to upgrade checked baggage screening equipment deployed immediately after September 11, which is exceeding its useful life. The screening equipment is used to screen 100 percent of the

1.8 million checked bags passengers travel with every day. The budget also speeds the rollout of inline systems at all major airports in 6 years by allowing a more flexible approach to funding these projects. To support this activity, legislative authorization is required for a temporary surcharge to the current \$2.50 passenger fee—\$0.50 added to each leg of a trip capped at \$1.00. The surcharge is proposed to begin in fiscal year 2009 and sunset in fiscal year 2012. It will generate an additional \$426 million in revenue in fiscal year 2009 and approximately \$1.7 billion over 4 years, nearly doubling previously planned annual resources for checked baggage explosive detection systems. The increased revenue will be added to the existing \$250 million annual Aviation Security Capital Fund which is targeted exclusively for checked baggage explosive detection systems.

GOAL 3: PROTECT CRITICAL INFRASTRUCTURE

The Department aims to protect critical infrastructure and key resources, essential government operations, public health and welfare, and the country's economic and national security interests. Efforts to bolster the resiliency and protection of our Nation's critical infrastructure and key resources helps to mitigate potential vulnerabilities and to ensure terrorist plans are not successful.

Key Accomplishments

- *Setting Chemical Security Standards.*—NPPD established national guidelines for chemical facility security in a comprehensive set of regulations to protect chemical facilities from attack and prevent theft of chemicals that could be used as weapons.
- *Assessed Impacts of Chemical Attacks.*—S&T conducted the first comprehensive chemical threat risk assessment across a broad range of toxic chemicals that better focuses inter-agency priorities accordingly to risk.
- *Released Sector Specific Plans.*—NPPD released 17 sector-specific infrastructure protection plans, creating a comprehensive risk management framework of national priorities, goals, and requirements to protect critical infrastructure and key resources.
- *Launched Improvised Explosives Device Awareness Campaign.*—DHS has undertaken a national Improvised Explosives Device (IED) Prevention and Awareness Campaign, working with Federal, State and local agencies and stakeholders to boost participation in the TRIPwire and National Capabilities Analysis Database information-sharing portals.
- *Increasing Cyber Security.*—NPPD continued deploying EINSTEIN systems, which find malicious patterns in Federal computer network traffic, and will expand systems this year. The United States Computer Emergency Readiness Team (US-CERT) issued over 200 actionable alerts on cyber security vulnerabilities or incidents in fiscal year 2007 from its 24-hour watch center. Finally, the Secret Service currently maintains 24 Electronic Crimes Task Forces to prevent, detect, mitigate and aggressively investigate cyber attacks on our Nation's financial and critical infrastructures.
- *Greater Information Sharing.*—The Office of Intelligence and Analysis (I&A) has deployed 22 personnel to State and Local Fusion Centers across the country. DHS has also deployed networks such as the Homeland Secure Data Network, a system for securely communicating classified information, to 18 centers and anticipates deploying to many more centers this year.
- *Credentialing Port Workers.*—Since October more than 70,000 port workers have enrolled in the Transportation Worker Identification Credential (TWIC) biometric credential program. More than 750,000 longshoremen, truck drivers, port employees and others requiring unescorted access to secure areas of ports will also be required to obtain a TWIC card.

Fiscal Year 2009 Budget Request

- *Protective Terrorist Countermeasures.*—Total funding of \$19 million is requested for USSS Protective Terrorist Countermeasures. This program provides the latest state-of-the-art equipment that will be used in the event of an explosive, chemical, biological, or radiological attack. As new threats evolve and are identified, it is critical the Secret Service has the means to address them.
- *Chemical Security Compliance Project.*—An increase of \$13 million is included for NPPD's Chemical Security Compliance Project. The Department issued regulations establishing risk-based performance standard for security of chemical facilities. Additional funding is requested to increase the staff of this regulatory program and to provide tools and systems to collect and analyze vulnerability

information, review plans, support and manage inspections activity, issue decisions, address appeals, and support compliance enforcement.

- *Explosives Research.*—\$96 million is requested to support S&T in developing the technical capabilities to detect, interdict, and lessen the impacts of non-nuclear explosives used in terrorist attacks against mass transit, civil aviation and critical infrastructure. Of these funds, \$50 million will address critical capability gaps in the areas of deterring, predicting, detecting, defeating, and mitigating the use of IEDs in the United States. The Vehicle Borne Improvised Explosive Device/Suicide Bomber Improvised Explosive Device (VBIED/SBIED) program will allow S&T to improve large threat mass detection in such areas as the transit environment, special events and other large areas.

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

Improving our Nation's ability to respond to disasters, man-made or natural, is a top priority for the Department. Incorporating lessons learned from Hurricane Katrina, other disasters, and the 9/11 Commission Recommendations, the Department is improving its capabilities and preparing those who respond to acts of terror and other emergencies.

Key Accomplishments

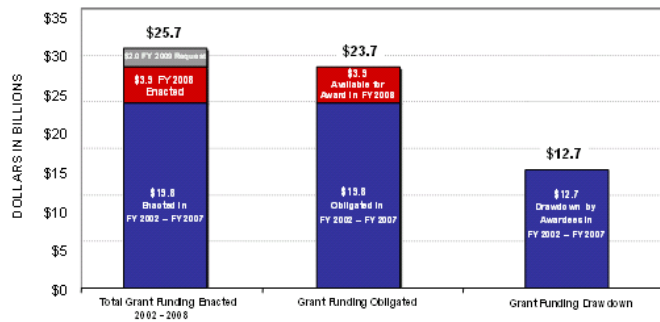
- *Responded to 68 Major Disasters.*—During fiscal year 2007, Federal Emergency Management Agency (FEMA) responded to over 130 events that resulted in 68 Major Disaster Declarations, 11 Emergency Declarations, and 54 Fire Management Assistance Declarations, including tornadoes in Florida and Kansas, floods in the Midwest and Tropical Storm Erin.
- *Supporting Local Security Plans.*—The Office of Infrastructure Protection's Protective Security Advisors worked in State and local Emergency Operations Centers providing expertise and support to local authorities, the Principal Federal Official and the Federal Coordinating Officer during major domestic incidents including the Virginia Tech shootings in Blacksburg, Virginia; the Chevron Refinery Fire in Pascagoula, Mississippi; the I-35W bridge collapse in Minneapolis, Minnesota; and the Florida and California Wildfires.
- *Improved Interagency Coordination.*—The Office of Operations Coordination (OPS) led Federal prevention, protection, and response activities to all-hazard threats during several incidents in 2007, specifically the recent outbreaks of Foot and Mouth Disease in the United Kingdom and the vehicle-borne improvised explosive device attacks in the United Kingdom.
- *Building Stronger Response Partnerships.*—DHS engaged State and local leadership, first responders and stakeholders on developing the National Response Framework, which outlines how our Nation responds to all-hazard disasters across all levels of Government and community sectors.
- *New Operations Capabilities.*—USCG established the Deployable Operations Group which aligns all deployable, specialized USCG forces under a single, unified command in adaptive, tailored force packages for rapid response to national threats.
- *Saved Over One Million Lives.*—The Coast Guard reached a remarkable milestone this year, saving more than 1 million lives throughout its 217-year history.
- *Awarded Public Safety Interoperable Communications Grants.*—DHS administered over \$968 million in Public Safety Interoperable Communications Grants which will help support the establishment of State-wide Communications Interoperability Plans for improved first responder communication during major disasters, and fund State and local projects aligned with those plans.
- *Realizing Interoperable Communications.*—S&T published results of the National Interoperability Baseline Survey—a Nation-wide survey of first responders across all jurisdictions and disciplines that assesses progress in achieving interoperable communications. By providing a clear representation of national capacities, these survey findings are helping emergency response leaders and policymakers make informed decisions about strategies for improving interoperability. The Department also established the Office of Emergency Communications (OEC) to consolidate several interoperability programs and address new responsibilities including the development of the National Emergency Communications Plan.
- *Strategic Planning for Catastrophic Disasters.*—The Incident Management Planning Team continued to draft Federal interagency strategic plans that coordinate resources and capabilities to prevent, protect against, respond to and recover from major disasters and other catastrophic emergencies.

Fiscal Year 2009 Budget Request

- Grant Programs.**—The budget requests \$2.2 billion to support FEMA’s State and Local Programs and Assistance to Firefighters Grants, just above the amount provided in the President’s fiscal year 2008 budget request. These important grant programs help prepare State and local governments to prevent, protect against, or respond to threats or incidents of terrorism and other catastrophic events. The budget will support the existing Homeland Security Grant Program, Port and Transit Security Grants, and Emergency Management Performance Grants, and also proposes a new discretionary grant program targeted toward high priority security initiatives including REAL ID implementation. While Congress chose to provide an additional \$2 billion in the fiscal year 2008 Consolidated Appropriations Act, the Department is requesting approximately the same level as the fiscal year 2008 budget request. The fiscal year 2009 budget requests \$200 million for the State Homeland Security Grants and increases funding for the Urban Area Security Initiative to \$825 million. The \$300 million funding request for the Assistance to Firefighter grants is identical to the President’s fiscal year 2008 budget request. Over a 6-year period from fiscal year 2002 through fiscal year 2007, grant recipients have drawn down \$12.7 billion of the \$19.8 billion made available since the Department’s inception. On February 1, 2008, the Department announced an additional \$3.0 billion in grants to be provided this year. Including congressional approval of the fiscal year 2009 request, a total of \$13.0 billion would be in the pipeline for State and local homeland security needs.

Department of Homeland Security Total Grant Funding

*FY 2002 - FY 2009 Request**



* Does Not Include Exercises, Technical Assistance or Training

- FEMA Vision—Phase II.**—The budget requests a total of \$164.5 million to support FEMA’s Vision—Shape the Workforce program. Phase II of FEMA’s transformation will strengthen that agency’s ability to marshal an effective national response, deliver service of value to the public, reduce vulnerability to life and property, and instill public confidence. The budget also requests a total of \$209 million to support FEMA’s disaster work force, including transitioning 4-year Cadre On-Call Response Employees (CORE) from temporary to permanent full-time personnel to achieve the level of readiness and response capability required in response to presidentially declared major disasters and emergencies.
- Disaster Readiness and Support.**—The budget includes \$200 million in a new Disaster Readiness and Support Activities account. This account will fund advanced readiness initiatives that assist FEMA in preparing for future disasters and will allow FEMA to perform critical administrative functions that support the timely delivery of services during disasters.

GOAL 5: STRENGTHEN AND UNIFY DHS OPERATIONS AND MANAGEMENT

A cohesive and operationally efficient organization is essential to the rapid implementation of homeland security priorities, policies, and objectives. As such, the De-

partment has aligned its resources into areas that will most effectively accomplish its mission. Successful mission performance is driven by human capital development, executing efficient procurement operations, and possessing state-of-the-art information technology resources. We continue to improve systems for intelligence and information sharing.

Key Accomplishments

- *Continued Integration.*—DHS was created 5 years ago to serve as the unifying core for the vast national network of organizations and institutions involved in securing our Nation. Over the past year, DHS has further integrated core management functions and systems throughout headquarters and the components, achieving a more cohesive and unified Department.
- *Enhanced Privacy, Civil Rights, and Civil Liberties.*—The Privacy Office and the Office for Civil Rights and Civil Liberties have worked to enhance privacy and civil rights and civil liberties through the Department's work in cyber security, the use of satellite technology, airport screening protocols, and partnerships with Muslim-American communities.
- *Increased Responsiveness to Congressional Inquiries.*—DHS improved responsiveness and adherence to congressional deadlines. This included the on-time submission of over 3,000 congressional Questions for the Record (QFR). Average response time to congressional correspondence has dropped from 5–6 weeks to an average of 2.5 weeks, and average response time to Authorization QFRs has dropped from 6 months or more to an average of 35 business days.
- *Consolidation of Information Technology Network Sites.*—The Department has consolidated more than 1,780 IT network sites into a single network that allows transparent monitoring of system performance and activity, prioritization of traffic, and vastly improved security posture.
- *Strengthened Business Processes and Technology.*—USCIS launched a new fee schedule designed to bring decades-old systems into the 21st century and improve customer service.
- *Record-Setting Levels of Federal Law Enforcement Training.*—FLETC trained a record-setting 60,458 students from all three branches of the Federal Government, as well as international, State, local, campus, and tribal law enforcement agencies.
- *Improved Recruitment and Hiring.*—DHS decreased the average time it takes to hire new DHS employees, 4 days shorter than the Office of Personnel Management targets. DHS also exceeded targeted goals by hiring more than 2,300 protection officers; 11,200 transportation security officers; and 412 immigration enforcement agents.
- *Record FEMA Staffing Levels.*—For the first time in a decade, FEMA attained a 95 percent staffing level and strengthened regional capability through the creation of over 100 new positions in FEMA's ten regional offices.
- *Enhanced Employee Training and Communication Tools.*—DHS recently launched new training and communications tools including DHSCoverly, a state-of-the-art online training system.
- *Increased Border Patrol and Field Operations Staffing.*—CBP increased Border Patrol agent staffing by an unprecedented 21 percent since its inception in March, 2003, growing to 14,923 agents at the end of fiscal year 2007. In addition, CBP Office of Field Operations hired 2,156 new officers and 340 agriculture specialists.
- *Streamlined Acquisition Processes.*—The Coast Guard created an innovative and centralized acquisition directorate in July 2007, significantly improving program execution, contracting practices, research and development, and industry oversight.
- *Enhanced Training to Prevent and Investigate Cyber-related Crimes.*—The Secret Service developed a National Computer Forensics Institute in Hoover, Alabama. This cyber crimes training facility provides State and local law enforcement officers, prosecutors, and judges with training, equipment, and expertise in computer forensics and digital evidence analysis.

FY 2009 Budget Request

- *Quadrennial Homeland Security Review.*—A total of \$1.65 million is requested for the first ever Quadrennial Homeland Security Review (QHSR). Funding is required to research, organize, analyze, and develop the QHSR. This document will recommend long-term strategy and priorities of the Nation for homeland security and comprehensively examine programs, assets, budget, policies, and authorities required to provide the United States with strong, sound and effective homeland security capabilities in the decades ahead. The Office of Policy re-

quests \$1.5 million and the remaining \$0.150 million is requested in the Office of the Chief Financial Officer (OCFO).

- *Transformation and Systems Consolidation.*—An increase of \$15.5 million is requested for OCFO to continue implementation of the Transformation and Systems Consolidation (TASC) project. One of the main objectives of DHS at its formation was to consolidate the support systems of the component agencies to realize cost savings and operational efficiencies. OCFO aims to reduce the number of DHS financial systems, and ensure the manual processes for internal controls are integrated with these financial systems. DHS will begin migrating OHA, S&T, DHS Headquarters, NPPD, CIS, and ICE's financial systems to the TSA Oracle Shared Baseline.
- *DHS-Wide Acquisition Workforce Intern Program.*—The budget includes an increase of \$3.1 million for the Office of the Chief Procurement Officer. DHS will enhance the Acquisition Intern Program which recruits, trains, certifies, and retains an appropriate workforce of acquisition professionals. In fiscal year 2009 the intern cohort will be raised to 100 people.
- *Office of the Inspector General Auditors.*—An increase of \$6.4 million is requested for the Office of the Inspector General (OIG) to expand staff oversight of DHS preparedness programs, through audits of preparedness grant programs, science and technology programs, and Department-wide programs that establish the Department's baseline preparedness efforts. The additional funds will strengthen OIG oversight of DHS border security and enforcement programs through a proactive program of audits and on-going oversight of the policies, initiatives and funds to secure the Nation's borders.
- *State and Local Fusion Center Program.*—Funding for I&A's State and Local Fusion Center program is to create a web of interconnected information nodes across the country ensuring information is gathered from all relevant operations and fused with information from the Homeland Security Stakeholder Community. The budget requests funds to assist in producing accurate, timely, and relevant actionable intelligence products and services in support of the Department's homeland security missions.
- *Vigilant Watch Over America.*—OPS carries out its unified mission to secure America by maintaining the National Operations Center (NOC) and by providing 365/24/7 incident management capabilities to ensure seamless integration of threat monitoring and information flow. To improve technological capabilities within the NOC, the budget requests funding to provide improved data infusion, the auto-ingestion of data from multiple sources, and the creation of a consolidated, centralized data repository. In addition, funds are requested for the Principal Federal Official (PFO) program. As mandated by Presidential directive, the Secretary of Homeland Security is the Principal Federal Official responsible for coordination of all domestic incidents requiring multi-agency Federal response. Funding will provide a standing organizational structure to plan, train, exercise, deploy and support the PFO program.
- *Create DHS Counterintelligence Program.*—Under the leadership of the Chief Intelligence Officer, I&A and the Office of Security will develop a new DHS-wide counterintelligence program to analyze threats posed by foreign intelligence entities collecting against the Department, support risk management decisions, and enhance operations and implement strategies and policies to unify the Department's counterintelligence mission.

CONCLUSION

I am sure you will recognize that with the support of Congress, the Department has had many successes. I have outlined many of them in my testimony today and how they relate to the Department's five priority goals. As we move forward to face the many challenges ahead, we are keeping in mind past experiences and lessons learned that will be at the core of our planning and implementation efforts.

Thank you for inviting me to appear before you today. I look forward to answering your questions and to working with you on the fiscal year 2009 budget request and other issues.

Chairman THOMPSON. Thank you very much.

For the committee, there is a motion to adjourn on the floor. We have some 3 minutes left before time is called.

So Mr. Secretary, if you would, we will reconvene shortly after the vote.

[Recess.]

Chairman THOMPSON. We would like to call the recess meeting back to order.

In case you don't know, they just called another motion to adjourn, as soon as we get back from that one. But in the interest of time, we will do as much as we can and move forward.

Again, thank you, Mr. Secretary, for your testimony on the budget. I look forward to working with you on it.

Mr. Secretary, as you know, one of the eight priorities for securing the Nation is preserving civil liberties in times of terror. The committee is concerned with the Department's proposed National Applications Office which would expand the use of spy satellites for new homeland and law enforcement purposes.

Although the numbers and personnel details for the NAO are classified, the President's 2009 budget assumes that you will be addressing our privacy and civil liberties concerns with the program. It has been 5 months, and the committee has yet to hear anything. What can you tell us today that would give us greater confidence that the NAO would not violate the constitutional rights of Americans?

Secretary CHERTOFF. Well, Mr. Chairman, as you know, I am actually going to meet with you later today, and with Representative King, and I think hopefully with others as well, to talk about the NAO charter, which has really been completed in draft form. Let me give you a general high-level outline of why I think this actually enhances privacy and civil liberties.

We are not proposing to expand the uses to which satellites are put. We are proposing to rationalize and, in a more orderly way, control the way satellites are used domestically, which will actually make it less likely that someone will violate civil liberties. The charter lays down some basic principles.

The first principle is that nothing we are creating in the National Applications Office will in any way suspend, circumvent or evade existing or future laws that restrain the use of any technique on a civil liberties basis. Second, we are explicitly disavowing the use of the National Applications Office as an office that would be involved in the interception of verbal or written communications.

The interception of oral and written communications is currently undertaken either under Title III of the Omnibus Safe Streets Act or under FISA, and that will remain controlled by those statutes. We don't propose to get into that business. Third, there is a very stringent procedure with respect to any novel technologies that are proposed to be used, that before such a technology is authorized, lawyers from all the relevant departments assure themselves that any legal requirements have been met—if for example, a technology were proposed to be used that arguably infringed on Fourth Amendment rights, or would require a warrant from a judge before we actually authorized it.

What this will wind up doing is taking what is currently an ad hoc system where people individually go to the satellite operators and ask for help, and put it into a system which is visible and accountable, which is a plus for civil liberties.

Finally, before we actually turn the lights on, so to speak, we will be preparing and submitting a privacy impact assessment and a civil liberties impact assessment as required by last year's appro-

priations act. That should be forthcoming in the next couple of weeks.

Chairman THOMPSON. Thank you. I look forward to our meeting later today to go over some other details of that.

Earlier in your testimony, you also referenced that you are requesting the same amount of grant money for programs that you requested last year. Yet as you know, some of those programs are either scheduled for elimination or reductions. Can you explain your comment there?

Secretary CHERTOFF. Sure. There are a couple of small programs where we have made some reductions, but in the major programs—urban area security initiatives—our request this year is higher than our request last year and higher than what was enacted. That reflects, by the way, our general effort to drive in the direction of risk-based grants.

In the area of State homeland security grant programs, while that particular line item is reduced from our request last year by \$50 million, we have added \$110 million in a new program called national security and terrorism prevention grants, which nets out to basically a \$10 million increase in this type of function over our last year's request.

Port security grants, we are requesting what we requested last year. Rail transportation security grants, we are requesting what we requested last year. Bus security grants, we are requesting what we requested last year.

I recognize that what was enacted exceeds the requests, and there are obviously some differences about how we cut the pie up. But in terms of the way we have projected forth, a disciplined grant allocation program over a period of years, we are at or exceeding our prior year's request.

I might add, there was some pretty vigorous debate about this. I think we actually came out pretty well.

Chairman THOMPSON. Well, but you do understand that Ranking Member King and myself raised the issue in our testimony that there is some difference of opinion between reducing programs, zeroing programs out, and that money. So at some point, I am sure you will see that debate surface again.

In the interest of time, I will yield 5 minutes to the Ranking Member before we have to go vote again. Mr. King.

Mr. KING. Mr. Chairman, for once I am ahead of you. I just voted, so I got the best of you at least once in the last year.

[Laughter.]

Chairman THOMPSON. Well, at least you knew what was going on. I didn't.

[Laughter.]

Mr. KING. Thanks, Mr. Chairman.

Mr. Secretary, you may have covered this in the questioning with Chairman Thompson, but could you update us on the status of the fence along the border and what the projections are?

Secretary CHERTOFF. We have about 294 miles of physical pedestrian and vehicle barriers. We have the money that we need this fiscal year to keep on track to get 670 miles done, which will basically take us to barriers from the Pacific Ocean to the New Mexico-Texas border—not 100 percent, but close to it—except in those

areas where there is a natural barrier like mountains and things of that sort.

We also have plans to build a significant amount of mileage in Texas, but less. I am pleased to say that last week—and Representative Cuellar on this committee was present and very helpful in this—we reached an agreement with Hidalgo County, Texas in which we were actually combining their levee-strengthening money and our fence money to build a wall that will serve both as a flood protection wall and as a barrier to illegal smuggling. We consider a wall to be equivalent to a fence functionally.

So we are on track to doing this. Assuming we get money in the 2009 budget, we anticipate completing this. I should say there has been a tremendous amount of litigation. We are spending unfortunately a lot of time in court trying to get this stuff done. Most people are cooperative. There are some who take the attitude they don't want to have fence built on their property.

The difficulty is, if you own property at the border and that property is a byway for smuggling of drugs and people, we have to get control over that. Much as I respect people's property rights, unfortunately the consequence of letting drugs and people come through on an unrestricted border are felt in the streets of New York and Washington and Chicago, and I have to stop that.

Mr. KING. I am going to yield to Mr. Smith for one question.

Mr. SMITH. I thank the gentleman from New York for yielding.

Secretary Chertoff, I have several questions I will submit to you in writing, but one question on the subject at hand is this. Congress specifically said that the administration should provide for double-fencing, and yet you are only, to my knowledge, building 31 miles of double-fencing. Why not do what Congress has said?

Secretary CHERTOFF. Actually, you know, I think last year in the appropriations, there was language put in that gives us flexibility. So I think we are in compliance with the current law.

Mr. SMITH. How many miles of double-fencing do you intend to build?

Secretary CHERTOFF. I can't tell you that because I think it is going to depend upon the Border Patrol's assessment of where they think it would be helpful. We are going to try to build a single fence first, because it is more important to block the vehicles.

Mr. SMITH. What we have seen in some way the double-fencing works the best. I hope you will do that.

Let me yield back.

Secretary CHERTOFF. Can I just say, Representative Smith, let me tell you, though, it is not a panacea. I will give you an example from the last couple of weeks. Someone took a wire and ran it between the two fences. When we discovered the wire, we realized it was configured in a way so that if it was pulled it would take off the head of the Border Patrol agent riding in an open car.

I must tell you, and I rely on the Border Patrol for this, that double-fencing is not a magic bullet. It works well in some areas. In some areas, it actually doesn't work well.

Mr. SMITH. Okay. I hope you will build as much of it wherever it works.

I thank the gentleman from New York for yielding.

Mr. KING. I thank the gentleman from Texas.

Reclaiming my time, Mr. Secretary, one of the reasons we are going back and forth is because of these procedural votes on the whole issue of FISA, of which I know you have some intimate knowledge. Last year in New York with the JFK plot, my understanding is, without going through all the details, there were conversations between people in the United States and people in Trinidad and Guyana, so this does hit home, this issue.

Do you have anything you want to say at today's hearing about the importance of FISA and the renewal of it, and the Protect America Act?

Secretary CHERTOFF. Yes. I think this is, without getting into a specific case that is in court, I think over my years both at the Justice Department and here, FISA has been maybe the No. 1 tool—the ability to intercept international conversations. This is the radar that we have for the 21st century to detect attacks before they happen.

I think the Senate passed a good bill, as the President said. I think it is important that we get this thing enacted so that there is no uncertainty about our authorities to go forward.

Mr. KING. I yield back.

Thank you, Mr. Secretary.

Chairman THOMPSON. Thank you very much.

We now yield 5 minutes to the gentlelady from California, Ms. Harman.

Ms. HARMAN. Thank you, Mr. Chairman.

Welcome, Mr. Secretary, and thank you for your many courtesies to me and my constituents over your 3 years in your impossible job. We appreciate your visits to California. We appreciate your visits to the ports of Los Angeles and Long Beach, and your focus on one of the most at-risk parts of our country. I do want to thank you.

I want to associate myself with the comments of Ranking Member King about congressional jurisdiction. It is enormously frustrating. I think that you are right, that this committee in the House is the committee that should have most of the jurisdiction, and it should be easier for us and easier for you than it is. I hope that in the next Congress we will move on and recognize that if Congress is going to do oversight properly, we need to streamline the way we operate. That was, after all, one of the recommendations of the 9/11 commission.

Chairman THOMPSON. Will the gentlelady yield?

Ms. HARMAN. I would be happy to yield.

Chairman THOMPSON. Just in the interest of time, Mr. Secretary, we will kind of rotate the Members going and voting, so we can kind of keep the questioning going.

I yield back.

Ms. HARMAN. Thank you, Mr. Chairman.

Second, I just listened to this conversation about FISA. As one who knows that program intimately, and thinks it is very important, I would point out to everyone that FISA is not expiring this week. If anything expires, it would be, in my view, a set of ill-advised amendments to FISA that the House and Senate passed in August. FISA is a very important statute. It has been on the books for 3 decades. I think it works well, and I am certainly hopeful that

if it needs amending, we do it on a bipartisan and bicameral basis, and do continue to track the activities of foreign terrorists.

Let me make one other comment about things you are doing. I know that you are concerned about radiological threats. You and I have had this conversation off-line, and I think you have had it with other Members of the committee. I want to encourage you to continue to work on that. I think the dirty bomb that may be in our future may be one that can be put together inside our borders, and may not have to come in a container or on a general aviation airplane, or through the southern or northern border.

Do you agree with that?

Secretary CHERTOFF. I do agree with that, yes.

Ms. HARMAN. So I encourage you to keep working on it. This Member will cooperate with you in every way possible. If you can get increased protection for radiological sources done just through activities of your Department, without the need for legislation, Godspeed.

Secretary CHERTOFF. We are doing that.

Ms. HARMAN. Okay. My question is really about borders. No one has missed it that this budget is front-loaded in terms of border protection, and other priorities are funded less in order to enhance border protection. Two questions: No. 1, what about the northern border? It seems to me most of the focus is on the southern border. I remember very well that the fellow who was going to blow up my airport—Los Angeles International Airport—was apprehended at the northern border.

Second of all, what about the borders on our east and west? I am specifically talking about ports. The Port Security Act, the Safe Port Act, that was passed on a bipartisan basis out of this committee, and I was one of its original authors, provided or authorized \$400 million a year for layered port security. I know that is a concept you support, yet that is cut in half in order to fund these initiatives at the southern border.

I have a minute left, but my question is about why not more focus on the north, and aren't you doing something counter-productive by cutting port security money, when that is another border that obviously needs protection?

Secretary CHERTOFF. Well, let me say first of all, we are focused on the northern border. The traffic between the ports of entry in the northern border has typically been about 2 percent of the total, with 98 percent through the southern border. There is plenty to be done. We have to kind of attack the biggest problem first.

One thing we have done in the northern border, where I agree with you, I think in some ways from a terrorism standpoint, historically it has actually been a bigger challenge. Historically, they have moved through the ports of entry. What we have done in addition to recruiting and training more inspectors—and we have 400-plus in this year's appropriations, and we are seeking to have more in next year's—we have tightened up on the documentation. We have eliminated all declarations, which is going to be a big step forward, I might add, over a tremendous, vociferous protest.

I am also happy to say that we have tracked the progress of this, and it seems it has not caused the dislocations that were feared.

As far as the ports are concerned, I agree with you. The ports, and in fact between the ports, are borders. We have put in the past several years a total of \$16 billion in terms of port security. If you look not only at grants, but if you look at customs and border protection, and Coast Guard, we are putting more money in both of those in fiscal year 2009.

I might add, by the way, that one of the things we are doing is the Coast Guard is developing a small boat strategy to look at what is between the ports, because frankly that is where experience shows us a lot of smuggling takes place.

I am going to say this over and over again in the hearing. There are many good things we could do. As with anybody else who works with a budget, we have to start somewhere. I think we are making progress. I am sure that future budgets will address these other issues.

Ms. HARMAN. Thank you, Madam Chairwoman.

Thank you, Mr. Secretary.

Mrs. CHRISTENSEN [presiding]. Thank you, Ms. Harman.

The Chairwoman now recognizes Mr. Davis of Tennessee for 5 minutes.

Mr. DAVIS of Tennessee. Thank you, Madam Chairwoman.

Thank you for being here. Thank you for your testimony.

Could you bring me up to date on the 287(g) program a little bit, and what your plans are in this budget moving forward?

Secretary CHERTOFF. We are seeking additional money for 287(g) in this budget. It has been a very effective program. It is, of course, a voluntary program, and we have a backup of jurisdictions that have requested the training.

We also have what I call 287(g) "lite," which will recall ICE access, which is a program we can use to train people in State and local government to work with us, that is maybe not quite as soup-to-nuts as the 287(g) program, but is still effective, and we are providing that as well.

Mr. DAVIS of Tennessee. I hear from my district that local law enforcement has requested help from the Federal Government, and they are being told there is just not enough people, not enough money, not enough support at the Federal level.

Secretary CHERTOFF. Well, I will tell you, enacted in 2007 was \$46 million. This past year, it is \$78 million, and we are requesting \$92 million. So we are certainly adding money, and we are eager to help. Of course, again, demand probably outstrips supply, but where we can't give people the full 287(g) program, ICE Access is kind of a 287(g) lite which we can provide.

Mr. DAVIS of Tennessee. Could you tell me what you are doing in relation to REAL ID?

Secretary CHERTOFF. Yes. We issued new regulations. This was designed to address the concern that it was exorbitantly expensive and too much for the States to bear. We cut the cost by three-quarters. The main way we did that is we made some adjustments in the actual physical characteristics of the card stock to take account of some things that States were doing. We also, for the category of people over 50, extended the time period for bringing everybody into the REAL ID system so that it synchronized with the ordinary State renewal periods. This has cut the cost to about \$8 a license.

What I have heard back is that has largely removed the objections based on cost. Last I looked, and I may be a little out of date, over 40 States have indicated that they are interested in participating in this. That represents over 80 percent of the American driving public. I am confident we will get the vast majority of States onboard with this by the time we come to the deadline at the end of March.

I do have to say this, though, Congressman. There are some ideological problems with this. I frankly don't understand it because I think if you are going to ask people for identification, it is crazy to make it easy to forge the identification. At the end of the day, though, the mandate of Congress and the law is clear. If States have not gotten a waiver by the end of March, we will have no choice but to say that for Federal purposes, their licenses are not acceptable as Federal identification.

So first of all, I don't bluff. But even if I were a bluffer, I would be legally constrained against bluffing. So we are going to try and work with everybody. We have been very encouraged by the response we have gotten, but we are very determined to move this forward.

Mr. DAVIS of Tennessee. I have a large chemical manufacturer in my district. Can you tell us what your plans are dealing with chemical operations in the future?

Secretary CHERTOFF. Based on the authority we got from Congress, for which we are grateful, we issued our regulations. We basically have divided the chemical industry into four tiers based upon the amount of risk. That is driven by the size, the location, and the type of chemical that you are manufacturing or storing.

The top tier chemical manufacturers have been notified now by rulemaking about what they need to do to analyze the risk of their particular facilities. We are reviewing those analyses, and based on that review we are going to require certain performance standards that have to be in place in order to satisfy the requirements of the law. Then, particularly with respect to the top risk facilities, we will be going out and inspecting those. I don't know the particular facility you have, but that is the process we have underway.

Mr. DAVIS of Tennessee. Okay, one last question. I can tell you, in my district, building a fence is very important to the people in northeast Tennessee. I think it is something we need to do, be it a real fence, a virtual fence, some way that the American people feel like they are secure from people coming across illegally. As we move into the next budget cycle, how much of the fence—either real or virtual—will actually percentage-wise be built?

Secretary CHERTOFF. Well, by the end of this calendar year, we will be a 670 miles of barriers. Plus, we will have deployed 40 what we call mobile surveillance systems. That is ground-based radar. We will have our P-28 system, and begin to employ other camera-based and sensor-based systems. So I can't give you an exact percentage, but we will have substantially put either real or virtual fencing or barriers across the entire border.

Mr. DAVIS of Tennessee. Thank you.

Thank you.

Mrs. CHRISTENSEN. Thank you, Mr. Davis.

The Chairwoman now recognizes Ms. Sanchez for 5 minutes.

Ms. SANCHEZ. I thank the Chairwoman.

Thank you, Mr. Secretary, for being before us.

Mr. Secretary, in the corporate world, the rule of thumb is when you do a merger that you wait about 5 years to have the whole shake-out in the corporate culture and everything going on. So my question to you is, the Department will soon be 5 years old. Where on the curve do you think you are as far as trying to get morale up, get a cohesive culture going? Where do you think you are at this point?

Secretary CHERTOFF. That is a question we have asked ourselves. We have a Homeland Security Advisory Council, and we had a subcommittee chaired by Herb Kelleher, who as you know is the legendary CEO of Southwest Airlines, to look at the issue of how do you form a corporate culture. They had a lot of very interesting and informative ideas which we have put into place.

Let me tell you where I think we are. Our capability to plan and execute jointly now is light-years ahead of where it was when I came on board. We have some more work to do this year, but we are building what we call, borrowing on the military phrase, “J-3/J-5”—planning and operations coordination capability—that is able to give us visibility and planning capability to synchronize a lot of our different elements.

We have built through a series of management directives, incentives to develop career paths that require you to do joint activities or to serve in other components. So that I think in terms of our building basic institutions that will promote jointness—and here we have borrowed a lot, frankly, from DOD—as well as the discipline of civilian planning, we have made very substantial strides forward.

Other than the normal maturation process, there are two potential obstacles to completing this process. One is we have to get facilities. The need to have people work out of what are really jerry-built facilities does have an impact on morale and efficiency. Every other new organization in the fullness of time gets a headquarters facility. For everything from health to security to efficiency, we need to get St. Elizabeth’s done.

Ms. SANCHEZ. You are so committed to St. E’s?

Secretary CHERTOFF. Very much. Yes. The hot water pipes broke about a month ago. We really have to move on this.

Ms. SANCHEZ. Because one of the problems that I have seen is, for example, one of the things that was cut out of the budget were the moneys for St. E’s in this showdown with the President. I mean, how do we get this on track? I am looking at it from a standpoint of the inspector general was in, and he said, look, great vision at the Department; terrible management. Part of management is just not having to drive for 2 hours across town to go and see your subordinates.

Secretary CHERTOFF. Yes, that is amen. I mean, it is in the 2009 budget. We fought to keep it in the 2008 omnibus. That process got compressed, shall we say, at the end. We were largely happy. But part of the issue is a large part of the budget is in GSA, and their piece was taken out. Then once their piece goes, our piece fell.

I am making a point of talking about it now, because it is really important in 2009 to get this started, for all the reasons you have said. I couldn't agree with you more.

Ms. SANCHEZ. I think you have about \$120 million in this 2009 budget. Realistically, how much do you need and how fast can we get this whole issue of a headquarters done for you all?

Secretary CHERTOFF. If memory serves me, I think in the 2008 budget, GSA was looking for over \$400 million for its piece of that. So since it has been bumped down the road, I think a rough estimate, I think we are talking about that order of magnitude to get this process moving. The original plan was to start with getting the Coast Guard in there and get this up and running in 2011. We have lost a year, so I think you can do the math.

One other thing I would say we need in terms of institution-building is we need to stop reorganizing the Department. At this point, you can debate whether we are in the optimal structure, but you can't grow a tree by keeping tearing its roots up every year. I think we need some stability for a couple of years.

Ms. SANCHEZ. I was going to ask you about that. I mean, some of the problems seem to be when I looked at some of the reports of those being critical in particular to management, is all of the political appointees and how people move around, and now with a new administration coming in.

Secretary CHERTOFF. One thing we are doing is we have made a conscious effort, and I have just about completed this, to make sure we have career officials in the No. 2 or No. 3 positions in all the operating components in the significant offices. So we will have personnel continuity. But every time we have a major reorganization, first of all it freezes everybody. Everybody is uncertain about what the future of their job is. We spend an enormous amount of time and effort reorganizing.

This may not be the best of all possible worlds, but it is working well. I think if we could get a breather so the next secretary can take 3 years, let us say, and kind of look at where things are, maybe they will have some suggestions down the line. But at this point, stability both from a personnel and an organizational standpoint, and a physical structure—those are the keys to really completing this task.

Ms. SANCHEZ. Thank you, Mr. Secretary.

Thank you, Madam Chairwoman.

Mrs. CHRISTENSEN. Thank you, Ms. Sanchez.

The Chairwoman now recognizes Mr. Rogers for 5 minutes.

Mr. ROGERS. Thank you, Madam Chairwoman.

Thank you, Mr. Secretary, for being here.

I wanted to start off with a letter I sent you last week, and you sent me back a response today. The letter dealt with the Center for Domestic Preparedness. In that letter, I outlined my concern at the President's budget proposal, cutting it 25 percent, or \$15.5 million. As you know, this is a very important facility in our country's effort to meet your fourth goal that you outlined in your five goals up there, being able to have adequately prepared and effective responders.

In the President's proposed cut, he didn't offer any explanations for that. I sent you a letter asking you to explain to me the jus-

tifications for a 25 percent cut that was just arbitrary. Your letter today responded by saying that you believe the \$47 million requested will be sufficient to support that mission. That is not an explanation.

While I don't expect you to have those at your fingertips, I would ask that you respond to me in a more detailed way as to why \$47 million will meet the mission that \$62 million has been providing. The 9/11 commission legislation that we passed—the 9/11 Commission Recommendation Act that the President signed into law—authorized that that facility be increased in funding for the next 4 years by 3 percent. So I would like to know the explanation for how you can do that.

Next, I want to talk about agriculture. As you know, agriculture is very important in my State. The Homeland Security Department set up the Office of Health Affairs in 2007. Within that Department, you have the Office of Food, Agriculture and Veterinary Defense charged with enforcing Presidential Directive 9, which protects food and agriculture. But that office has been level-funded again this year at \$727,000, and five FTEs.

Chairman Carney and I held a hearing in Pennsylvania on the need for this office to develop more full policy, as to how to interact with State and local jurisdictions in the event of an agricultural food attack. We are grossly understaffed, and I brought that to your attention in an earlier hearing, and you agreed.

Is there going to be the money to remedy this within your Department's budget this year?

Secretary CHERTOFF. First of all, this is, of course, a new office. The fact that we established it reflects our total agreement with you that an important element of homeland security policy and planning has to involve agricultural food and veterinary defense.

So I am going to make just a couple of observations. First, obviously a lot of the actual expertise resides in the Department of Agriculture. So we really rely on the Department of Agriculture to give us a lot of support. We are not looking to supplant them. We are looking to make sure that food and agricultural concerns are integrated with the rest of what we do. I should also observe to you that a lot of what we actually operationally do in the area of food and agricultural defense is with the operating components, specifically customs and border protection.

So if you were to look at all the assets that we put with respect to protecting our food and agriculture in this Department and across the Federal Government, it would be much, much more than these five people. We are trying to grow the Office of Health Affairs. I am going to come back to the same refrain I have. We have a lot of tough choices to make with a pie that, while it has grown, is still not limitless.

We think that continuing the level of five this year allows us to continue what we have been doing in a way that is effective. Maybe in 2010, we are going to look at where we are and say at that point we should do a little bit more. We are helped by the fact that if we need support, we really do have other places we can go to, specifically the Department of Agriculture. So this office is not simply at sea by itself, but it is really partnered up with other agencies as well.

Mr. ROGERS. Unfortunately, I have been seeing little turf battles going on between the Department of Agriculture and Homeland, and that is unfortunate. I would ask that you keep this at the fore of your mind, and if there is a way you can develop that office more fully, I think it would be good for our Nation's food supply safety.

Last, I want to talk about canines. As you know, I have a special interest in that area. I was pleased to hear that you talked about putting more emphasis on your effort to have more explosive detection capability and using canines in that area. But as you know, we still purchase most of our dogs from overseas. I would like to know if you have the money in this year's budget for the establishment of a domestic breeding program, as called for in the 9/11 Act?

Secretary CHERTOFF. I know we have 775 canine teams. We started out with 475. We have 300 that are accounted for in the budget for 2008, so we are going to want to do that.

In terms of setting up a domestic breeding program, I have to confess it is not quite clear to me how you encourage dogs domestically to breed.

Mr. ROGERS. Here is the problem. Like in TSA, most of your dogs you procure through the Department of Defense.

Secretary CHERTOFF. Right.

Mr. ROGERS. They go to Europe and they bring them back. But these are foreign sources. There is no reason—and they want the breeds because they have the unique olfactory capabilities to detect the things they are looking for.

Secretary CHERTOFF. Well, the malinois, I think are the ones.

Mr. ROGERS. Those are malinois primarily, but there are others. My point is, this is too important of an asset for us to rely on these foreign sources. You are right. There is no rocket science to bringing these breeds over here and replicating that domestically. That is what I am asking you to do.

It is not just a problem at Homeland. It is across the Federal services.

Secretary CHERTOFF. It is something we ought to look at nationally, because I do think that dogs are a fantastic resource. So let us work with DOD, which is probably the larger consumer—if I can use that phrase—of dogs than we are, as well as others who use them, like in the Department of Justice, to see what we can do about that.

Mr. ROGERS. I agree. Thank you very much.

Mrs. CHRISTENSEN. Thank you.

Ms. Lofgren is now recognized for 5 minutes.

Ms. LOFGREN. Thank you, Madam Chairwoman.

Mr. Secretary, about 6 months ago, I first heard reports about a U.S. citizen, Pedro Guzman, who was born in Los Angeles, who had gotten himself caught by the Border Patrol in order to get back into his own country. As we looked into it, he was deported even though he was an American citizen. I had hoped that this was an isolated incident.

I sent you a letter outlining a series of questions, really that deal with individuals, what safeguards we have in place especially for individuals who may be mentally impaired. In the case of Mr. Guzman, he was mentally retarded and he was simply dumped in Tijuana. His parents, as you can imagine, were frantic trying to

find him. He eventually walked through the desert. A Federal court ordered the Border Patrol to post pictures and be on the lookout.

Since that time, I have additional reports. In fact, we are going to have a hearing on this in the immigration subcommittee in Judiciary about U.S. citizens who have been detained for in some cases extended periods of time, or even a day or 2. I am concerned in this budget about what kind of training effort we are making in ICE. The General Accountability Office issued a report in October of last year basically indicating that the ICE agents didn't know the law and there was no systematic way in place to keep them trained and up to date on the law.

So I am wondering, can you tell us what efforts we are going to make in this budget for training for ICE in particular?

Secretary CHERTOFF. I do know that training on legal requirements and legal restraints is an important part of what we do with our ICE agents. I know that they get trained, for example, in the fairly complicated rules that apply about when you can arrest somebody and things of that sort.

My presumption is they generally rely in the first instance on somebody saying "I am an American citizen," and then obviously you need to verify that fact. I don't know the facts of this specific case off-hand. Obviously, we don't want to deport American citizens. I can't tell you that if someone is incapable of telling us they are a citizen—

Ms. LOFGREN. I would like to send you this letter again.

Secretary CHERTOFF. Okay.

Ms. LOFGREN. Because the letter I got back from one of your assistants never answered any of the questions.

Secretary CHERTOFF. We will answer it.

Ms. LOFGREN. In this case, it was L.A. County, and this kid had been in trouble many times because of his disability, and was arrested for trespassing. They had him in their records, but ICE never even checked the records. It is not an isolated case. So I am interested in the protocols because it is just absurd.

Furthermore, an ICE spokesperson was recently quoted as saying it is the American citizen who has the burden of proof on proving that they are an American. Well, that is not the state of the law. I will bet you that very few of us here today—and I happen to have my passport in my purse—but most of us could not prove up our American citizenship on the street. So this is a serious problem.

I would like to ask another question about ICE. That has to do with the rapid expansion of detention beds, and what kind of effort and budget is being proposed for the medical care of people in custody. We now have in some cases individuals who are in custody for many months as their cases are straightened out, in some cases. We had a hearing last fall outlining some instances where people in custody died for lack of adequate medical care.

One of the concerns I had at the time was a system that never works. I have seen this in local detention centers, where the physician on-site cannot provide the care he or she thinks is medically advisable without authorization from some bureaucrat in Washington. Has that policy been changed?

Secretary CHERTOFF. Let me say that a lot of our facilities are contract facilities, so we contract and we do that obviously because there is an up and down in terms of the need in particular locations. I know that we do pay attention, and the issue of medical in general is a matter that ICE looked into recently. I think our statistics actually are better than the average prison system.

Ms. LOFGREN. The statistics don't matter if it is your father who died.

Secretary CHERTOFF. I can say this to you. I don't have with me the details of exactly what our medical protocols are. We do take people as we find them, so we do get people, for example—there was one case where somebody died where it emerged they had come in with a mixture of coke and some other drug, and they OD'd on it. So we do take it seriously.

If you want specifics about approvals, I can get them.

Ms. LOFGREN. I would like specifics because the cases that we got were both ICE-run facilities and also contract facilities. Frankly, the sheriffs are complaining because the level of medical care is so far deficient compared to the care that they give to county inmates. As a matter of fact, we had one sheriff from Pennsylvania who was just outraged by people, inmates, that were not even—I mean, we don't need a Cadillac of medical care, but certainly the care that he was giving county inmates was being denied to the ICE detainees.

Secretary CHERTOFF. I will have a look.

Ms. LOFGREN. Would you get back to me?

Secretary CHERTOFF. I will.

Ms. LOFGREN. Thank you.

Mrs. CHRISTENSEN. Thank you.

The chairwoman now recognizes Mr. Reichert for 5 minutes.

Mr. REICHERT. Thank you, Madam Chairwoman.

Mr. Secretary, good to see you again. Thank you for being here.

I first want to comment on one of your statements right before we went to vote. You mentioned the number of committees that you had to report to. I think it was a year or maybe 1½ years or more ago where we had this discussion. I think that when I asked you the question as to how many committees you might be reporting to, the answer then I think was 88 subcommittees and full committees. I agree with you that Homeland Security and Appropriations might be the two most important committees that you report to. So I think Congress has some responsibility in helping you manage your Department by reducing their meddling.

I am really interested in a couple of things. As you know, working together, coming from my previous background as a sheriff, and interoperability of communications. So with the 2010 Olympics coming to Vancouver, I know that you have a plan to create a multi-agency coordination center near the Canadian border. Can you give me some information as to the status of that plan?

Secretary CHERTOFF. Actually, Congressman, on that I think I will have to get back to you because I don't have a lot of specific detail. We do recognize and we plan in advance for events of this kind, recognizing that there is going to be a lot of cross-border traffic. But I will get you the specifics in writing.

Mr. REICHERT. Thank you.

The issue associated with that is the ability to communicate with the Canadians especially. We know here at home we have that problem, too, internally. But there does seem to be a spectrum issue between Canada and the United States. We know that as sheriffs working up in Washington State. But there seems to be more of an issue of mutual aid and cooperation. Have you heard anything about the attempts in getting the Canadians to work with us in developing the communications systems that will be in use by 2010?

Secretary CHERTOFF. I don't know if this is applicable to Washington. I know we have integrated border enforcement teams, and we have been trying to work with the Canadians to make sure that we can have interoperability where we have Canadians and Americans working jointly on law enforcement.

The issue is probably not going to be technological. There now exists Internet-based and non-Internet-based gateway solutions that allow people to talk on different frequencies, and I think it is something we want to address in a joint fashion, to have governance and protocol arrangements so that we can have a common sheet of music, so to speak, off of which to sing come 2010.

Mr. REICHERT. Thank you.

That also connected with the northern border. Just looking at the budget, we notice that there are an additional 440 Border Patrol agents that will be assigned to the northern border, and also some other initiatives, with \$4 million to construct checkpoints in New York, which I know Mr. King appreciates greatly.

But what other things are we doing? I know that you are concerned about illegal immigration across the northern border. We have been focused I think in the past few years on the southern border pretty heavily. What new—

Secretary CHERTOFF. Obviously, as I said, one critical factor is that up until now, the vast, vast majority of traffic between the ports of entry has come through the south, rather than the north. That has informed a lot of our priorities. Plus, of course, we have a very good working relationship with our Canadian counterparts.

We are looking to have 1,500 Border Patrol in place if we get our 2009 budget for just the northern border. I believe we are completing our fifth air wing this fiscal year. We are going to have six unmanned aerial systems in place by the end of this fiscal year, projected. We have three currently. We are getting a fourth, and when we get the fourth, we are going to put another unmanned aerial system up in the north.

A lot of what we are doing in the north is much more technology-based and intelligence-based, because of the nature of the flow of traffic, the nature of our relationship with the Canadians, and the nature of the landscape up there. But we are attentive to it.

Mr. REICHERT. Thank you.

I have time for one last question. We did have a hearing here a number of months ago of Boeing employees and some Border Patrol representatives on SBInet and P-28. I know you have touched on it briefly in your opening statement, but said you could comment further on it. Can you give us the status of where that project is?

Secretary CHERTOFF. I would love to. Let me first dispel what is sometimes a misconception. SBInet includes P-28, but is not lim-

ited to P-28. SBInet is the complete lay-down of use of technology at the border. If I have made one point over the last 3 years, it ought to be that the exact mix of high-tech and low-tech depends on exactly what you are dealing with at the border.

For example, even as we are working on P-28, which I will come to in a moment, we are looking I think a 10-fold increase on the ground-based, vehicle-based radar, the mobile surveillance systems, from about 4 to 40 this year, which are going to be deployed across various parts of the southwest border. As I said, we have acquired a third unmanned aerial, and I think a fourth is due to come online in the very near future, if not already. All these are part of our SBInet program.

P-28 is a particular concept of integration of radar, integrated cameras, and a common operating picture that can cover a broader range of border than is true with ground-based radar. Ground-based radar basically gives you about 6 miles each way. P-28 gives you 28 miles. But again, it doesn't work in every type of terrain. We have tried it in a very challenging part of the terrain.

I have been down to look at it myself last week. We are doing the final review with respect to final acceptance. I think it looks good, although we haven't finally signed off on it. That is not to say it is perfect. As we have operated it, we have come to realize—and I think you probably have this from your experience, too—that there are some features that we would like to change and make better. There are some features that we actually have determined we don't really need that much, and we probably ought to just forget about. That is in final development.

So what we expect to do is move to the next stage of this, which will be pushing the areas that the operators think we ought to enhance, discarding those things the operators think are probably not ultimately a real value-add, and then—although I don't expect we are going to have a cookie-cutter of this across the border—there are other parts of the border we will expect to be using it, including parts of the northern border, again depending on the landscape.

Mr. REICHERT. Thank you, Madam Chairwoman.

Mrs. CHRISTENSEN. Thank you.

I now recognize myself for 5 minutes.

Thank you, Mr. Secretary.

The Department has made some progress over the last year, and I really commend you for the progress you have made in some of the areas that you outlined. But we are still so far away from where we need to be to really assure the people of this country for their safety and their security. I think it is unfortunate that because of tax cuts for some of our wealthiest Americans, this Department and others are being squeezed into a budget that does not really meet our Nation's needs.

As you can well imagine, my first question is going to go to health care. So I am very pleased with the increase in funding that is proposed for the Office of Health Affairs, and also the progress that has been made under Dr. Runge. I can remember when the office was first set up and he was brought in. We weren't sure what the role of that office was going to be.

But I still continue to look for a commitment to really repair and strengthen and expand the capacity of our health care system to

respond in the case of a disaster of any kind in this country. I haven't seen that kind of an investment in these 5 years, and I am not seeing it in the 2009 budget either.

There is a report, an analysis done by Harvard Medical School and Cambridge Health Alliance that continues to show that the emergency rooms in this country are really overburdened and continue to be overburdened; that our hospital beds are short. Where in the 2009 budget is this addressed, if at all? I don't see any increases in the health budget to make up for it not being there, because we have a 7 percent cut in the CDC, 14-plus percent cut to HRSA. In your budget, MMRS is eliminated and SAFER, which also have relevance to this, is also eliminated.

Secretary CHERTOFF. First, let me thank you for your comments about the Office of Health Affairs. I want to thank the committee for authorizing it. It is important to institutionalize this.

As I said with respect to agriculture, we try to be clear that we are not trying to poach on the expertise of HHS and CDC and NIH. They are the experts. Our Office of Health Affairs is—

Mrs. CHRISTENSEN. They don't have any money either.

Secretary CHERTOFF. Well, I can't discuss their budget. I have very little visibility into it. I am going to let the secretary of health and human services talk about his budget. But I want to make sure that the role of our office is clear. It is not meant to supplant HHS. It is meant to make sure that health, food, and veterinary issues are integrated into our total planning in incident management, so that much of our emphasis is on making sure that we are driving forward in the process of planning for things like pandemic flu. We have made a lot of progress in that regard.

A lot of our focus is on making sure that we are focused on integrating intelligence about health through our NBIC system. A lot of it is designed to move forward with BioWatch, which is the sensing system that we detect if there were a biological attack. Of course, we have a role to play with respect to BioShield, identifying the material hazards.

So health planning and response is very important in our Department, but I want to make it clear that it is a function that we exercise in partnership, and that much of the actual muscle comes from HHS. In fact, OHA used to have certain health functions in DHS which were transferred back—emergency functions, medical response, for instance—were transferred back to HHS.

So in terms of what is being done to fund emergency rooms and things like that, I am going to have to refer you to the Department that would have the major role in health. We are encouraging, however, public health officials and State and local officials to get involved in planning, because whatever your resources are, if you don't plan properly and you don't integrate the planning, the resources are not going to be particularly effective.

Mrs. CHRISTENSEN. I want to try to get in another question. When I look at the 2009 budget, it seems to start out from a position that the Department has made pretty much all of the investment needed in training, equipping and exercising first responders, in that there is not a lot of investment being—there is not increase and some programs are cut. So it seems as though the Department

is saying we have made most of the investment we need to make, and we just need to maintain the status quo.

Is that your position? If not, where in the budget are we seeing the help that our first responders still need?

Secretary CHERTOFF. Well, let me again say, recognizing this is probably going to be a refrain—Congress has tended to enact more than we have requested. We have projected requests based on a couple of principles. We do want to build capacity. However, it is not maintenance. It is not meant to be that the Federal Government is going to pay for routine activities. We are going to try to build capabilities, equipment and training.

So that one should expect to see accumulative benefits. You wouldn't expect to have to buy the same equipment every year. We have with respect to assistance to FIRE grants, we have kept the same request we did last year. On emergency management performance grants, we kept the same request we did last year.

You may remember in past budgets, requests actually declined. So I think we are comfortable with our requested levels getting us on a disciplined path doing what we need to do. There are some, shall I say, perennial disagreements between Congress and the administration. Congress tends to enact, the appropriators tend to enact, a certain number of grant programs that are designed to pay for salaries and personnel and things of that sort. The administration takes the position that that should be State and local; that we should be paying for capacity and equipment.

So as the Chairman said, I have no doubt we are going to embark on robust debate about the budget. But I think if you look at what we have done compared to our requests last year, we are consistent in what we think is an appropriate—not an exorbitant—but an appropriate level of funding.

Mrs. CHRISTENSEN. Thank you.

The chairwoman now recognizes Mr. Dent for 5 minutes.

Mr. DENT. Thank you, Madam Chairwoman.

Good afternoon, Mr. Secretary.

A quick question, you mentioned in your written testimony that there were 670 miles of fence to be constructed by the end of 2008. I think you said 370 miles were pedestrian fencing and 300 miles of vehicular fencing. How much of that is double-layered fencing?

Secretary CHERTOFF. I don't know. I think Congressman Smith came up with the number 31, which I have no reason to disagree with. As I said, we build double-layer fencing when double-layer fencing makes sense, in the judgment of the Border Patrol, based on the particular topography.

I will give you a great example. On the Rio Grande, we probably wouldn't build a lot of double-layer fence. It would make a lot of sense.

Mr. DENT. Understood.

Secretary CHERTOFF. I said this earlier, in some of the double-layer fence in San Diego we discovered that somebody had strung wire across, and when we analyzed the wire, we recognized if you pulled it, it would be raised to the level that it would chop the head off of an agent if the agent was riding in an open vehicle or an ATV.

So I say this because the idea of the double-layer fencing as somehow the holy grail of security is just contrary to what the Border Patrol tells me. In some places, it works. In some places, it doesn't work. So I am just guided by their views.

Mr. DENT. To change the subject, I know that CBP has been suffering from a number of budgetary issues. I have also had the occasion to visit the border down at Laredo. I noticed that there was a shortfall of aircraft for the Border Patrol. This budget request for 2009 I think requests an additional two or three aircraft. In my view, that is insufficient to meet the need along our borders.

I do have a bill that would allow DHS to enter into a memorandum of understanding with the Department of Defense to utilize Civil Air Patrol assets to supplement these various functions of the Department of Homeland Security. It would include border security, interdiction of traffickers, and search and rescue operations.

Do you think to incorporate this Civil Air Patrol assets in the DHS mission would be helpful?

Secretary CHERTOFF. I think it would depend on what their capabilities are and what the mission was. I would not put civilians in a role of being involved in apprehending or interacting with—

Mr. DENT. We are not asking that.

Secretary CHERTOFF. I can't assess the budgetary impact, but obviously additional eyes are always helpful. It just has to be handled in a way that integrates with the way we do our total operation. So this is something that I will ask the Border Patrol to look at.

Mr. DENT. Well, we have legislation to do this with about 500 or so civil aviation assets out there, and we are not asking them to do any type of apprehension, but just to provide more assets, which we clearly need along the border. I would love to have your help in moving this legislation.

Secretary CHERTOFF. We will look at that.

Mr. DENT. Thank you.

On the issue, too, of CBP, we have a policy, I believe in this country now that if an aircraft headed for the United States from another country, within 10 minutes after the wheels are up, we basically run the manifests through the ATSP, automated targeting system for passengers. It is a good thing. I know we are moving in a direction of making sure that we get that information I think about 10 or 15 minutes before the wheels are up.

Secretary CHERTOFF. Correct.

Mr. DENT. Is that—

Secretary CHERTOFF. Yes. I believe the rule has been issued. I do not know exactly what the effective date is. But yes, we are there.

Mr. DENT. Is it 10 minutes before?

Secretary CHERTOFF. I think it is going to be no later than 10 minutes before, and they are going to start giving us the information earlier than that, but they want to have flexibility in case there is a last-minute show-up at the airport.

Mr. DENT. I applaud that, and I appreciate that you are moving in that direction. I would like to just know when that actually occurs.

On the issue of providing advance data at the borders for common-carrier bus or train, I believe we have had some debate and

discussion in this committee about that issue. I think it is important that we adopt that same policy for people coming into this country by train or by bus. I know your commissioner of CBP, I believe, shares that view. I just wanted to get your thoughts about it. There was some heartburn in the committee when we discussed it earlier.

Secretary CHERTOFF. I know certainly with respect to cargo, we do have a system of getting advance data. I don't know if—

Mr. DENT. We are talking about people now.

Secretary CHERTOFF. Yes. I don't know off-hand the practicality with bus because I don't know how people board. It may be sometimes you board the bus and you are at the border in 2 or 3 minutes. So whatever we do is going to be something that doesn't gum up the process of moving people across the border, because there is a lot of flow.

A train may be a little bit easier. I just don't know. In general, I will tell you I am a very strong advocate for getting somewhat more information at an earlier time at all of our ports of entry, and having much stricter document requirements. I can tell you that I still carry the scars on my back of the brickbats that have been thrown at me on the northern border for pushing this issue. I am respectful of the fact that people on both borders want to have a lot of free flow of people and trade, but I am also respectful of the fact that I have the responsibility to make sure that the consequences of missing a terrorist or a drug dealer are not visited upon the people who live in this country.

So I am committed to you, as long as I am in this office, we will move forward in a mindful, but disciplined and determined way, to continue to raise reasonable security measures at our main ports of entry.

Mr. DENT. Thank you. My time is up.

Mrs. CHRISTENSEN. Thank you, Mr. Dent.

The Chairwoman now recognizes Mr. Langevin for 5 minutes.

Mr. LANGEVIN. Thank you, Madam Chairwoman.

Mr. Secretary, welcome. I want to thank you for the job you are doing and for being here this morning.

Mr. Secretary, I want to turn my attention to a couple of questions on cybersecurity and also Project BioWatch, and then if we have time I would like to get to BioShield and also talk about the security of nuclear reactors at research facilities.

Starting off with cyber, you correctly realize that we have to make cybersecurity more of a priority than what it has been. To this end, I was very pleased that the President's fiscal year 2009 budget would direct \$293 million to U.S. CERT, much of which will be used to implement the Department's components of the cyber initiative. While I still reserve judgment on the overall cyber initiative program, I appreciate the briefing that you gave me. I have also met with the DNI, who has briefed me on cyber as well, in my role on the Intelligence Committee.

Again, though I reserve judgment, I think you are moving in the right direction on the cyber initiative. I am clearly concerned about our cybersecurity, of our networks and our systems. We have to be more aggressively to strengthen our security, given the level of vulnerability that we now know that we have.

I can promise you that, as Chairman of the Subcommittee on Emerging Threats and Cybersecurity, my subcommittee is going to exercise robust oversight of the cyber initiative. But again, I do believe, at least initially, that you are moving in the right direction. So thank you on that.

Where I will turn my attention, however, is I was gravely concerned that the same budget that you put forward will slash funding for your Department's own chief information office. As you know, last year my subcommittee held a hearing to examine how vulnerable the Department's own networks are. It was revealed that the DHS networks experience some 844 cyber security incidents in 1 year alone.

The Department of Homeland Security obviously must be able to secure its own networks before it can have any authority in other areas. Yet your own Department received a "D" from its FSMA scores. So my question is, how can you possibly justify cutting funding for cybersecurity initiatives within the chief information office's budget by nearly 50 percent?

My other question, Mr. Secretary, is that I have been receiving mixed reports on the status of our BioWatch program, which you made reference to a minute ago. I would like for you to provide some clarification. BioWatch, obviously, is an important program designed to provide an early warning of a pathogen release, which could provide early treatments to those in need, thereby decreasing illness and death.

Last year, it was reported that the third-generation BioWatch sensors which would deliver results much faster and require far less human interaction than the current generation technology—this new technology would be pilot-tested in fiscal year 2008 with full deployment to be completed in fiscal year 2009, and in fiscal year 2012. Yet just last week, Keith Ward, the chief of the ChemBio Division at S&T, testified before my subcommittee that the third generation sensors wouldn't even be ready for pilot-testing until part of 2009.

So when can we expect to see the deployment of our third-generation BioWatch sensors? What are the obstacles preventing this critical technology from being deployed sooner?

Secretary CHERTOFF. Well, let me answer the second question first. With respect to BioWatch, I am not familiar with the particular item of testimony that you are talking about. We do obviously want to get the third generation out and piloted as quickly as possible. Our 2009 request actually would call for a \$34 million increase so that we can get moving on generation three. I can get back to you on exactly when we think the pilot testing would begin.

With respect to DHS IT security, we actually have requested an increase of about \$3 million from our base funding on the information security office. Now, the reason there appears to be a decrease from last year, there was a one-time plus-up of money so that we could build out some things at Stennis, which have been completed, or are at least underway. So that was kind of a one-time infusion for a capital budget item.

But we do believe that IT security is important. I will say that our FSMA scores have actually improved over the last couple of years, and they are not regrettably out of line with that of other

large departments, particularly DOD tends to have trouble in this regard. I think that comes back to your initial point. A lot of this stuff is classified and we can talk about it off-line. But one of the problems we have had in the civilian domain, as well as of course in the military domain, is the sheer number of entry points from the Internet into Federal domains. It is an awful lot to police.

I think the good news is that what we are trying to do with respect to the cyber initiative is to change the deed by looking holistically at the whole Federal domain, and dealing with it in an integrated fashion, as opposed to every agency kind of on its own trying to plug holes like the little boy trying to put fingers in the dike.

Mr. LANGEVIN. Okay, thank you. I appreciate your answer. My time has expired. The one thing I would mention on the cyber initiative is once again consulting with privacy experts, civil liberties experts up front before it is launched I still think would be an important thing to do, since the criticism will come I am sure no matter what. Trying to address some of those up front before it gets launched would I think be helpful in ensuring the success of the program.

I would like to follow up with you more on your Department's own cybersecurity issues and the FSMA scores especially. If you would get back to me on the more specific time frame of when the third generation bio-sensors will be ready to be tested would be helpful. I will have a couple of questions for you for the record on BioShield and also security of our research reactors. There is a recent GAO report that just came out that questions security of our research actors that still use uranium for power.

Thank you for your presence here today and your testimony.

I yield back.

Secretary CHERTOFF. I will get back to you with those answers, and also I will tell you, we have gotten the privacy people involved up-front on the cyber issue.

Mr. LANGEVIN. Good. I am glad to hear that. Thank you.

Chairman THOMPSON [presiding]. Thank you very much.

I now recognize the gentleman from Texas for 5 minutes, Mr. McCaul.

Mr. MCCAUL. Thank you, Mr. Chairman.

Thank you, Mr. Secretary, for being here.

I apologize for being late. I was on the floor debating the Foreign Intelligence Surveillance Act extension. I think I know where you stand on that issue.

I also want to echo my colleague, the Chairman. I am the Ranking Member on the subcommittee that deals with cybersecurity, and how important we view this issue. I know you appreciate the importance of that as well.

We have talked a lot about the border. I know you are doing a lot in Texas with respect to the fence. I know it is a difficult job, and I commend you for your negotiations with the landowners down there, and the flexibility that you have shown.

I want to ask you about something that—and I am not sure what the DHS connection may be. I think I do, but Congressman Cuellar and I went down to Mexico City and visited with the attorney general there, as they grabbed one of the top drug cartel members. We had a one-on-one visit with President Calderon for about 1 hour,

and talked to him about his initiatives in securing his northern border—30,000 Federal troops up to the northern border. I have to tell you, when we walked away, I think both of us did, that this man is sincere. He gets it. He is making, in his words, security the first priority for his country and in his administration.

We share this border. We share the problem, and I think we need to share the responsibility for that. There is an initiative the administration has proposed, and Congress is looking at this initiative. In terms of what kind of assistance we can provide the Mexican government to combat these drug cartels, which in my view, we do a lot on the defense here on our side of the border. This is taking on the offense and dealing with the root cause of the problem.

The military assistance, whether it is surveillance equipment, Black Hawk helicopters—all these things I think are in my view the right policy for this country. But I wanted to just get your thoughts on that while we have you here, to talk about that initiative and the importance you see.

Secretary CHERTOFF. I have to say, President Calderon and his administration have been outstanding—I think maybe the best ever in terms of tackling what I think the Mexican president realizes is a very serious challenge to Mexico, and not just criminality, but literally a challenge to their control over parts of their northern border area, particularly when you look at the violence that has been visited on some public officials.

His heart is in the right place. He is doing things. We have an unbelievable number of extraditions of serious major-league players. We are involved in this, dealing with the Mexicans, as well as obviously with our counterparts in the U.S. Government. We have worked to build border violence protocols with our Mexican counterparts.

One example of success, frankly, was last month a Border Patrol agent was killed by smugglers. I had the opportunity to visit with his family last week. Within a matter of days after the event, Mexican authorities had apprehended the person who was alleged to have committed the act of murder.

So we have been working very closely with them. I spoke to my counterpart recently when he was up here. We talked about continuing to build on this level of cooperation and jointness all across the border, because it is a problem that touches both countries. It is a challenge to Mexico and it is a challenge to us as well.

I want to strongly endorse this Mexican initiative. This is a real opportunity to lend support to this Mexican effort in terms of resources and capabilities that will really enhance not only Mexico's ability to deal with its northern border, but with its southern border, because they have challenges in terms of what is coming up from Central America. Some of the Central American countries have serious issues with the drug gangs and organized criminal groups there. We always have Mr. Chavez down in Venezuela looking to make mischief.

So I think there are a whole series of reasons why a robust, strong Mexican enforcement capability is very much in the interest of the United States. I think anything we can do to help President Calderon will help us.

Mr. MCCAUL. I want to thank you for your leadership. I think this package will be coming up possibly in June. As you point out, we have a unique window of opportunity that may be shutting on us if we don't take advantage of it. Of course, we will look at the plan and have our own views on it, but I hope the Congress will step up to the plate.

Thank you, Mr. Chairman.

Chairman THOMPSON. Thank you very much.

We have five votes that have been called. We will take the gentleman from Texas's questions. Before we go, I want to recognize Mr. and Mrs. Perlmutter in the audience. Their favorite son is on the committee, and we want to make sure that they are amply recognized. Your son has done well. We are proud of him.

[Laughter.]

Mr. Cuellar, for 5 minutes.

Mr. CUELLAR. Thank you, Mr. Chairman.

Mr. Secretary, thank you again for being here this afternoon. Also, thank you for being down there in the valley on the levee, thinking outside the box on the levee fence. I thought it was a great idea, and I am glad it happened.

Two questions, and again men and women in green, my same question—men and women in blue. We have done a good job of getting Border Patrol. In fact, I believe since 2004 we have added on over 5,000 Border Patrol. But when it comes to Customs, which are the people at the ports, it has been almost one-to-five, more Border Patrol than Customs.

I support getting more Border Patrol. In fact, this last budget shows that you all are asking for 2,200 new Border Patrol, but only 539 additional Border Patrol. I heard at the field hearing from the Treasury union, and they said we will probably need about 4,000 to adequately staff the ports that we have.

Your folks afterwards dismissed that, and they said, oh, that is not correct. But at the same time, I have been asking, and I think I asked you at the last breakfast we had, and I have asked your staff since November of this last year to give me the number. I asked them for that information, and asked them how much we need for border infrastructure. I think you already asked for \$10 million, when I think the estimates are \$4 billion or \$5 billion, and you only asked for \$10 million.

I got a letter of response after I talked to you—a very nice letter. Whoever penned that letter did a great job, but it basically said nothing. It really said nothing. It really did. I almost was insulted by the response, whoever put that letter together. Why can't we just get a number for you all? You know, we just want to know so we can help you properly staff. I just want to know how many personnel do you need to properly staff the ports in the north and the south border, and what are the infrastructure needs for the southern and northern borders? I have been asking that since November, and it is incredible that I can't get a straight answer from you.

Secretary CHERTOFF. Well, let me first, to put it in perspective, since fiscal year 2007, and including the current budget, we will have either gotten funding for or are seeking funding for 2,349 new CBP officers. Now, I don't know that I can give you a number for what the desired end-state would be, because a lot of that depends

upon the building of new infrastructure, which is really I think at this point one of the obstacles in terms of the border crossings.

That infrastructure—you know, there is a mix of people who have the responsibility for that funding. You have used the figure \$4 billion or \$5 billion. A lot of the funding is GSA funding. GSA owns a lot of the ports of entry. I cannot honestly tell you that I envision that in our budget we would ask for \$4 billion to do infrastructure.

It seems to me the best model for doing a lot of the infrastructure is—and of course, some of it is in private hands—is to do public-private partnerships. I know there are some communities in Texas that actually did through their public-private partnership programs, did issue bonds and fund new infrastructure, and then as that infrastructure comes on line, want to man it. So a lot of the responsibility for building the infrastructure is probably best discharged with a public-private partnership.

Again, I am going to come back to the same thing I have said over and over again. There is a limited amount of pie. Our pie has grown, but it has not grown infinitely. In terms of building a lot of the infrastructure, particularly when we don't own it, I think that question has to be borne by others.

Mr. CUELLAR. Right. But again, I did not ask you to make that request. All I am asking is what is your best estimate as to how much infrastructure we need and how many personnel. I just don't understand that Homeland Security—and I have been a big supporter of you and I am trying to help you here—but I can't get the answer from you. I am not saying demand \$5 billion. I am not saying that. I am just saying, what is the infrastructure cost for the northern and southern borders, and how much personnel do you need to properly staff. I can't get that answer from you all, Mr. Secretary. I mean, what do we do? I am going to keep asking until I get the answer.

Secretary CHERTOFF. Let me see what additional information I can furnish to you. You know, you have been around enough to know there is always a certain concern that if you put an estimate out, it suddenly becomes graven in stone and winds up being pushed back at the administration—now, you have said you need this. So I mean, since we have all been around the mulberry bush a few times, I am sure there is an inherent cautiousness about coming up with numbers that we could end up having to deal with as a—

Mr. CUELLAR. And put all the caveats you want to put. You have a lot of good attorneys there. Put all the caveats you want to put there. All I want to see is the number for properly staffing the ports and the infrastructure.

Mr. Chairman, I am going to ask you for some assistance, because I have asked, and I am not trying to use this against you. I am trying to help you.

Secretary CHERTOFF. I understand.

Mr. CUELLAR. I can understand. I think this is a problem, because in talking to your staff, they are afraid that it is going to put the administration in bad eyes. I can understand that. But if we make a request as Members of the Homeland Security, can we get

this—and I don't care if you put 100 caveats on it—but can we get this information, Mr. Chairman?

Chairman THOMPSON. If I may interject here, if I might, Mr. Cuellar. Do we have a border security plan for the southern and northern borders?

Secretary CHERTOFF. Well, certainly, and I have provided this in terms of Border Patrol that has laid out a specific plan. I don't know if there is a single plan for all the ports of entry because the ports of entry vary a great deal. I am quite sure there are plans for individual ports of entry about what we need to do in terms of existing infrastructure and—

Chairman THOMPSON. I appreciate you, Mr. Secretary, but I think what we are trying to get at is if we have a border security plan for the Department of Homeland Security that we use as a guidepost for what you do and what we can as policymakers, I think that would get us where we need to be. I think the gentleman from Texas is just saying, "I need to see what you as a department see that we need to fortify our borders."

It is up to us as policymakers and appropriators on the other hand to try to get you the money to do it.

Secretary CHERTOFF. I will respond to that.

Chairman THOMPSON. We are not trying to trap you. Trust me.

Secretary CHERTOFF. I know that.

Chairman THOMPSON. He is a much better gentleman than that.

Secretary CHERTOFF. I know that. But you understand the cautiousness. I mean, there is always a cautiousness about this because: (A) Because there are a lot of caveats; and (B), because there are a lot of other players who have major responsibilities in furnishing this.

Chairman THOMPSON. Mr. Secretary, we understand that, but you know, we have to have a plan. Whatever it is, we will go from there. Thank you very much.

The gentleman's—

Mr. CUELLAR. Yes, just to close.

This last appropriation bill, we added about 10 pages, and there is a request there by January 31, which just passed already, for you all to come up with a border plan. So there is some specific language there that talks about infrastructure and other needs.

Secretary CHERTOFF. All right.

Chairman THOMPSON. Thank you very much.

We are going to ask Ms. Jackson Lee to step in the Chair. We will continue the hearing going forward, and the Members feel free to go vote and come back, and we will recognize you in order. Thank you very much.

Ms. JACKSON LEE [presiding]. Mr. Secretary, it is a pleasure. Thank you very much for your presence here today.

I would like to engage in a series of questions. They are going to be somewhat rapid-fire and I appreciate very much your answers.

I am going to go through the budget and particularly begin with the transit security grants, and I want your explanation to explain the request of \$175 million for rail and mass transit grants, when Congress just appropriated \$400 million for fiscal year 2008. So why are we cutting drastically those grants?

I also want to know why the budget request for the trucking industry security grant program is half of what was needed in 2008, despite the fact that we chaired a hearing that suggested that there was a great need. So it is a cut from \$16 million to \$8 million, and I feel that we have not met our task.

If you could just start on those two questions, I would appreciate it. I have a series of others.

Secretary CHERTOFF. First of all, let me say that what we are requesting with respect to transit and rail security grants is exactly what we requested last year. As I have said previously in the hearing, my experience now having entered year four of my tenure, is that Congress tends to put more money in grants that we request. We come up with requests that are based upon, given the fact that there is a budget and there is a limited amount of pie, that seems to be the best allocation over a period of time.

So when Congress enacts more, we recognize Congress may have a different view. In this case, we are adhering to the amount of money that we previously thought was appropriate in a disciplined investment. I might say, however, if you look over the last several years, just fiscal years 2006 through 2008, there has been a total of \$312 million that we have granted just to the top eight cities or urban areas. That is a huge amount of money that is out there.

In addition to the actual grants, we have in-kind money, and we have \$30 million we are requesting for our mobile VIPR teams, which are actually surge personnel that we put into mass transit, which provides an additional security measure. Of course, there are also transit funds available through other programs like the urban area security initiative.

Ms. JACKSON LEE. Well, Mr. Secretary, if I might, we had a hearing with a number of experts from the area who frankly said that they needed more resources. I know what the Homeland Security Department is doing because they have to keep it in sync with the President's budget. I think the President is wrong, and I think the Department of Homeland Security is wrong, when we talk about the needs of this particular area, when we have witnesses from the region who have suggested that with the massive influx of trucks that this whole idea of security is going to be imperative, and I think it is something we need to reconsider.

I indicated to you that I have a whole long list of questions, so let me just go to the idea of the TWIC card, and specifically ask unanimous consent to at some point appropriately to put into the record the Port of Houston Authority letter dated February 12, 2008. We were in Houston on Monday, and had an opportunity to hear some concerns again on the TWIC card, particularly in a region that I think is somewhat typical of what we have to address with the TWIC card.

We note that some of the estimates on how many people needing a TWIC card were done more than 2½ years ago, and this letter in particular says—and you don't have it in front of you—so I apologize. I will just give you a brief summary. The East Harris County Manufacturers Association estimated that we would need 180,000 cards for its employees and contractors. Since testifying, the U.S. Coast Guard has redefined secure areas and has allowed facilities to reduce the footprint of their secure areas. We don't

know if that is very positive. This will reduce the number of cards required, but the number for the Port of Houston will still be more than 300,000 cards versus the original estimate of 35,000 cards.

The chairman of the Port of Houston Authority has submitted his documentation 8 weeks ago, 2 months ago, and has yet to get approved. I say that this is kind of a budget issue. My question is: what is the status of the readers? My information from experts on the ground, including the Coast Guard, have indicated that they are very concerned that there will not be compliance by September 2008. The readers are not in place. But more importantly, 300,000 in one area alone, and taking 8 weeks on one card of the chairman of the board of the Port of Houston Authority.

I would imagine that there needs to be either funding, personnel resources, enhanced improvement of the FBI's checking system—all of that to me is personnel and resources. Have you asked for added help in the budget for what seems to be a pending crisis?

Secretary CHERTOFF. I have not, of course, seen the letter. It was dated February 12. We have asked for more money for TWIC. We are well on our way in terms of enrollments and pre-enrollments. I think I testified earlier, we have about 150,000 pre-enrollments and 78,000 enrollments. We are moving this across the ports in a systematic fashion. I think we are on track to achieve what we need to achieve.

The issue with the readers—the readers are being tested now. This is one of these real-world issues where you have to see how the reader actually works in the demanding environment of the salt air that you have. So I am comfortable that we have the money. We are requesting the money in place to keep this program moving forward.

Ms. JACKSON LEE. Let me just say, Mr. Secretary, maybe I can submit to the committee and submit it to me, I would like to have a personal response or direct response as to how the budget request will match one area's 300,000 estimation now, and that must multiply exponentially to a number of other places where the estimation was maybe 2½ years. So I want to know how that budget request will match doing what we need to do.

If you could give the additional response of the 8 weeks it takes for in this instance a known American citizen, the chairman of the port, who has not yet gotten his TWIC card, which means that we have a fracture in the system. Do we have money in place—and I ask that in writing—that addresses the system of processing, as well as the readers? I am concerned that that is the case. I appreciate if you could put that in writing.

Secretary CHERTOFF. Sure.

Ms. JACKSON LEE. The Nation's transportation systems are inherently open environments. In the Department's own budget justification it says there is a very real ongoing threat to the transportation security, particularly involving mass transit, considering the bombings in Madrid during the summer of 2004. But the President's fiscal year 2009 budget is nearly \$10 million less than the 2008 budget, and frankly any of us who travel on mass transit, we thank them for the convenience, but we know that there are vulnerabilities. Do you feel that this request is adequate to secure all modes of surface transportation? What percentage of your over-

all budget is dedicated specifically to rail and mass transit security? Which I frankly believe is very much missing.

Secretary CHERTOFF. Well, we are devoting a considerable amount to rail and mass transit. As I have indicated, we have requested the same level of grants as last year. We have our VIPR intermodal teams. We also have other programs where we test various kinds of sensors or devices in mass transit. We are working with a lot of our transit officials because they have in addition to the transit grants, other grants, in order to make sure they have the proper equipment deployed, and also to make sure that they have some support for a limited number of personnel costs.

In fact, I was up in New York a couple of weeks ago, and there was a really remarkable unanimity of views that we are doing exactly the right thing in dealing with what is probably the biggest and most vulnerable transit system in the country.

Ms. JACKSON LEE. Again, Mr. Secretary—I am sorry—the most, the biggest—

Secretary CHERTOFF. The biggest and most vulnerable transit system in the country is New York.

So you know, again, Rome wasn't built in a day, but I think we are making very good progress in this area.

Ms. JACKSON LEE. But wouldn't you think that if a Member of Congress on Homeland Security reads the budget and sees that, for example, that FTEs have been decreased to 230? That is 96 less from last year. Wouldn't we have the reason to be concerned about the commitment to surface transportation? We have been very fortunate, but yet we are not without vulnerabilities, and cutting staff seems to be drastic to me.

Secretary CHERTOFF. I am not sure exactly what line item you are talking about with FTEs being cut. I know with respect, for example, to our VIPR teams, we are actually either maintaining or increasing the increase that we got in 2008. I think I am pretty good with the budget, but I would need a little bit of help in knowing exactly what line item we are talking about.

Ms. JACKSON LEE. We will get that to you. There is a cut of 96 personnel.

In fact, let me move to the VIPR concept, if I might have a question here. What has been the reaction of State and local stakeholders to the increased use of VIPR? Are they being included in the decision to deploy these teams? I was at my airport yesterday with the transportation security administrator. We use them well at Houston Intercontinental Airport, but I would like to know whether or not we do have that engagement with the local areas? How is the coordination between TSA and the boots-on-the-ground on when and how VIPR teams are going to be used?

We expanded the VIPR teams, I understand. I would like to ask for more money, but I will leave you without the money question. Just say what kind of consultation do we have with local authorities.

Secretary CHERTOFF. We always consult with the local authorities. I think there was one hiccup last year that we sorted out. But I have spoken to some of the local authorities myself. They are happy. We do consult with them. We are also expanding the concept so that it is not only the TSA that is providing personnel, but

we are cross-training, for example, Coast Guard and CBP and ICE personnel so that we can surge them in under some circumstances as well.

So that is a force multiplier, and by all accounts it has been a popular program. I haven't heard anybody complaining about coordination. Obviously, coordination is an important part of what we are doing.

Ms. JACKSON LEE. Thank you, Mr. Secretary. Thank you for your patience. I just have about one or two more questions. I see that the bells may ring again, and we may give you at least a brief recess if Members have not come back.

But the Chairman asked in a letter some time ago about the Department's plans for 2009 transition. I think it is important to get your response on the record. You didn't believe it was appropriate to provide a transition plan to the Congress before it was finalized and provided to the incoming administration. If I may editorialize, I respect that answer, and I imagine that the Chairman would respect it as well.

I don't think we are suggesting, and I don't think the letter suggested, that you would step into the place of the new administration. I think what it does suggest is that Homeland Security has no breaks. It has no time off. It has no vacation. It has no transition time, frankly. We don't even want to utter such a thing for anyone to suggest that we are not ever-vigilant.

So you have testified that consolidation of congressional jurisdiction would greatly benefit the Department's efforts to carry its mission, so I am at a loss as to why in your response to this committee's inquiry would you then cite the Homeland Security Act and executive privilege. So basically, a plan is that we are not left vulnerable, and I think that is acceptable, and I would appreciate it if you would answer that.

Let me just quickly put two more questions on, if you can take notes on this one, because I think we are about to hear a series of bells. Quickly, the Committee on Foreign Investment in the United States, puts one credit to the work that you have done on this issue, and revising your presence on the committee. But how much of the Department's fiscal year 2009 budget request will be allocated to Department-related CFIUS work. I held a hearing on it. I don't think we have touched the surface of intrusion by foreign investors and owners. We welcome their investment. We don't welcome their takeover. So I want that.

Then on emergency grants, I am still shocked about Hurricane Katrina. Do you think the cuts in funding for State and local programs, including \$750 million from the State homeland security, is acceptable?

The bells have rung, so I have given you the management one, and I will accept 2-minute answers, and the rest in writing. But I will start with the one about the transition.

Secretary CHERTOFF. I think with respect to transition, we are working on a plan. We have populated No. 2 or No. 3 positions in all of the components in the major operating elements with career people. We are reducing to writing the plans and doctrine that we have developed over the past several years.

Ms. JACKSON LEE. This was transition?

Secretary CHERTOFF. This is for transition purposes. The purpose is to make sure that when we leave office, the Presidential appointees and other political appointees—

Ms. JACKSON LEE. But besides executive privilege, will you consult with Congress and have something that responds to a vulnerability in case something happens?

Secretary CHERTOFF. Yes. I believe the deputy has written back and has outlined, and has also briefed to a fair level of detail exactly what we are doing with transition.

Ms. JACKSON LEE. Maybe you can get back with the Chairman again. I know there was a letter written. I think the whole committee would like to hear back.

Secretary CHERTOFF. I would be happy to provide that kind of briefing. I think we owe it to you.

Ms. JACKSON LEE. I will yield on that answer. Can you quickly give me on the CFIUS and the grants cut of \$750 million? I truly think that we are on the wrong track for cutting homeland security emergency grants in light of the tornadoes and others.

Secretary CHERTOFF. The CFIUS—I can't tell you. It is in the policy office. I can't tell you exactly what the budget number is. I can tell you that it gets a significant amount of attention, including a significant amount of my own attention. I see every CFIUS case that comes in. I look at it whether it is an issue or not. Most of them are not a big deal. Some of them I spend a fair amount of time on.

On the issue of emergency grants, we have kept our request for EMPG grants at the same level as last year. But let me add, a huge amount of money with respect to tornadoes, it doesn't come through the budget process. It comes through the DRF—the disaster recovery fund. That is all done through emergency—

Ms. JACKSON LEE. I understand that.

Secretary CHERTOFF. That is a huge amount of money.

Ms. JACKSON LEE. I understand that. Let me, because the vote is on, simply say this: I do think that it will impact States enormously for the President's budget to have a \$750 million cut in the homeland security grants. You know that we will advocate against it and try to fix it. I do thank you for your answer. We will probably be back in touch with you. I am going to give you a brief recess.

The committee is now in recess. Thank you.

Thank you, Mr. Secretary, for your answers.

Secretary CHERTOFF. Thank you.

[Recess.]

Mr. PERLMUTTER [presiding]. Mr. Secretary, the first thing I wanted to do was just, one of the things on page 14 of your report to us talked about increased responsiveness to congressional inquiries as one of the accomplishments. I would have to agree with that. I want to thank your Department and your staff, in particular there are several things, and this goes into your notes which has specifics about dropped from 5 weeks to 2.5 weeks and things like that. Mine is more anecdotal.

But I did want to commend your office and the Department, in particular TSA. There are always issues concerning TSA and lines

and Red Team probes and things like that. But the TSA in terms of responding to me was excellent.

Second, on special immigrant visas and dealing with what was a mistake in my opinion in the PATRIOT Act that caught up the Hmong tribe, the Montagnards and a number of other allies of the United States, and sort of swept them into this position of being terrorists, if you will, and then unable to get green cards or citizenship and the like. Your Department worked well with our office and with the State Department, and I want to thank you on that.

Then the last was also with respect to Dr. Runge and the medical department. There are other places, but I just really do want to highlight those.

Secretary CHERTOFF. Thank you. I appreciate that. I appreciate your doing that.

Mr. PERLMUTTER. Now, I want to unload on you—not really. Let us first start and talk about the National Applications Office. We had a couple of emergency meetings, both as full committee and also the Intelligence Subcommittee, where we are very concerned in the use of the satellite technology and the capacity that that has, where we are in developing the legal and the privacy framework which we have been promised now for months.

Secretary CHERTOFF. As I said this morning, I am supposed to meet with the Chairman this afternoon. We have completed a draft of the charter and other supporting documents. I was going to discuss that with him. Then we have been in the process of trying to schedule today and tomorrow a session to brief the committee on this. We basically have a framework which, as I said this morning, first of all makes it explicit that we are not—the National Application Office does not circumvent, evade or ignore any existing or future legal restraints on the use of this technology.

Second, it sets up a process for reviewing the proposed use of the technology to make sure it complies with the law. If it is a novel use of the technology, to examine whether there are some requirements that have to be met like a warrant before it is used, and if so to require a warrant.

Third, although this was always intended, we make it explicit that the NAO will not entertain or consider requests for all written communications to be intercepted. That will continue to be handled under Title III of the Omnibus Safe Streets Act and the FISA legislation where it is customarily. So it should resolve all those issues quite explicitly.

Mr. PERLMUTTER. I think from the committee's standpoint, certainly from my standpoint, we just want to see it.

Secretary CHERTOFF. Yes.

Mr. PERLMUTTER. So, good.

Second, and you alluded to it earlier—and I know I missed some of the testimony—but with respect to the grants, the FEMA grants, whether it is the assistance to firefighters or the SAFER grants and those things. I know that from my point of view, the committee's point of view, these grants are very important for both our law enforcement agencies, as well as our firefighters. Clearly, your budget cuts what the Congress presented in its last appropriation.

I would ask you to go back and revisit your budget on that. That is more of just a statement.

Third, National Guard. We have had a conversation in this committee and with you that the National Guard is serving dual purposes. They have been put on the frontline and active duty status, yet they have a tremendous responsibility, and in my opinion the first responsibility, is to be at home ready for disasters of whatever kind. The reports continue to come back that we don't have the equipment; the individuals, particularly engineers and contractor types that are within the National Guard are all in Iraq and not here; and that there really is a dilemma for homeland security in the event some major national disaster hits.

How do you respond to that?

Secretary CHERTOFF. Well, I know General Blum who is the head of the National Guard Bureau, and Assistant Secretary McAllen and others have talked about this. I think my understanding is the percentage of National Guard that is overseas at any one time is really quite a small percentage of the total Guard that is available. The equipment that goes overseas typically is war-fighting equipment, which I don't think we would envision using in an emergency.

I am comfortable in my dealings with the Guard personnel, both having dealt with them in terms of planning and in terms of observing them in action, that they are fully capable of meeting their missions here. It is a question we have asked them over the last couple of years.

Mr. PERLMUTTER. Okay. Last question, and I know my time is up, but assume for the moment that neither your budget nor our amendments to your budget or our appropriations really go through the whole process and are signed by the President, and we operate under a continuing resolution until next year. What three or four things do you think have to be changed from today's budget—the 2007–2008 budget—on a going-forward basis?

Secretary CHERTOFF. Well, I really hope that that is not what we are facing. I think the things that we need in a plus-up, we need to continue building the fence. That is a continuation of what we are doing. I think the investment in cyber is very, very critical, and that is a significant step up. A lot of this discussion has to be in a classified setting, but it is no secret that we have talked about the increased vulnerability of our cyber assets and the consequences to our national economy, not only the exfiltration of data, but of potentially efforts to disrupt our system.

So I think it is important to make sure that we have our budget and what we require in order to continue to protect the country as we have laid it out.

Mr. PERLMUTTER. Okay. Thank you.

Now, I would recognize Mr. Etheridge from North Carolina for 5 minutes.

Mr. ETHERIDGE. Thank you.

Thank you, Mr. Secretary for being here. I apologize for being in and out today because I had other committees I had some responsibility in.

As you know, you have just touched on it, but I want to go a little deeper into it. Congress created the assistance to firefighter

grant program because we recognized the role America's fire service plays in protecting our communities, and that basic training and equipment formed the foundation for a robust homeland security strategy. I think your Department recognizes that and you have spoken to it before.

The International Association of Firefighters said that President Bush has proposed eliminating or dramatically reducing funding for important programs that make our neighborhoods, our citizens, and our country safer. I think he is right on the money on this. Since 9/11, we have been asking more and more of our local first responders, as you know. They have stepped up. They have really delivered not only for natural disasters, but other things, and have often put their lives on the line to keep our homeland safe.

The administration budget proposal for 2009 only funds the assistance for firefighters program at a \$300 million level and eliminates the safe firefighter staffing program. These funds have supported critical upgrades in our first responders' capability in our communities that, as you well know, there is a huge demand for. Annually, the Department receives in excess of over \$2 billion in applications for assistance for firefighters' grants, which would seem to indicate there is a huge need.

Two questions. No. 1, what is the basis for these kind of draconian grant cuts? Second, in the wake of Hurricane Katrina and the continued threat against the homeland of major storms that are much more severe than we have seen in recent years, how do you think the cuts in funding for State and local programs, including the \$750 million cut to Homeland Security grant programs and the elimination of the metropolitan medical response system, will affect the ability of our first responders to prepare, respond and meet these kinds of national or manmade catastrophic events against our country?

Secretary CHERTOFF. We are back with this kind of always interesting discussion about what is a cut. I mean, we are funding these major programs. We are requesting funding at the same level we requested in prior years. It is clear there is some philosophical disagreement. I mean, first of all, I take a backseat to no one in my respect for firefighters and first responders. The question is, who pays for firefighting? Is it a local function or is it a Federal function?

Our fire grants, which we are proposing to fund that at the rate at which we did propose last year—\$300 million—are meant to build capability, training, or to direct it to homeland security. SAFER grants are really sustainment grants, they are maintenance. You know, there are some people who take the view that the Federal Government ought to simply pay moneys as a kind of revenue sharing to localities for police and firefighters—you know, ordinary garden variety functions not necessarily tied to homeland security. That is not what the administration's position has been.

Mr. ETHERIDGE. Well, Mr. Secretary, in all due respect, these are not those kind of grants. These are categorical, targeted grants for a specific purpose.

Secretary CHERTOFF. But the SAFER grants are really basically designed to deal with ordinary types of activities. I am not saying

they are not valuable activities, but it is not the same kind of capability-building that the fire grants are, which we are funding.

The second issue on the State homeland security grants, again we are—if you look at our request—first of all, this is not a fully risk-based program. This program awards a significant share of money based upon a fixed formula where every State gets a minimum. We propose to fund it at slightly less than the level we proposed last year, but then we have added \$110 million in a new program which will be much more targeted to be risk-based.

Here, what the difference is: Do we want to be more risk-based, or do we want to be more formulaic? Our proposal is basically to be more risk-based.

Finally, you know, there is just the bottom-line issue, as I said earlier, about the pie. I have no doubt that if we gave more money out, it would be put to use for purposes. I have no question about that. But what is it coming from? What are we going to take the money away from? There are other things in our Department where only the Federal Government does the job. Are we going to take the money away from those functions? Then the job won't get done. Is it going to come from another department? Then you know, in fairness to my colleagues, they ought to be heard on the issue of whether they want to lose those things.

Every Governor I know, and all of my counterparts in State government, wrestle with the same issue. Many perfectly reasonable requests for money have to be sorted and traded off against each other to come within the budget. That is essentially what we are doing here.

Mr. ETHERIDGE. Mr. Secretary, I can appreciate that, having been State superintendent of the schools in North Carolina for 8 years, handling one of the largest budgets, I know something about prioritizing. But the key piece is always, as we say in the military, for those at the tip of the spear who are the people out there who are the first responders, if they don't have the resources.

I will close with this—I went this past week to present a homeland security grant to a local fire department, two as a matter of fact. One was getting a truck. Normally, folks would say that is their responsibility. However, this rural department, their revenue base is \$50,000 a year. You and I know what the costs of a new fire truck is. They would just get in a water wagon, because in a rural area you don't have fire hydrants. You go out with your tanker of 1,200 gallons, and when that is out, you are in trouble. They couldn't crank it. It wouldn't crank. It was 33 years old. So I think that is a great partnership with the Federals.

A second one was funds that had been granted by the Department to buy equipment for breathing mechanisms that this department didn't have. Now, one would say, well, they ought to buy that. The problem is, a small department again, and an Interstate just happens to go through both of these communities, and at any given time they could have a chemical or biological attack on the highway. Guess who is the first person to show up? These folks are. So if they don't have the resources, they can't respond, and I recognize that.

Thank you for answering the question. Please keep this in mind. I think this is a critical piece. Sometimes we tend to forget these

areas out there. Even though they are isolated, Interstates move through them, rail lines move through, and on any given day they could be called upon to do the same thing we would be doing here in Washington or New York or any other area.

Thank you, Mr. Chairman. I yield back.

Mr. PERLMUTTER. The gentleman yields back.

Mr. Carney from Pennsylvania is now recognized for 5 minutes.

Mr. CARNEY. Thank you, Mr. Chairman.

Thank you, Mr. Secretary. It is always good to have a constituent testify here.

You spoke about the budget last week. One thing you mentioned was the problems the Department was having managing contracts. You said—and please allow me to quote here—“I am constantly reminded by Congress of the fact that there is concern about our over-reliance on contractors to manage contracts. That is a fair point. But there is only one corrective. You have to hire permanent employees to manage those contracts, and in order to do that, we need to have the money to hire those people. Continually trying to punish us by cutting our management budget in order to induce us to hire more people is literally working at cross-purposes.”

At another point, you also talked about cutting the budget for managing procurement. I went back and looked at your last year’s budget request and you asked for \$28.5 million, and you got every penny of that \$28.5 million. So I guess I am not sure quite what we are talking about here. If you are saying you needed more funding last year, did you say that?

Secretary CHERTOFF. No. I don’t think I had anything particular in mind. I think if I go back historically over the last several budgets, there was a tendency on the part of the appropriators when in meeting the budget number, we would get tagged with respect to issues involving management—you know, cut the number of lawyers, punish the under secretary for management’s office. It has been worse in some years and better in others.

I think actually we did pretty well last year in 2008, but if you go back, it has been uneven in the history of the Department. There is a tendency when you talk about tradeoffs to squeeze the management line when that is in fact the line that provides the capability to do all the things we have talked about.

Mr. CARNEY. I agree. You requested \$42 million this year, I believe?

Secretary CHERTOFF. Yes.

Mr. CARNEY. Is that enough?

Secretary CHERTOFF. The answer is yes. It will let us do what we need to do. We are building a participant program to give us the internal capabilities to manage things much better. Frankly, we are getting the experience at managing better. So it is both additional money and additional bodies, but also additional capability.

Mr. CARNEY. Okay. So \$42 million you think has it covered?

Secretary CHERTOFF. Yes. It is going to be good for this year.

Mr. CARNEY. All right. Because we do have, as you know, as your statement has indicated, a lot of procurement issues.

Secretary CHERTOFF. Yes.

Mr. CARNEY. One thing I really want to talk about now, kind of a segue into that, is P-28 again. I know Mr. Reichert mentioned it many times. I was just out on the border in January, so I was going down. On a good way, it works 30 percent of the time, we were hearing from the folks there. What they could rely on was 30 percent of the time, of the P-28 project.

My question is—I have a lot of questions—but is the P-28 kind of a beta test for the rest of SBInet and using technology for the northern and southern borders? Or is it just kind of a unique thing?

Secretary CHERTOFF. Let me tell you what it is. It is going to take a minute or two to lay out. SBInet is not any one particular type of technology. It is the plan for deploying technology across the border in a way that recognizes that the challenges are different. For example, part of SBInet is we are continuing to acquire unmanned aerial systems. Part of it is we are going from I think four or six what we used to call ground-based radar and we are now calling mobile surveillance systems, to 40. Those are in the trucks.

Mr. CARNEY. How significant a component is the P-28 part of it?

Secretary CHERTOFF. The answer to that is it is a significant component, but exactly how much of the border will be under this kind of a model will depend on a couple of things: first of all, how well the equipment actually works in the environment of the border itself in real life; and second, operationally, to what extent it is a value-add to other kinds of technology.

When I went down last week, I had a really specific conversation with the Border Patrol. Here was my bottom-line question, and this is after looking at all the stuff. I said, look, I don't care one way or the other whether Boeing ever gets another mile of stuff to do. If you tell me that this is too complicated, that it is not a value-add, and you think we are better off with a ground-based radar and whatever it is, I am perfectly happy with that. Now, that is more manpower-intensive. If you think it is a value-add in some areas, then great, I am willing to pursue that. If you think it is a value-add across the board, that is great, too.

I am a pretty good cross-examiner. I left convinced that it is a value-add, not in every place on the border, but in some places on the border.

Now, what are the lessons that they have learned living with this system for a few months? I think first of all, there were some problems in the original equipment that was delivered and the people who put together the package at Boeing.

Mr. CARNEY. Yes, we were told it was not the A-team.

Secretary CHERTOFF. Right.

Mr. CARNEY. And they—

Secretary CHERTOFF. I have some candid rules with the CEO of Boeing about this, and they replaced them, and what I hear back is they are happy now.

The second thing is, I think that because of that initial issue, there were some problems with the underlying components that have been almost entirely—maybe not 100 percent, but 98 percent—corrected.

The second piece, though, was something we only learned living with the system, which is what is operationally helpful and what is operationally not helpful. So there are certain elements in the system that I think we know now we need to make better, because we are not getting full use out of what it can do. Then there are some things, frankly, I think they spent a lot of time on. And you know something? I am not sure it is worth it. I am not sure the value-add is there, and we are going to stop doing it. I can be even more specific.

Mr. Chairman, I would be willing to spend a few more minutes, and I don't want to take time away, to really lay this out to you, because I know you are interested in it, and I think it is worth talking about.

Mr. PERLMUTTER. I think we only have one more—Mr. Pascrell—after this. So please go ahead.

Secretary CHERTOFF. I will give you an example. They spent a lot of time in the last few months trying to make the common operating picture appear in the vehicles that are out in the field, the whole thing.

Mr. CARNEY. Yes?

Secretary CHERTOFF. Not just the map, but the video, et cetera. So I was talking to the agents, and they said, you know, we are not really sure we want all this stuff. We are not going to be sitting out there in the middle of nowhere looking at a video feed and manipulating everything. Just give us the icons on the map. So that is what I mean by operational.

Mr. CARNEY. I got that. You know what? That should have been part of the original contract. They should have had some input into that whole thing at the very outset, and they didn't. The contract precluded them from having input.

Secretary CHERTOFF. There is a lot to be said for that position. I asked that question as well, and you may very well be right. I will tell you again, I am—

Mr. CARNEY. I am just repeating what we heard in the Tucson sector.

Secretary CHERTOFF. I will recapitulate for you—I just think it is part of the transition, the legacy, is to try to unpack for you what we have learned in this process. The argument originally for doing it the way they did it was, the Border Patrol is locked into a way of doing business. Let us think outside the box and have the contractor come to us, using the benefit, for example, of what they have seen in Iraq and stuff like that, and come up with a model that works.

I think in retrospect that probably was not the best way to do it. I think operative input earlier on would have been better, but at least you understand what the theory was. Okay, that is a great lesson we have learned. It is a lesson, by the way, that S&T is using now. We have our operators involved in the initial project teams on everything that we are doing with research. So you know, we have adapted to that, and now we have the operators moving at every subsequent stage.

So the bottom line is, I think it is a value-add. It is not a panacea. I continue to think that basically the way we are moving, which is to be very practical and operator-driven, and now having

a really good relationship with the contractor and the operators, I think this is promising.

Mr. CARNEY. Are we going to take acceptance? If so, when?

Secretary CHERTOFF. I think the likely answer is yes. It hasn't been finally reviewed, but I would imagine within the next few days we likely will.

Mr. CARNEY. I am sorry. You will review or accept it?

Secretary CHERTOFF. I think we are likely to accept. It hasn't been formally made, but I am inclined to think we are going to accept.

Mr. CARNEY. Now, you said it is not perfect.

Secretary CHERTOFF. It is not perfect.

Mr. CARNEY. So how close to imperfect—

Secretary CHERTOFF. I think we have resolved all material problems. Where there are immaterial problems, we will get a credit. I liken it to, you know, you get a car and there are some problems with the trim or maybe there is a problem with the radio or the CD changer or something like that, and you take a credit for it.

Mr. CARNEY. So DHS has a lemon law, then? Is that what you are saying?

Secretary CHERTOFF. No. I think we do what anybody does. When I bought my house, in the end we did an inspection. You probably did the same thing, too. We did an inspection and there is some stuff, you say I am not taking the house until you fix it, and then there is some stuff where you say, you know, I will live with it, but give me a credit. That is what we are doing here.

Mr. CARNEY. Thank you, Mr. Chairman.

Mr. PERLMUTTER. The gentleman's time has expired. The gentleman from Pennsylvania yields back.

The gentleman, Mr. Pascrell from New Jersey, is recognized for 5 minutes.

Mr. PASCRELL. Thank you.

Mr. Secretary, thank you again for your service, but I am here to ask some questions and I hope you will respond to them.

First, I want to get into very quickly because I want to get into the budget specifically, but we know that the amount of fraudulent documents that people use to get into this country has proliferated. We know from the records of Interpol. I want to know what money you have put into this budget, and are you cooperating with Interpol to stop it. This is an immediate danger.

Secretary CHERTOFF. Let me tell you what we have done in the budget on the fraudulent document issue, but it is not just a money issue. Obviously, we have put increased funding into our border programs and ICE which include our fraudulent document unit, as well as capabilities at the border and ports of entry that make it much harder to get through.

But in addition to that, we have initiated new procedures at our northern and southern borders now that sharply restrict the types of documents that can be presented, which makes it easier for our border inspectors to detect if there is a fraudulent document.

I repeat again, as I did earlier, I ordered this to go forward notwithstanding hellacious protests from representatives of the northern and southern border communities who were concerned that by no longer accepting library cards and school cards, we were going

to create backups at the border. While I understand that is a legitimate concern, and I am pleased to say that we haven't really seen backups at the border because I think we have managed this well, my response to them, as it is to you, is it is a big problem with fraudulent documents. While reducing the types of documents doesn't eliminate the problem, it makes it easier to get a handle on it.

Mr. PASCARELL. It seems to me, just in response to your answer, that we are not doing enough, and whether it means spending more money or not, to stop the tremendous increase in these fraudulent documents. People are coming into this country—

Secretary CHERTOFF. Oh, yes. There is one more thing we could do. I will tell you exactly what it is. It is not a problem so much at our airports because we actually, with US-VISIT and everything else, it is quite difficult to get in with a fraudulent document. At our borders, we could finish the process of implementing the western hemisphere travel initiative, which requires secure documentation. I tried to get that done this year. Last year, Congress voted to compel me to delay until June 2009.

If it is delayed further or if it is killed, as some Members of Congress want to do, then we will continue to have the problem of fraudulent documents.

Mr. PASCARELL. Well, I want to help along those lines.

Secretary CHERTOFF. Please do.

Mr. PASCARELL. Mr. Secretary, I think this is critical.

Now, I have to ask you some very specific questions about the budget. When I add up the dollars in looking at the budget by line item, and I have done that. Trust me. On the assistance to the fire grants, which in New York, New Jersey, and Pennsylvania have been cut \$83 million. When I look at the Byrne justice grants have been cut in those three States by over \$20 million. Then when you add in the homeland security State grants in those three States, they have been cut \$136 million.

So when you add these numbers together—you don't need to add them together—the point I am trying to make is you know the point I am trying to make. How can these States continue to operate on the basis that what they established as a priority with the Federal Government, the Federal Government is not doing its part to support those efforts. This is a serious situation here. You can't start the programs, remove the money—and we are talking about the metropolitan area, we are talking about Pennsylvania. High-risk areas, Mr. Secretary? How can we justify the cut of such funds?

Secretary CHERTOFF. I think that actually is a great question, and reflects what in many ways has been a fundamental issue that we have talked about when we talked about grants during this hearing. One of the arguments that is made against—let me rephrase that. The grants that are disfavored by the administration in the budget process tend to be those that do exactly what you suggest. They are grants that are recurrent grants like hire people and pay them; like the COPS program was 10 years ago, where the promise is made we are going to give you money to hire police officers and pay their salaries for 5 years, and then at the end of that, the money is going to disappear.

That very easily translates into a program of revenue-sharing, where basically the Federal Government pays personnel costs for State and local government. That puts you in exactly the bind that we are talking about.

Mr. PASCARELL. But the Federal Government got into the business because there was a need, and States could not meet that financial responsibility. You can't say that this is a Nixon revenue-sharing plan. The very basis and roots of that is quite different than what I am talking about and what you are talking about with these particular grants.

The FIRE Act—the FIRE Act, your administration has tried to zero-out 3 of the last 4 years. Those FIRE grants were done before 9/11. They are based on very basic needs within fire departments, as was the COPS program before 9/11. These programs exist whether 9/11, the tragedy happens or doesn't happen. What you are saying here is that you don't agree that they are basic needs, or you are saying that they are basic needs, but the community should be able to pay for them on their own. What are you saying? Which one are you?

Secretary CHERTOFF. I think what the administration's position has consistently been—I think you are exactly right—COPS and Byrne grants and stuff is not about homeland security. It is pre-existing grants that were created with the idea that the Federal Government was going to pick up some percentage of law enforcement and fire costs, as basically lending a hand to the States and localities.

Generally, the administration's position has been this: when the Federal Government gets in the business of grants, we are to be building capability, equipment and training. We should not be paying personnel costs and sustainment—that that is what should be picked up by State and local communities.

Mr. PASCARELL. Both of those pieces of legislation were passed with bipartisan support. Both of those pieces of legislation were sustained by bipartisan support despite what this administration has attempted to do. I will tell you what the result is. You cannot tell me—and you are the expert, I am not—but you cannot tell me that police departments, if we remove those basic grants and COPS and we don't help many of the municipalities with the support of having enough police officers on the street before we get to the 9/11 issues, Mr. Secretary, before we get to those issues, that this isn't going to affect not only the basic issues of crime or violent crime in their communities, but it is going to affect our response to 9/11.

What is the result? What is the result? What will you have accomplished since the need was established scientifically—scientifically, Mr. Secretary. You are shaking your head. We know we have standards in every State. At this time, 25 States—25 States—are on the brink of deficit spending. Do you expect those States to pick up what you are not doing, what I am not doing?

Secretary CHERTOFF. No, but I think this is a great philosophical discussion.

Mr. PASCARELL. No, it isn't a philosophical discussion.

Secretary CHERTOFF. Let us take the COPS—

Mr. PASCARELL. This is very practical, Mr. Secretary.

Secretary CHERTOFF. The COPS program, I have to say my recollection is I would not describe the COPS program as a scientifically designed program.

Mr. PASCRELL. I disagree with you.

Secretary CHERTOFF. I think it was born out of the program that we are going to put 100,000 police officers—

Mr. PASCRELL. No, no, no. The President didn't wake up one morning—

Mr. PERLMUTTER. The gentleman's time—

Mr. PASCRELL. To wrap up. Can I finish? Thank you.

The President didn't wake up one morning and say, "100,000 is a nice number." Well, you know, then you ought to go back and look at the history of it. I mean, Mr. Secretary, you have to go back and look at the history of the situation of how that program came about. We had a similar program in New Jersey, only the Governor took the money and spent it on other things. You don't want to back into the history.

Secretary CHERTOFF. No, I want to—

Mr. PASCRELL. Let us talk about what these needs are. They are either real needs or they are artificial needs.

Secretary CHERTOFF. So let me—look, I want to agree with you that of course these needs are real. I think the theme I have made of this entire budget presentation is there are many important, deserving needs. Now, Byrne, for example, happens not to be my Department. It is the Justice Department. But here is the challenge that we face in putting together a budget. We have a certain amount of money. We have a pie. The pie has grown, but it still has a limit.

If we were to go and say, you know, we are going to take \$3 billion more and put it in to pay for COPS and everything, where is that \$3 billion coming out of? Am I not buying new cutters for the Coast Guard where the cutters are 40 years old? Am I going to—

Mr. PASCRELL. I am not suggesting that.

Secretary CHERTOFF. So where is it coming from?

Mr. PASCRELL. Well, now that you asked me the question, can I answer the question, respond to the question? I think it is a good question. Very good. I think it is an honest one. It is called priorities.

Mr. PERLMUTTER. Mr. Pascrell, 30 seconds. We are already over time.

Mr. PASCRELL. There are four priorities, and I don't want you to respond to this, but you can. You carry the water here. I understand your role and your responsibility. I do understand a few things. But the fact of the matter is that the administration has decided that providing multi-million dollar tax cuts to people in the 1 percent—this is more than a philosophical argument here—is more important than responding to the needs of our first, our first responders, because they are the first ones there, before the Army, the Navy, the Marines—God bless them all.

This is not good business and not good policy, Mr. Secretary. You cannot defend this. You cannot defend it.

Mr. PERLMUTTER. The gentleman's time has expired, and I understand that the two gentlemen would like to enter into this discussion another time.

Secretary CHERTOFF. It is a great discussion. This will now detour is into discussions of tax policy and whether it isn't better to keep rates low and increase revenues. But that is outside my field of expertise and the committee's jurisdiction.

Mr. PERLMUTTER. The gentleman from New Jersey yields back.

Seeing no other Members of the committee who wish to ask questions, we would just like to thank you, Mr. Secretary, for being so generous with your time and your testimony. The Members of the committee may have additional questions for you, and we will ask you to respond to those questions as expeditiously as possible.

Hearing no further business, the committee now stands adjourned.

[Whereupon, at 1:52 p.m., the committee was adjourned.]

APPENDIX

QUESTIONS FROM CHAIRMAN BENNIE G. THOMPSON OF MISSISSIPPI FOR MICHAEL
CHERTOFF, SECRETARY, DEPARTMENT OF HOMELAND SECURITY

MINORITY SERVING INSTITUTIONS (MSIS)

Question 1. As Chairman of the Committee on Homeland Security, I have championed efforts to create a Department of Homeland Security that reflects the great diversity of this Nation. The proposed fiscal year 2009 budget would cut the funding for Minority Serving Institutions (MSI) program by \$788,000. Overall, the budget proposes to cut funding for University Programs by more than \$5 million. Please explain how the Department plans to increase such participation without adequate funding.

Answer. The University Programs funding request for fiscal year 2009 is \$43.8 million which is \$5.1 million above the fiscal year 2008 request. The funding for the Minority Serving Institution (MSI) Program is \$3.9 million in fiscal year 2009 which is an increase of \$150,000 to the fiscal year 2008 request. With this amount of funding, the program remains viable, productive and dynamic. These funds are intended to support the following objectives specific to MSIs:

- Expand the contribution of MSIs to the homeland security science and technology mission;
- Expand professional opportunities for MSI graduates in the homeland security science, technology, engineering and mathematics (HS-STEM) workforce at DHS, State and local agencies, national laboratories and Centers of Excellence (COEs); and
- Develop additional internship and career opportunities for MSI graduates at a variety of venues.

MSI program plans for fiscal year 2009 include:

- Continue the homeland security scientific leadership grants program in areas critical to homeland security at MSIs. These programs provide MSIs with funds to support early career faculty to establish or expand education, research and training activities in HS-STEM areas. The program also provides scholarships and graduate fellowships for students of MSIs that will enable them to develop the necessary skills to become professionals in homeland security related fields; and
- Conduct a Summer Research Team Program for MSIs that provides a 10–12 week summer research experience for teams of a faculty member and up to two students, to perform research at a COE that aligns with the DHS mission;
- Increase the profile and presence of MSIs in the network of COEs.

Additionally, the Department continues to operate its university-based system of Centers of Excellence (COEs) and DHS Educational Programs (scholars and fellows). Four of the five new COEs have an MSI as a co-lead. Their funding will be provided through the COE program, which requests \$32.2 million in fiscal year 2009.

SMALL BUSINESS INNOVATION AND RESEARCH (SBIR)

Question 2. One of my goals in charting the course toward freedom from fear is to inspire minds and to promote the development of cutting edge technology. Entrepreneurs of all stripes will tell you that small business innovation helps the Nation think outside the box. The Science & Technology Directorate has requested funding for Small Business Innovation and Research (SBIR) projects for many of its divisions.

Over the upcoming fiscal year, what strides will the Department take to ensure that some of this funding is distributed to Small, Minority and Disadvantaged businesses?

Answer. All Federal agencies with an annual extramural research and development (R&D) budget exceeding \$100 million are required to participate in the Small Business Innovation and Research (SBIR) Program. Each fiscal year, not less than 2.5 percent of the Science and Technology Directorate's annual extramural budget is reserved for awards to small businesses for R&D.

The Department of Homeland Security, Science and Technology Directorate SBIR program works with the Department of Homeland Security's Office of Small and Disadvantaged Business Utilization to facilitate participation in the SBIR program, offering assistance to small businesses; veteran-owned small businesses; service-disabled, veteran-owned small businesses; Historically Underutilized Business Zone HUBZone small businesses; small disadvantaged businesses; and women-owned small businesses. The SBIR program also conducts outreach initiatives at various conferences run by different State economic development organizations for small businesses, including those owned by minorities and women. For example, SBIR participated in a conference hosted by the Maryland Technology Development Corporation (TEDCO) and the Tech Council of Maryland (TCM), which was Maryland's first conference targeted to SBIR winners and applicants, seed and angel fund recipients, and post-incubation stage companies. More than 200 entrepreneurs and business advocates from throughout the region attended the all-day event called "Commercializing R&D: Resources for Emerging Technology Companies." SBIR representatives have also attended conferences in Hawaii, Indiana, Mississippi, and North Carolina, and Virginia and have plans to attend conferences in Illinois, Kentucky, Maine, Florida.

In addition, the SBIR program tracks participation by minority- and women-owned businesses. In fiscal year 2007, the SBIR program received 420 proposals in response to two solicitations. The program awarded 61 Phase I awards. Of the 61 awards, five went to minority-owned or socially and economically disadvantaged small businesses, 11 went to woman-owned small businesses, and 3 went to HUBZone small businesses.¹ This represented 13 percent of Phase I dollars (approximately \$0.9 million of \$7 million).

Of 15 new fiscal year 2007 Phase II awards, 2 went to minority-owned or socially and economically disadvantaged small businesses, 2 went to woman-owned small businesses, and 1 went to a HUBZone small business. This represented 17 percent of Phase II dollars (\$4 million of \$17.5 million).

INSPECTOR GENERAL

Question 3. Mr. Secretary, my top priority for the Department this year is improving the functionality, governance, and accountability of the Department. In order to ensure sound practices and effective accountability at the Department, the Inspector General must have its budgetary needs met. I understand that the IG told the Department that it needs a total of \$119 million, yet the proposed budget seeks only \$101 million—a cut of \$7.6 million from the enacted fiscal year 2008 level.

The IG tells us that in addition to its regular workload, its docket of Katrina-related work has not lessened, and that it has other significant oversight responsibilities from more recent disasters. I'm sure you would agree that a developing Department like DHS needs more, and certainly not less, oversight.

How does the Department defend the proposal to slash the Inspector General's budget?

Answer. The fiscal year 2008 enacted level for OIG appropriation is \$92.8 million. The Disaster Relief Fund (DRF) appropriation for fiscal year 2008 includes language that directs the transfer of \$16 million to the OIG. This provision is not necessary to use the DRF appropriation for the disaster-related audits and investigations. If the OIG requires additional funding from the DRF in 2009 we will make funds available through an MOU.

QUADRENNIAL HOMELAND SECURITY REVIEW

Question 4. Mr. Secretary, I want to ask you about the Quadrennial Homeland Security Review that was mandated by the 9/11 bill. By October 2007, the Department was required to develop a detailed resource plan specifying the estimated budget and number of staff. The purpose of that mandate was to determine how many U.S. Government employees and what additional resources would be required to develop this crucial first Quadrennial Review.

The committee has yet to receive this plan, which is in and of itself troubling. But of even more concern is what we found in the budget proposed last Monday. On the one hand the Department recognizes that "this is the first QHSR for DHS and will

¹One award noted above represented a minority and a woman (i.e. double-counted).

serve as a strategic capstone construct for broad Homeland Security policy within the Federal Government.” Yet in the very next sentence it states that the Department plans to outsource much if not all of this “strategic capstone” and that “contractor support will be necessary to research, organize, analyze, facilitate workshops, and draft the document.”

Mr. Secretary, Congress did not direct the Department to hire a contractor to develop broad Homeland Security policy. Rather, Congress wanted the men and women who have dedicated their careers to serving the public and protecting this Nation to provide this review.

When does the Department intend to produce the long overdue resource plan?

Answer. Section 2401 of the *Implementing Recommendations of the 9/11 Commission Act of 2007*, Pub. L. 110-53 (Act), amends the Homeland Security Act of 2002, and directs the Secretary of Homeland Security, beginning in fiscal year 2009 and every 4 years thereafter, to “conduct a review of the homeland security of the Nation.” As part of this review, the Secretary will comprehensively examine the homeland security strategy, make recommendations regarding the long-term homeland security strategy and priorities, and provide guidance on the programs, assets, capabilities, budget, policies, and authorities of the Department of Homeland Security (DHS). The Department recognizes the benefits of such a review and looks forward to its first comprehensive Quadrennial Homeland Security Review (QHSR).

Subsection 2401(b)(2) of the Act directs the Secretary to provide Congress, and make publicly available on the DHS Web site, a Resource Plan for the preparation of the first review. In developing this Resource Plan, DHS consulted with numerous representatives within both the Department and its partner agencies. DHS requested briefings concerning other similar initiatives, including past and current examples within the Government and private entities, and convened sessions where experts shared their insights. These steps were necessary because the DHS mission unlike other comparables is inherently interagency, interdisciplinary, and intergovernmental.

The QHSR Resource Plan presents the proposed implementation phases for conducting the review, an estimate of the required resources, and the QHSR Work Teams structure and approach. The Department is in the final stages of submitting this plan to Congress.

Question 6. How was the Department’s budget request for the review developed if a plan has not yet been developed?

Answer. Both preparation of the QHSR Resource Plan and consultation with our Office of Chief Financial Officer produced a sound resource scheme that will meet the legislative intent. To fulfill the Act’s requirements, DHS will designate a core staff for the QHSR within the Office of Policy as well as Work Teams to manage and conduct the review and analysis. The Work Teams will include employees dedicated full-time to the QHSR, detailed and non-detailed personnel from across DHS and other Federal departments and agencies, and contract support. Collectively the teams will serve as the focal point for intra- and interagency review and coordination.

QUESTIONS FROM HON. YVETTE D. CLARKE OF NEW YORK FOR MICHAEL CHERTOFF,
SECRETARY, DEPARTMENT OF HOMELAND SECURITY

Question 1a. The DHS Office of Appeals and Redress has been left entirely without mention in the budget. This office exists to allow the public an outlet to attempt to clear their names if they feel they have been wrongly delayed, detained, or prevented service because of faulty screening against various watchlists. The absence of this office in the budget does not speak well for how the Department prioritizes civil liberties.

Why was the Office of Appeals and Redress not given its own line-item in the budget?

Answer. The budget for the DHS Office of Appeals and Redress is included in the budget for the Office of the Special Counselor in TSA.

The Special Counselor ensures that employees and the traveling public are treated fairly and in a lawful manner. The Redress program is one of several programs designed to meet this mission. Its inclusion in the Office of the Special Counselor allows the Office of Appeals and Redress to adjust quickly to programmatic changes or mandates.

Question 1b. What additional funding is being devoted to the Department’s efforts to address the existing backlog and other problems that have arisen in the year that the program has been in service?

Answer. In July 2007, DHS Travelers Redress Inquiry Program (TRIP) migrated its Information Technology (IT) system to a Transportation Security Administration

(TSA) data center which addressed the outstanding problems highlighted in an internal program review. For fiscal year 2008, TSA allocated \$770,000 (which includes Pay Compensation and Benefits costs) plus four full-time contractors to support the DHS TRIP Program Office. In addition, the DHS TRIP Program Office has been augmented with 4.5 FTEs who serve as subject matter experts from other DHS Components as well as the Department of State. It is my expectation that the DHS TRIP Program Office, which is the designated Office of Appeals and Redress, will continue to provide excellent service to the traveling public.

Question 1c. I request the budget numbers for the Office of Appeals and Redress, including a comparison to fiscal year 2007 and fiscal year 2008.

Answer. In fiscal year 2007, Redress expended \$1.2 million. In fiscal year 2008, the budget for Redress is \$770,000. The budget includes payroll and operating expenses. In addition to these funds, 4.5 FTEs from throughout the Department supplement the program staff.

Question 2a. I applaud the recent decision to grant green cards to individuals stuck in the Name Check process, but that is not a solution to the greater backlog problem.

Will your plan to add 1,300 new adjudicators allow USCIS to fully catch up on the workload before the end of the year?

Answer. USCIS will be hiring about 1,800 temporary Federal and contract staff, including approximately 1,300 adjudicators (including an additional 570 adjudicators over the 720 adjudicators that are being hired under USCIS' fee rule). USCIS has also contacted and received interest in reemployed annuitant status from more than 200 retirees. As this staff is brought on throughout fiscal year 2008 we expect to see a reduction in the backlog. Unfortunately, the tremendous surge of applications received in the summer of 2007, make it unlikely that the new backlog brought on by this surge will be eliminated by the end of the year.

As you know, USCIS has faced a challenge keeping pace with unprecedented levels of citizenship applications. During fiscal year 2007, USCIS received 1.4 million requests for citizenship, which is nearly double the 730,000 received in fiscal year 2006. In June, July, and August 2007 alone, USCIS received more than 3 million immigration benefit applications and petitions of all types, compared to 1.8 million during the same period the previous year. In fact, for the months of June and July 2007, the spike in naturalization applications represents a 360 percent increase compared to the same period in 2006. We anticipate that it will take 13 to 15 months to work through these citizenship cases. The normal processing time is 5 months.

Question 2b. Will last year's fee increases cover the full cost of bringing on these new employees and ending the USCIS backlog, or is there likely to be a need for additional appropriations or another fee increase?

Answer. The fee increase covered the cost of bringing on the 720 new employees. After the surge occurred, USCIS identified additional fee revenue, from the increased fee revenue associated with the surge in applications—which may total as much as \$480 million—to fund the additional positions needed to address the current application volume. A spend plan detailing the use of \$239 million of the \$480 million in fiscal year 2008 was approved by Congress earlier this month. USCIS has enough resources to address surge response needs.

Question 2c. The backlog problem will never be completely fixed until USCIS coordinates with the FBI to address the Name Check problem. Does the proposed budget account for the cost of changes that may occur within USCIS as DHS and the FBI continue discussions on how to improve the system?

Answer. USCIS is working aggressively with the FBI to address the name check backlog through both process improvements and substantially increased capacity at the FBI dedicated to USCIS workload.

Last year, the FBI increased their name check fee. Through both the higher fee amount collected by USCIS and special appropriations from the Congress, DHS has more than \$34.5 million identified and allocated to meet the goal of eliminating the FBI name check backlog. USCIS has already provided \$14 million to the FBI for the FBI to extend the existing contractor workforce and expand the number of contractors working on USCIS workload. This increase in staff will be dedicated to increasing the number of FBI name checks completed for USCIS applications. More than 220 contractors are on-board already. That is up from a handful of contractors and FBI employees last year. USCIS is finalizing a separate \$20 million supplemental appropriations spend plan to provide Congress that will extend and expand this contractor workforce through most of fiscal year 2009.

Initial results of these efforts are positive. But this is just the beginning. We are confident that over the next several months we will see dramatic progress in reduc-

ing FBI's pending name check request backlog. Our joint goal with the FBI will be to completely eliminate this backlog by the summer of 2009.

Question 3. States have had significant financial and logistical problems in implementing REAL ID. In the budget proposal, the administration has marked about \$160 million to assist States in implementing this program—which is an improvement over last year—but this remains a drop in the bucket compared with the nearly \$4 billion in estimated costs for States to implement this law. Is this going to be just another unfunded mandate? If so, this will leave a terrible burden on States and force many of them to use funds that should go to providing the public with security. Does DHS expect States to pick up the remainder of the tab, and how much do you expect this to be?

Answer. DHS is making approximately \$360 million available to assist States with REAL ID implementation between fiscal year 2006–2008, of which \$80 million is dedicated to REAL ID grants, and 20 percent are discretionary funds as part of the Homeland Security Grant Program. In addition to making funds available, DHS has worked with States to achieve a 73 percent State-cost reduction from an original estimate of \$14.6 billion in the NPRM to approximately \$3.9 billion by providing States greater flexibility in issuing licenses. DHS acknowledges there will be additional costs incurred by States to implement REAL ID that will vary in each State.

Moreover, the President's budget request for fiscal year 2009 includes up to \$150 million in grants for States for REAL ID, of which \$110 million is from the National Security and Terrorism Prevention Grant Program for projects that address national risks and vulnerabilities identified by the Secretary, and \$40 million is from the State Homeland Security Grants.

Additionally, the fiscal year 2009 President's budget request proposes \$50 million in appropriated funds in further support of implementation of the REAL ID Act, specifically to enhance State capabilities to verify applicant data with each other and Federal agencies. These funds would be used to establish a State-governed hub to verify the information provided by applicants for State-issued drivers' licenses and identification cards—a key functionality for all the States. The verification hub will build upon the work done through the grant funds and the efforts States have already undertaken to enhance their licenses and issuance systems.

The issuance of State driver's licenses and identification cards is a State function, whose costs will continue to be borne primarily by each State. DHS realizes that States will incur significant costs in implementing REAL ID, and has sought to reduce the impact of these costs in numerous ways. States clearly expressed to DHS the need for additional time and flexibility in implementation of the Act. The final rule addressed these items with examples such as using the age-based enrollment phasing in, which allows States to focus the first phase of enrollment on those persons who may present a higher risk of obtaining and using fraudulent documentation, while allowing others to be phased in later. This approach will reduce the costs to States by billions so that States will be able to implement REAL ID, as well as help reduce the burden of having to hire additional personnel. Many States have already made investments in more secure processes that mirror many of the same processes outlined in the final rule.

The American public's desire for greater identity protection is undeniable. For an extra \$8 per license, REAL ID will give law enforcement and security officials a powerful advantage against falsified documents, and it will bring some peace of mind to citizens wanting to protect their identity from theft by a criminal or illegal aliens.

QUESTIONS FROM HON. LAMAR SMITH OF TEXAS FOR MICHAEL CHERTOFF,
SECRETARY, DEPARTMENT OF HOMELAND SECURITY

Question 1. Nearly 12 years after a bill I authored, "The Illegal Immigration Reform and Immigrant Responsibility Act of 1996," required the implementation of a system to track the entry and exit of every person coming to the United States, the exit portion of that system is still not in place. How can we protect this country from dangerous people if we do not even know who is coming in and who has left?

What is the plan for creation and completion of the exit portion of US-VISIT?

Answer. After focusing on deploying biometric entry at our ports in 2004 and testing biometric exit from 2004 to 2007, the Department, through the United States Visitor and Immigrant Status Indicator Technology (US-VISIT) Program, is preparing to move forward with full biometric exit for the air and sea environments.

Biographic Exit

US-VISIT currently collects and matches biographic information from electronic carrier manifests through the Arrival and Departure Information System. After

analysis, information on alien overstays is shared with the Department of State, Customs and Border Protection, and Immigration and Customs Enforcement for further action concerning visa renewals, future admissibility into the United States, and interior enforcement.

Air/Sea Biometric Exit

DHS performed significant planning and testing over the past 3 years examining possible solutions for integrating the US-VISIT Program biometric exit requirements into the international air departure process. For more than 2 years, US-VISIT ran biometric exit pilots at 14 air and sea locations. These pilots, which concluded in May 2007, evaluated the use of both automated kiosks and mobile devices in port terminals. While the pilots demonstrated that the underlying technology works, they also revealed low compliance by travelers.

Given the analysis of the pilots, other potential options, and the congressional mandate that requires the establishment of a biometric exit program, DHS intends to propose a rule to establish a biometric exit system at all air and sea ports of departure in the United States integrating the system with the current international departure process and minimizing the impact on legitimate travelers. The Department will publish a proposed rule, seek public comment on the options articulated therein, and consider those comments when developing the final rule.

In developing the deployment schedule, US-VISIT will prioritize the implementation of departure controls at airports based on risk. Risk in this environment is likely to be a function of the volume and the destinations of travelers departing the United States. A critical focus of counterterrorism efforts is recording the arrival of travelers from countries of interest (COIs). These COIs were determined by the National Counterterrorism Center, DHS, Federal Bureau of Investigation, and Department of State. More than 91 percent of all COI travelers arrive in the United States via air. Knowing the COIs from which travelers have overstayed their authorized periods of admission or otherwise violated the terms of their admission is essential to assessing risk and to enhancing the integrity of our immigration and border management system.

Because the vast majority of Visa Waiver Program (VWP) travelers enter and exit through U.S. airports, DHS anticipates that the deployment of US-VISIT air exit will cover the vast majority of VWP travelers, just as entry procedures do today. Under the VWP, eligible travelers may enter the United States for business or pleasure without a visa for a period of 90 days or less.

The long-term exit solution will also be deployed to commercial seaports to provide an integrated biometric exit capture for cruise line passengers. Seaport deployment will occur concurrently with deployment to the air environment.

Exit in the Land Environment

The implementation of biometric exit procedures at land border ports of entry poses many unique challenges. DHS continues to research options and cost estimates that will meet its goals without having a negative impact on the economy, the environment, or public safety.

The implementation of biometric exit procedures at land border ports of entry will be significantly more complicated and costly than at airports and seaports because of space, infrastructure, and connectivity challenges.

DHS has not yet determined a time frame or cost estimates for initiation of land exit.

Question 2. Regarding detention bed space: the 1,000 additional beds for which fiscal year 2009 funding is requested, is significantly less than the 8,000 additional beds per year that Congress authorized for each year between 2006 and 2010 in the "Intelligence Reform and Terrorism Prevention Act of 2004." In total, under the Intelligence Reform Act, there should be 59,400 detention beds by the end of fiscal year 2009 but there will only be 33,000 under the administration's current plan. That is a deficit of 26,400 beds.

Why haven't you requested funding for, at the very least, the 8,000 beds Congress authorized for fiscal year 2009 in the Intelligence Reform Act?

Answer. As part of the Secure Border Initiative, DHS and ICE have implemented a comprehensive strategy for immigration enforcement that includes detention space increases and immigration process efficiencies that dramatically reduced the average length of stay of those in ICE custody. This strategy enabled ICE to effectively end the practice of "Catch and Release" along the Nation's borders. ICE also developed a Detention Capacity Planning Model that utilizes actual and projected apprehension data to estimate the number of beds ICE will need to continue the end of "Catch and Release" and support its interior enforcement programs. ICE's annual

requests for additional bed space are based upon this model. ICE continually reviews detention space needs to maximize current capacities.

Question 3. In looking through the fiscal year 2009 budget request, I do not see any request for funding for additional work site enforcement investigators. In the "Intelligence Reform and Terrorism Prevention Act of 2004" Congress authorized 800 additional work site investigators per year from 2006 to 2010. Why did you not request the 800 additional investigators to show that the administration is serious about work site enforcement?

Answer. As part of the Secure Border Initiative, DHS and ICE have implemented a comprehensive immigration enforcement strategy. We have made a commitment to improving the enforcement of our immigration laws and additional ICE agents is only one piece in the larger enforcement strategy that includes detention beds, Border Patrol agents, and other personnel increases and improved technology. While it is true that larger personnel increases have been authorized, it is not uncommon for appropriated spending levels across the Government to be lower than those authorized. This increase in agents would require a significant amount of money, and in weighing the ability to fund the authorized increases in ICE agents, the administration must determine what level of additional security would result from investments in additional ICE agents as opposed to investing in other areas of security. The administration has made a judgment as to the best possible mix of homeland security spending.

QUESTIONS FROM HON. MIKE ROGERS OF ALABAMA FOR MICHAEL CHERTOFF,
SECRETARY, DEPARTMENT OF HOMELAND SECURITY

DETECTION CANINES

Question. When you testified before this committee last September, you indicated that, subject to appropriations, you would be happy to work to increase the domestic supply of dogs. Is the funding requested in the fiscal year 2009 budget sufficient to allow for the acquisition of more dogs beyond TSA, in these sufficiently deficient areas like border crossings?

Answer. CBP has a current procurement contract that has sufficient funds to purchase canines from the list of vendors that will meet the need for training in fiscal year 2009.

