

MISMANAGEMENT, MISSTEPS, AND MISSED BENCHMARKS: WHY THE VIRTUAL FENCE HAS NOT BECOME A REALITY
PART I and II

HEARING
BEFORE THE
COMMITTEE ON HOMELAND SECURITY
HOUSE OF REPRESENTATIVES
ONE HUNDRED TENTH CONGRESS
SECOND SESSION

SEPTEMBER 10, 2008 and SEPTEMBER 18, 2008

Serial No. 110-136

Printed for the use of the Committee on Homeland Security



Available via the World Wide Web: <http://www.gpoaccess.gov/congress/index.html>

U.S. GOVERNMENT PRINTING OFFICE

47-668 PDF

WASHINGTON : 2009

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800
Fax: (202) 512-2250 Mail: Stop SSOP, Washington, DC 20402-0001

COMMITTEE ON HOMELAND SECURITY

BENNIE G. THOMPSON, Mississippi, *Chairman*

LORETTA SANCHEZ, California	PETER T. KING, New York
EDWARD J. MARKEY, Massachusetts	LAMAR SMITH, Texas
NORMAN D. DICKS, Washington	CHRISTOPHER SHAYS, Connecticut
JANE HARMAN, California	MARK E. SOUDER, Indiana
PETER A. DEFAZIO, Oregon	TOM DAVIS, Virginia
NITA M. LOWEY, New York	DANIEL E. LUNGREN, California
ELEANOR HOLMES NORTON, District of Columbia	MIKE ROGERS, Alabama
ZOE LOFGREN, California	DAVID G. REICHERT, Washington
SHEILA JACKSON LEE, Texas	MICHAEL T. MCCAUL, Texas
DONNA M. CHRISTENSEN, U.S. Virgin Islands	CHARLES W. DENT, Pennsylvania
BOB ETHERIDGE, North Carolina	GINNY BROWN-WAITE, Florida
JAMES R. LANGEVIN, Rhode Island	GUS M. BILIRAKIS, Florida
HENRY CUELLAR, Texas	DAVID DAVIS, Tennessee
CHRISTOPHER P. CARNEY, Pennsylvania	PAUL C. BROUN, Georgia
YVETTE D. CLARKE, New York	CANDICE S. MILLER, Michigan
AL GREEN, Texas	
ED PERLMUTTER, Colorado	
BILL PASCRELL, JR., New Jersey	

I. LANIER LAVANT, *Staff Director*
ROSALINE COHEN, *Chief Counsel*
MICHAEL TWINCHEK, *Chief Clerk*
ROBERT O'CONNOR, *Minority Staff Director*

CONTENTS

	Page
STATEMENTS	
The Honorable Bennie G. Thompson, a Representative in Congress From the State of Mississippi, and Chairman, Committee on Homeland Security: Oral Statement, September 10, 2008	1
Oral Statement, September 18, 2008	45
Prepared Statement, September 10, 2008	2
The Honorable Peter T. King, a Representative in Congress From the State of New York, and Ranking Member, Committee on Homeland Security: Oral Statement	3
The Honorable Ginny Brown-Waite, a Representative in Congress From the State of Florida: Prepared Statement	4
WITNESSES	
Mr. W. Ralph Basham, Commissioner, Customs and Border Protection, Department of Homeland Security, Accompanied by Mr. Jayson P. Ahern, Deputy Commissioner, Customs and Border Protection, Department of Homeland Security: Oral Statement	5
Prepared Statement, September 10, 2008	7
Mr. Richard M. Stana, Director, Homeland Security and Justice Issues, Government Accountability Office: Oral Statement	9
Prepared Statement, September 10, 2008	11
Mr. Randolph C. Hite, Director, Information Technology Architecture and System Issues: Oral Statement	24
Prepared Statement, September 10, 2008	25
FOR THE RECORD	
Mr. W. Ralph Basham, Commissioner, Customs and Border Protection, Department of Homeland Security: Letter, Submitted by the Honorable Charles W. Dent	49
APPENDIX	
Questions From Chairman Bennie G. Thompson	75

MISMANAGEMENT, MISSTEPS, AND MISSED BENCHMARKS: WHY THE VIRTUAL FENCE HAS NOT BECOME A REALITY

PART I

Wednesday, September 10, 2008

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

The committee met, pursuant to call, at 10:05 a.m., in Room 311, Cannon House Office Building, Hon. Bennie G. Thompson [Chairman of the committee] presiding.

Present: Representatives Thompson, Sanchez, Christensen, Etheridge, Cuellar, Pascrell, King, McCaul, and Dent.

Chairman THOMPSON. The Committee on Homeland Security will come to order.

The committee is meeting today to receive testimony on “Mismanagement, Missteps, and Missed Benchmarks: Why the Virtual Fence Has Not Become a Reality.”

Someone just had a phone ring. According to committee rules, you can either put it on vibrate or cut it off. Thank you.

Before I begin, I would like to acknowledge that tomorrow is the seventh anniversary of the September 11 attacks. The 3,000 people who lost their lives that Tuesday morning were hardworking Americans with families, friends and neighbors, just like the rest of us. They were going about their day with no idea of the terror that was to come. On behalf of the committee, I would like to extend our heartfelt condolences.

As we reflect, let us not forget the heroism and bravery of our first responders. The event of 9/11 forever changed our country. But we are a people resolved to live without fear. That is why this committee works so hard to ensure that our Government is doing everything it can to secure the Nation.

Today marks the fourth time in the 110th Congress that this committee has held a hearing specifically to examine the Department of Homeland Security’s efforts to build a virtual fence across the Southwest border. I would especially like to thank the Border, Maritime, and Global Counterterrorism Subcommittee Chairwoman, Loretta Sanchez, and Management, Investigations, and Oversight Chairman, Chris Carney, for their work on this important issue.

Of course, using technology to secure our borders is not a new concept. Over the last 10 years, we have seen two other border technology programs—the Integrated Surveillance Intelligence Sys-

tem, ISIS, and American Shield Initiative, ASI—come and go with few tangible results.

The third time, as they say, was supposed to be a charm. Two years ago this month, the Department of Homeland Security awarded the SBInet contract to Boeing. At that time, we were told that SBInet technology would be deployed along the Southwest border in Tucson, El Paso, and Yuma by the end of 2008 to help the Border Patrol gain operational control of the Southwest border. We were also told that things would be different this time because the project would utilize off-the-shelf technology.

Since that time, the Department has awarded \$933.3 million in task orders for deployment of SBInet technology and infrastructure to its contractor, Boeing. Regrettably, the partnership between DHS and Boeing has produced more missed deadlines and excuses than results. The Department and Boeing have failed to deploy operational SBInet technology anywhere along the border other than the so-called prototype known as Project 28. Now we are being told that the SBInet program is essentially on hold until next year. It will become the 44th President's problem.

I look forward to GAO's testimony today, as I understand it will outline management deficiencies and other problems that GAO and this committee cautioned DHS about from the start. I am convinced that DHS and Boeing grossly underestimated the task of standing up SBInet. That is simply unacceptable, given the millions of dollars Congress has provided for SBInet and the opportunity DHS has had to learn from previous mistakes. Instead of the third time being a charm, this administration may have just struck out.

DHS should reevaluate Boeing's performance and continue to look to the innovation of this great country for border security technology. Now is not the time to give up. DHS must turn the page and heed the guidance from this committee and the able staff at GAO and chart a new path for the use of technology at the border. It begins with DHS improving its own performance and implementing a better-planned border security technology system. The stakes are simply too high to continue to fail to get it right.

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

[The statement of Chairman follows:]

PREPARED STATEMENT OF CHAIRMAN BENNIE G. THOMPSON

Before I begin, I would like to acknowledge that tomorrow is the seventh anniversary of the September 11 attacks.

The 3,000 people who lost their lives that Tuesday morning were hard-working Americans with families, friends, and neighbors just like the rest of us. They were going about their day with no idea of the terror that was to come.

On behalf of the committee, I would like to extend our heartfelt condolences.

As we reflect, let us not forget the heroism and bravery of our first responders.

The events of 9/11 forever changed our country, but we are a people resolved to live without fear.

That is why this committee works so hard to ensure that our Government is doing everything it can to secure the Nation.

Today marks the fourth time in the 110th Congress that this committee has held a hearing specifically to examine the Department of Homeland Security's efforts to build a virtual fence across the southwest border.

I would especially like to thank Border, Maritime, and Global Counterterrorism Subcommittee Chairwoman Loretta Sanchez and Management, Investigations, and Oversight Subcommittee Chairman Christopher Carney for their work on this important issue.

Of course, using technology to secure our borders is not a new concept.

Over the last ten years, we have seen two other border technology programs—the Integrated Surveillance Intelligence System (ISIS) and the American Shield Initiative (ASI)—come and go with few tangible results.

The third time, as they say, was supposed to be a charm.

Two years ago this month, the Department of Homeland Security awarded the SBInet contract to Boeing.

At that time, we were told that SBInet technology would be deployed along the southwest border in Tucson, El Paso, and Yuma by the end of 2008, to help the Border Patrol gain operational control of the southwest border.

We were also told that things would be different this time because the project would utilize “off-the-shelf” technology.

Since that time, the Department has awarded \$933.3 million in task orders for deployment of SBInet technology and infrastructure to its contractor, Boeing.

Regrettably, the partnership between DHS and Boeing has produced more missed deadlines and excuses than results.

The Department and Boeing have failed to deploy operational SBInet technology anywhere along the border, other than the so-called “prototype” known as Project 28.

And now, we are being told that the SBInet program is essentially on hold until next year.

It will become the 44th President’s problem.

I look forward to GAO’s testimony today, as I understand it will outline management deficiencies and other problems that GAO and this committee cautioned DHS about from the start.

I am convinced that DHS and Boeing grossly underestimated the task of standing up SBInet.

That is simply unacceptable given the millions of dollars Congress has provided for SBInet and the opportunity DHS had to learn from previous mistakes.

Instead of the third time being a charm, the administration may have just struck out.

DHS should reevaluate Boeing’s performance and continue to look to the innovation of this great country for border security technology.

Now is not the time to give up.

DHS must turn the page and heed the guidance from this committee and the able staff at GAO, and chart a new path for the use of technology at the border.

It begins with DHS improving its own performance and implementing a better-planned border security technology system.

The stakes are simply too high to continue to fail to get it right.

Mr. KING. Thank you Mr. Thompson. Let me thank the witnesses for being here today, and let me also join with Chairman Thompson in commemorating what will tomorrow be the seventh anniversary of September 11. It was a shattering attack upon the entire country.

In my own district, almost 150 people were killed, so this is something that will stay with us forever. I want to, obviously, think of the families who lost family members that day. I want to commend the first responders who gave their lives and performed so heroically. Also I think it is appropriate, considering the fact we have not been attacked in the last 7 years, to thank the employees of the Department of Homeland Security, especially in view of today’s hearing, Customs and Border Protection, for the job that they have done in securing our country.

It is not an accident that we haven’t been attacked in 7 years. It is for a number of reasons, including far-reaching policies, and also the dedicated efforts of the men and women of the Department of Homeland Security.

As far as the hearing today, obviously it is an important hearing. These are issues that have to be addressed. I think this is the 15th hearing held by this committee during this Congress looking at departmental efforts to secure the border and ports of entry. However, I have to note that the committee has yet to move on even one bill to harden our borders, even though more than 40 border security bills have been introduced.

Also, I think the committee would have a lot more influence on what has been happening and a lot more to say if we had authorized legislation, if we had authorization legislation on SBI, if we had an authorization bill for the Department of Homeland Security. Also, we would be able to give a more coherent message if there was one committee that the Department had to report to rather than 84 committees and subcommittees.

Also, I'm really—to me, it is very unsettling news to realize that as we approach the seventh anniversary of September 11 that it appears that the Democratic leadership will not even pass an appropriations bill this year for homeland security. So while you are going to be sitting here today listening to abuse about what hasn't been done, I think a lot of people should be pointing fingers at themselves as far as what hasn't been done from this end as far as getting their job done.

Now, having said that, more has to be done for the border, more has to be done with SBInet, virtual fence, real fence, all of which address a very, very real concern of the American people that we have to show we can secure our borders.

I realize there has been a lot of progress made at the border. I realize that the men and women who are asked to do the job are doing their job. There have been real technology issues, there have been real progress issues here, and that is what we have to address and try to do it in a bipartisan way. But it is important to note that we will have a 130 percent increase in the amount of border fencing since this law was enacted.

These are real steps forward, but more has to be done. So it is in that context and that tone that I look forward to your testimony today; and I yield back.

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

[The statement of Hon. Brown-Waite follows:]

PREPARED STATEMENT OF HONORABLE GINNY BROWN-WAITE

SEPTEMBER 10, 2008

Chairman Thompson and Ranking Member King, thank you for holding this hearing today.

As we all agree, border security is a matter of national security. As such, this institution would truly be failing in its responsibilities if it failed to fund border security in a timely and comprehensive way. It would also fail by neglecting to take a close look at how the money Congress appropriates is being spent. I applaud CBP's efforts in utilizing innovative technology to achieve this mission, but I have serious concerns about the delays and lack of functionality that have plagued SBInet since its inception.

Some of the problems CBP has had with the digital fence could have been avoided. When I hear that CBP did not consult with the Department of Defense, despite the fact that DOD has had extensive experience using this technology, I have to wonder whether the last 2 years could have yielded more results. That is, of course,

why we have oversight hearings. On that point, I would like to recognize the committee for holding what will be our fifteenth hearing on border security this Congress. I truly hoped that holding fifteen hearings would have resulted in at least one piece of meaningful legislation but unfortunately, this does not appear to be the case.

Finally, I would like to take this opportunity to highlight the importance of the appropriations process. The physical fence needs additional resources. Operation Jump Start has ended and more personnel are clearly needed along the border. This committee cannot ignore the need that exists any longer. Congress must appropriate the necessary funds so that the Department of Homeland Security can secure our borders and detain those that have entered our country illegally.

In closing, I would like to thank the witnesses for being here today, and I look forward to your testimony.

Chairman THOMPSON. We have a memorial service planned for former Congresswoman Stephanie Tubbs Jones at 11, and so I will dispense with the introduction of our witnesses and move forward into that and try to get as much accomplished as possible. Our witnesses will go in the order that they are seated, with Mr. Basham, our Commissioner of Customs and Border Protection.

You have 5 minutes.

STATEMENT OF W. RALPH BASHAM, COMMISSIONER, CUSTOMS AND BORDER PROTECTION, DEPARTMENT OF HOMELAND SECURITY, ACCOMPANIED BY JAYSON P. AHERN, DEPUTY COMMISSIONER, CUSTOMS AND BORDER PROTECTION, DEPARTMENT OF HOMELAND SECURITY

Mr. BASHAM. Chairman Thompson, Ranking Member King and Members of the committee, I am here today to discuss U.S. Customs and Border Protection's progress to secure the Nation's borders and how our future plans for the SBInet program complement our overall border security efforts.

Appearing with me today is CBP's Deputy Commissioner, Jayson Ahern. Normally we would not appear together, but knowing the committee's concerns about transition as we near the end of the administration, I thought it best for both of us to be here to assure you that CBP's commitment to secure the border and deploy effective technology to our frontline personnel does not end in January.

I will turn to SBInet in a moment. Our full written statement contains a more in-depth discussion of the program and the latest GAO recommendations. But first let me provide a context for our discussion today.

Mr. Chairman, I believe you and the Members of the committee will agree that CBP shoulders an enormous responsibility to secure the borders of the country against terrorists and weapons of terror while still carrying out our traditional missions of stopping illegal aliens and drugs and fostering the free flow of legitimate trade and travel.

Since that tragic day 7 years ago tomorrow, there has been an urgency about our mission, and we have set about our work as quickly and efficiently as possible. We have successfully deployed and implemented a layered defense strategy to protect our ports of entry, including advance information and risk targeting on cargo coming into our country. We have increased our manpower, technology and infrastructure on both the northern and the southern borders. We have nearly doubled the number of Border Patrol agents and integrated and hired a work force of CBP officers, and

we are working even closer with our Canadian and Mexican counterparts and entered new security partnerships with many countries in the trade industry that have literally pushed out our borders.

To further secure our borders we initiated the Secure Border Initiative and within it the SBI program. But SBI and SBInet represent only a piece of our overall efforts to secure the border. All too often the focus on these two topics ignores the larger narrative. That is unfortunate because when the full story is told, we have taken more actions to secure our Nation in the last 7 years than in the preceding half century.

But as a topic for congressional hearings, good stories and positive accomplishments don't grab as much attention as perceived failures. I at least wanted to mention it before the story is lost once more.

But I also would like to thank and recognize GAO for their participation today and collaboration with us. Rich Stana and Randy Hite and their staffs have devoted countless hours over the last 2+ years examining our SBI efforts. They have provided invaluable feedback and suggestions to help us carry out this incredibly important and challenging undertaking. We view them as partners in this endeavor, and we are pleased to be testifying with them today here. With minor exceptions we largely agree with GAO's findings and have already begun to implement the recommendations.

However, I am disturbed by the unfair characterization contained in the title of this hearing, the accusation that this program and our efforts have been fraught with mismanagement and missteps. I am also disturbed by the inaccurate assertions that reach back in time and try to blame the agency, the Department and the administration for the 1990 technology programs managed by INS.

From the inception of CBP, we have always been driven by the desire to get effective tools into the hands of our agents and officers as soon as possible. Over the past 7 years, we have succeeded in doing that with aggressive technology programs ranging from radiation portal monitors to the automated targeting system.

SBI was no different. In fact, it was maybe more aggressive. We set very ambitious goals and timelines, and we attempted to move on many parallel tracks to achieve those ambitious goals. However, we did not and we will not rush to deploy something that is not ready just to meet our deadlines or anyone else's. Our priority is get it right before we deploy it.

Nor have we been irresponsible with taxpayers' funds. The GAO and Members of this very committee, in fact, have cautioned against such rushed actions.

In the last year, we have heard Members of the committee say the approach of issuing different interdependent simultaneous task orders leaves the program vulnerable to collapsing. The GAO has said, we recommend the DHS reexamine the level of concurrency and appropriately adjust the acquisition strategy. We responded. We reduced the concurrency and we reduced the risk.

Members have also said the single thing that concerns me most is that timing seems to be driving the agenda more than actually being able to deploy something meaningful; why are we moving

ahead? In response, we have slowed down our deployment schedule and added integration and testing. I trust that no one would criticize these actions as missed benchmarks and mismanagement when we are doing exactly what GAO and the Congress has suggested.

I realize that part of the frustration is simply the nature of any significant, long-term technology investment. If we move too fast and don't test enough, we are criticized. Yet when we slow down to test, we are criticized for not meeting our own goals and time lines.

Maybe there is no winning this debate. But that is probably unimportant anyhow. In the end, how you and I judge the success of this program should be the same. That is, have we deployed technology systems to our agents and officers that makes them more effective and efficient, and have we done so in a fiscally responsible manner? I think we are on the right track to answer that question in the affirmative. But it may be years before we can be sure of the answer.

While I can't come before you today and claim that SBI has not proceeded without problems, I can tell you it is not a failure. I assure you that our commitment to getting technology right and into the hands of our front-line personnel has never been stronger.

Thank you and I would look forward to answering your questions.

Chairman THOMPSON. Thank you.

[The joint statement of Mr. Basham and Mr. Ahern follows:]

PREPARED STATEMENT OF W. RALPH BASHAM AND JAYSON P. AHERN

SEPTEMBER 10, 2008

Chairman Thompson, Ranking Member King, and distinguished committee Members, it is our honor to have the opportunity to appear before you today to provide you with an update on the progress of our SBI programs, specifically, the planning and deployment of SBInet technology and construction of the fence. My name is Ralph Basham, and I am the Commissioner of the U.S. Customs and Border Protection (CBP), and with me is Deputy Commissioner Jayson Ahern.

We greatly appreciate the Government Accountability Office's (GAO's) insight and recommendations and will be providing our progress to date, including potential challenges as we move forward. CBP shares many of the same concerns expressed by GAO and Members of this committee with respect to the planned SBInet acquisition, development, testing, and deployment activities. As a result, CBP is developing a detailed SBInet program re-plan to mitigate these risks. Further, CBP continues to move forward with our plan to achieve our goal of having 670 miles of fence in place along the southwest border.

SBINET

Through SBInet, CBP will field an effective, integrated mix of technology, such as radars, communication devices, cameras, sensors, and other equipment. These components will be tied together via Common Operating Picture (COP) software that provides real-time situational awareness, and significantly improves our information and intelligence-sharing efforts with other law enforcement partners. This integrated system will complement the deployment of infrastructure (vehicle and pedestrian fence, lighting, and all-weather roads) and response platforms to enable Border Patrol agents, CBP officers, and Air and Marine interdiction agents to more efficiently deter, detect, and apprehend illegal entries into the United States.

Project 28 (P-28), our proof-of-concept technology demonstration, has continued to provide operational utility to Border Patrol agents in the sector, and provided insights into the operational and technical challenges the SBInet team will face in designing, developing, and deploying an integrated land-based sensor system for cost-effective surveillance and control of the border. Between September 2007 and Sep-

tember 2008, the system has assisted Border Patrol in the apprehension of over 3,800 illegal aliens. Due to the proper mix of personnel, infrastructure, and technology deployed in this area, illicit cross-border activity is down by almost 39 percent between December 7, 2007, and September 7, 2008, as compared to the same time frame the previous year. In coordination with the U.S. Army, we continued to test P-28 capabilities through mid-summer. We are reviewing the results and lessons, which will be used to support development and deployment of future SBInet projects.

The SBInet team is currently testing the design of the first SBInet operational deployment projects in the Tucson Sector, TUS-1 and AJO-1, which will cover a total of 53 miles of the southwest border. As observed by the GAO earlier this year, the plan for TUS-1 had been to construct the towers that would house cameras and sensors, while concurrently carrying out system integration testing. We recognized the additional program risk associated with conducting concurrent activities and managing an aggressive schedule. Accordingly, the SBInet team began to explore the feasibility of a field test site that would provide an operational simulation of the Arizona project areas to enable formal system qualification testing (i.e., testing that deploys technology in an operational environment similar to the actual project environment) before beginning tower construction for the TUS-1 deployment. Such a facility was identified in June 2008 at Playas, New Mexico.

Our initial plan also called for beginning TUS-1 tower site preparation in mid-July 2008. However, based on necessary coordination with the Department of the Interior (DOI), the construction schedule was delayed in order to complete statutory environmental compliance reports and to obtain construction and land-use permits. As I will discuss in greater detail later in the testimony, around this same time, CBP also became aware of increasing fence construction costs that would require additional funding.

The combination of the additional time needed to complete necessary coordination with DOI, concerns over the risks associated with our original SBInet deployment plan, and a need to fund the escalating fence costs provided an opportunity for us to revisit our overall development and deployment approach and address the recommendations from the GAO and Congress to minimize concurrent SBInet testing and deployment activities and the associated program risk. We have extended our ongoing system integration and verification testing to now be completed prior to the deployment of SBInet capabilities in TUS-1. Our re-planning now utilizes the operational representative field test lab in Playas, New Mexico, for completion of system testing.

In mid-August, the Department of Homeland Security (DHS) Investment Review Board (IRB) approved CBP's revised testing and deployment plan. The IRB's decision requires CBP to provide a detailed Acquisition Program Baseline, an Integrated Master Schedule, and other programmatic documentation to the IRB by November 24, 2008. The schedule will show plans for completion of SBInet technology deployments in Tucson and Yuma Sectors. The IRB guidance also closely aligns with planned actions to address GAO's recommendations to better define SBInet deployments, capabilities, schedule, and lifecycle management processes, as well as improve baselining of SBInet requirements development and documentation. Pending a more detailed schedule of key milestones that will be completed in late September, we project a TUS-1 construction start in the first quarter of calendar year 2009. AJO-1 construction is planned to start following successful construction of TUS-1. Based on the results of those two deployments, and once we determine that the system is operationally effective and suitable, we will field additional SBInet technology deployments within the Tucson Sector in 2009.

The revised deployment schedule allows us to address DOI concerns and, most importantly, the need for thorough integration testing and formal System Qualification Testing prior to deployment. However, there is no change to the overall scope or direction of the SBInet program. The primary objectives of our re-planning effort are to reduce overall program risk by ensuring that SBInet system capabilities are properly tested and proven before their deployment and to establish consistent, formal documentation that baselines the program.

TACTICAL INFRASTRUCTURE

CBP remains committed to constructing the 670 miles of fence required by the Border Patrol and is working aggressively to meet this goal. As of August 29, 2008, over 344 miles of fencing have been constructed along the southwest border, including:

- 190.0 miles of pedestrian fencing;
- 154.3 miles of vehicle fencing.

However, we face many challenges in achieving our goal. As previously noted, escalating construction costs coupled with competition for construction labor, equipment, and materials has resulted in significant fence construction cost increases. Beginning in July, proposals for several pending pedestrian fence projects started coming in at a cost significantly above our budgeted projections. Based on the U.S. Army Corps of Engineers' (USACE) analysis of the proposals and discussions with the bidders, rising fuel, steel, and other material costs appear to be the primary drivers of the cost escalations. The impact of these rising costs is being seen across the entire construction industry, including other USACE and CBP construction projects. Additionally, a boom in construction has further increased costs in many of our fence project areas due to competition for local and regional supplies of construction labor, equipment, and materials. Although these factors are beyond our control, we fortunately protected ourselves against the rising cost of some materials by locking in fixed prices through pre-purchasing long-lead structural steel in advance. This action saved the Government between \$63 million and \$100 million.

Based on several economic indicators, we are concerned that the trend of escalating fence construction costs could continue into the foreseeable future. As such, it makes sound fiscal sense to fund these contracts and lock in these prices now. A strategy for funding this increased cost for fence construction—including a re-programming request—was sent to our appropriators on September 9, 2008.

It is also important to note that, cost increases aside, a number of other factors continue to present challenges to achieving our fence construction goals. These include: completing legal actions to acquire private property in Texas, complying with International Boundary and Water Commission requirements along the Rio Grande River, appropriately addressing cultural mitigation issues, and resolving any unforeseen construction challenges that may arise.

CONCLUSION

Our front-line personnel are the Nation's most important asset in securing the borders, and the mission success of CBP's agents and officers is dependent upon their access to the tools they need to most effectively and efficiently carry out their duties. CBP remains committed to continuing to provide our agents and officers with these tools to help them help them gain effective control of our Nation's borders. However, I want to assure you that we take our stewardship of taxpayer resources seriously, and we will continue to address challenges associated with developing and deploying both technology and tactical infrastructure in a manner that balances our Nation's security with sound financial management principles. I would like to thank the committee for the opportunity to present this testimony today and for your continued support of DHS and CBP. We would be pleased to respond to any questions that you may have at this time.

Chairman THOMPSON. Mr. Stana for 5 minutes.

STATEMENT OF RICHARD M. STANA, DIRECTOR, HOMELAND SECURITY AND JUSTICE ISSUES, GOVERNMENT ACCOUNTABILITY OFFICE

Mr. STANA. Thank you, Chairman Thompson, Mr. King and Members of the committee.

Shortly after the launch of the Secure Border Initiative, the committee asked us to review the SBI program and to provide periodic updates on the status of our efforts and interim findings. My testimony today provides our third formal update.

As you know, SBI is a multi-year, multi-billion dollar program aimed at stemming illegal entry into the country. Since fiscal year 2006, Congress has appropriated over \$2.7 billion for SBI, and DHS has requested an additional \$775 million for fiscal 2009. I would like to take the next few minutes to highlight our observations on SBI program status and deployment challenges.

First, with regard to technology deployment, SBInet technology deployments continue to experience delays, and as a result, Border Patrol agents have to rely on existing limited technology capabilities to help secure our border.

Last year at this time, SBI program officials expected to complete all of the first planned deployment of technology projects across the Yuma, Tucson, and El Paso sectors by the end of December, 2008. But, in February, program office officials told us that only a portion of the Tucson sector would be completed by the end of this year and other deployments would be completed by the end of December 2011.

In July, SBI program officials told us that SBInet technology deployments to the Tucson, Yuma, and El Paso sectors have been further delayed and that the two planned deployments in the Tucson sector won't be completed until sometime in 2009.

Randy Hite, GAO's Director for Information Technology, will soon describe in detail how SBInet program uncertainties, undefined program requirements and changes in deployment schedules have added risk to this program. In the absence of technology deployments, Border Patrol agents in part of the Tucson sector are using capabilities provided by Project 28, which is the SBI prototype which we previously reported having encountered performance shortfalls and delays.

In other parts of the Tucson sector and in other sectors agents are using technology that predates SBInet and does not have the capabilities that SBInet is to provide. Continuing delays of technology deployments may hinder the Border Patrol's efforts to secure the border.

Second, with regard to fencing and vehicle barriers, the deployment of tactical infrastructure projects along the Southwest border is ongoing, but costs are increasing, life-cycle costs are not yet known, and land acquisition issues pose a challenge to meeting the goal DHS set to have 670 miles of pedestrian and vehicle fencing in place by the end of this year.

Three weeks ago, the SBI program office reported that it had constructed a total of 341 miles or about half of the fencing goal and that they plan to complete the fencing projects by the December deadline. However, project costs are increasing significantly and various factors pose challenges to meeting this deadline. As of August 2008, fencing cost averaged \$7.5 million per mile for pedestrian fencing and \$2.8 million per mile for vehicle fencing, which are substantial increases from estimates last February of 4 million and 2 million per mile, respectively. The SBI program office officials still do not have a life-cycle cost estimate for the fencing, in part because of increasing construction costs and undetermined maintenance costs.

With respect to land acquisition issues, identifying land-owners and negotiating land purchases present a challenge to completing fence construction by December. For example, as of 2 weeks ago, 320 properties remained to be acquired, and court dates have not yet been set regarding 77 landowners who are refusing to sell. Importantly, the construction of fencing segments usually requires 90 to 100 days to complete, and the completion of all tactical infrastructure projects by the end of this year is in jeopardy if issues related to land acquisition issues are not resolved in the next 3 weeks or so.

Finally, with respect to project management, currently the SBI program office is reevaluating its staffing goal. In February, it re-

ported that the SBI office had established a staffing goal of 470 employees for this year. As of August 1, the program office had 129 Government staff and 164 contractor support staff for a total of 293 employees. Program office officials told us that an office reorganization and SBI net project delays have resulted in fewer staffing needs and that they will continue to evaluate the expected staffing needs through the end of next year.

With respect to human capital management, the program office has taken actions to implement parts of its human capital plan, but other parts have yet to be approved and acted upon. Until the SBI program office fully implements its plan, it will lack a baseline and metrics by which to judge its human capital efforts.

In closing, the SBI program continues to face difficulties that include delays in project implementation and cost increases. Program delays and cost uncertainties could affect DHS's ability to meet projected completion dates, expected costs, and performance goals. Ultimately, the delays could adversely impact the Border Patrol's efforts to secure the border.

These issues underscore Congress's need to stay closely attuned to DHS's progress, to ensure that schedule and costs estimates stabilize, and that the program efficiently and effectively addresses the Nation's border security needs.

I would be happy to address any questions the Members may have.

Chairman THOMPSON. Thank you.

[The statement of Mr. Stana follows:]

PREPARED STATEMENT OF RICHARD M. STANA

SEPTEMBER 10, 2008

SECURE BORDER INITIATIVE: OBSERVATIONS ON DEPLOYMENT CHALLENGES

GAO HIGHLIGHTS

Highlights of GAO-08-1141T, a testimony before the Committee on Homeland Security, House of Representatives.

Why GAO Did This Study

In November 2005, the Department of Homeland Security (DHS) established the Secure Border Initiative (SBI), a multi-year, multi-billion-dollar program to secure U.S. borders. One element of SBI is the U.S. Customs and Border Protection's (CBP) SBI program, which is responsible for developing a comprehensive border protection system through a mix of surveillance and communication technologies known as SBI net (e.g., radars, sensors, cameras, and satellite phones), and tactical infrastructure (e.g., fencing).

The House Committee on Homeland Security and its Subcommittee on Management, Investigations, and Oversight asked GAO to monitor DHS progress in implementing CBP's SBI program. This testimony provides GAO's observations on: (1) Technology deployment; (2) infrastructure deployment; and (3) how the CBP SBI program office has defined its human capital goals and the progress it has made to achieve these goals. GAO's observations are based on prior and new work, including analysis of DHS documentation, such as program schedules, contracts, and status reports. GAO also conducted interviews with DHS and Department of the Interior officials and contractors, and visits to sites on the southwest border where SBI deployment is under way. GAO performed the work from March to September 2008. DHS generally agreed with GAO's findings.

What GAO Found

SBI net technology deployments continue to experience delays and, as a result, Border Patrol agents have to rely upon existing limited technological capabilities to help achieve control of the border. SBI program officials had originally planned to

deploy SBInet technology across the southwest border by the end of 2008, but in February 2008 this date had slipped to 2011. In July 2008, officials reported that two initial projects that had been scheduled to be completed by the end of calendar year 2008 would be finished sometime in 2009. SBInet program uncertainties, such as not fully defined program expectations, changes to timelines, and confusion over the need to obtain environmental permits contribute to ongoing delays of SBInet technology deployments. Due to the delays, Border Patrol agents continue to use existing technology that predates SBInet, and in the Tucson, Arizona, area they are using capabilities from SBInet's prototype system despite previously reported performance shortfalls. Further delays of SBInet technology deployments may hinder the Border Patrol's efforts to secure the border.

The deployment of fencing is ongoing, but costs are increasing, the life-cycle cost is not yet known, and meeting DHS's statutorily required goal to have 670 miles of fencing in place by December 31, 2008, will be challenging. As of August 22, 2008, the SBI program office reported that it had constructed a total of 341 miles of fencing, and program officials stated that they plan to meet the December 2008 deadline. However, project costs are increasing and various factors pose challenges to meeting this deadline, such as a short supply of labor and land acquisition issues. According to program officials, as of August 2008, fencing costs averaged \$7.5 million per mile for pedestrian fencing and \$2.8 million per mile for vehicle fencing, up from estimates in February 2008 of \$4 million and \$2 million per mile, respectively. Furthermore, the life-cycle cost is not yet known, in part because of increasing construction costs and because the program office has yet to determine maintenance costs and locations for fencing projects beyond December 2008. In addition, land acquisition issues present a challenge to completing fence construction.

As of September 2008, the SBI program office was reevaluating its staffing goal and continued to take actions to implement its human capital plan. In February 2008, we reported that the SBI program office had established a staffing goal of 470 employees for fiscal year 2008. As of August 1, 2008, the SBI program office reported having 129 Government staff and 164 contractor support staff for a total of 293 employees. Program officials stated that a reorganization of the SBI program office and SBInet project delays have resulted in fewer staffing needs and that they plan to continue to evaluate these needs. The SBI program office also continued to take steps to implement its human capital plan. For example, recruitment efforts are under way to fill open positions. However, the SBI program office is in the process of drafting or has drafted documents, such as the Succession Management Plan, that have yet to be approved or put into action.

Chairman Thompson, Mr. King, and Members of the committee, I am pleased to be here today to discuss observations on selected aspects of the Secure Border Initiative (SBI) program implementation. Securing the Nation's borders from illegal entry of aliens and contraband, including terrorists and weapons of mass destruction, continues to be a major concern. Much of the United States' 6,000 miles of international borders with Canada and Mexico remains vulnerable to illegal entry. Although the Department of Homeland Security (DHS) apprehends hundreds of thousands of people entering the country illegally each year, several hundreds of thousands of individuals also enter the United States illegally and undetected. In November 2005, DHS announced the launch of the Secure Border Initiative (SBI), a multi-year, multi-billion-dollar program aimed at securing U.S. borders and reducing illegal immigration. Elements of SBI will be carried out by several organizations within DHS. The U.S. Customs and Border Protection's (CBP) SBI program¹ is responsible for developing a comprehensive border protection system using technology, known as SBInet, and tactical infrastructure—fencing, roads, and lighting.

You requested that we monitor CBP's SBI program and provide periodic updates on the status of the program. My testimony today is the third in a series of interim reports on SBI implementation² and focuses on the following issues:

- SBInet technology deployment;
- SBI tactical infrastructure deployment; and,
- how the SBI program office has defined its human capital goals and the progress it has made to achieve these goals.

¹The CBP SBI Program Executive Office, referred to in this testimony as the SBI program office, is responsible for overseeing all SBI activities for acquisition and implementation, including establishing and meeting program goals, objectives, and schedules; for overseeing contractor performance; and for coordinating among DHS agencies.

²See GAO, *Secure Border Initiative: Observations on the Importance of Applying Lessons Learned to Future Projects*, GAO-08-508T (Washington, DC: Feb. 27, 2008); and *Secure Border Initiative: Observations on Selected Aspects of SBInet Program Implementation*, GAO-08-131T (Washington, DC: Oct. 24, 2007).

To address these issues, we analyzed DHS documents, including program schedules, status reports, and work force data. We determined that the data were sufficiently reliable for purposes of this testimony. We interviewed DHS and CBP headquarters and field officials, including representatives of the SBI program office, Border Patrol, and Border Patrol's Office of Training and Development; U.S. Army Corps of Engineers (USACE) officials; Department of Interior (DOI) officials, including representatives of the Office of the Deputy Secretary and Office of Law Enforcement Security and Emergency Management; and representatives of the prime contractor, Boeing. We also visited the Border Patrol's Rio Grande Valley, Tucson, and El Paso sectors³—sites where SBInet technology, fencing deployment, or both, were under way at the time of our review. During the visit to the Rio Grande Valley, we also met with public officials and members of the community to discuss proposed SBI fencing projects and their effect on the communities. We conducted this performance audit from March 2008 through September 2008 in accordance with generally accepted Government auditing standards. Those standards require that we plan and perform the work to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our objectives.

We also have work underway and have completed work to review other components of the SBI program. Specifically, today we are also providing a statement for this committee that assesses DHS's efforts to define the scope, timing, and approach for developing SBInet capabilities, and how well DHS is managing related requirements development and management and testing activities.⁴ We also expect to issue a report covering these topics later this month. In addition, in April 2008, we completed a report on SBInet as part of a broader review of DHS's use of performance-based services acquisition, an acquisition method structured around the results to be achieved instead of the manner by which the service should be performed.⁵ Last, as mandated in the Consolidated Appropriations Act, 2008,⁶ we reviewed DHS's fiscal year 2008 expenditure plan for the SBI program and reported in June 2008.⁷ A list of SBI-related products appears at the end of this statement.

SUMMARY

SBInet technology deployments continue to experience delays and, as a result, Border Patrol agents have to rely upon existing limited technological capabilities to help secure the border. As of October 2007, SBI program officials expected to complete all of the first planned deployment of technology projects across the Tucson, Yuma, and El Paso sectors by the end of calendar year 2008. But, by February 2008, program office officials said that only a portion of the Tucson sector would be completed by the end of calendar year 2008 and other deployments would be complete by the end of calendar year 2011. In July 2008, SBI program office officials reported that SBInet technology deployment to the Tucson, Yuma and El Paso sectors had been further delayed and that the two planned deployments in the Tucson sector would be completed sometime in 2009. SBInet program uncertainties, such as not fully defined program expectations, changes in deployment schedules, and confusion over the applicability of environmental regulations, continue to delay SBInet technology deployments. For example, the construction permit application for initial SBInet deployment sites on environmentally sensitive lands was submitted on July 10, 2008. According to DOI officials, the process normally takes 2 to 3 months and the SBI program office had planned to begin construction on July 15, 2008. In the Tucson sector, Border Patrol agents are using capabilities provided by Project 28, the SBInet prototype, which we previously reported had encountered performance shortfalls and delays.⁸ In other sectors, agents are using technology that predates

³The U.S. Border Patrol has 20 sectors responsible for detecting, interdicting, and apprehending those who attempt illegal entry or smuggle people—including terrorists, contraband, and weapons of mass destruction—across U.S. borders between official ports of entry.

⁴See GAO, *Secure Border Initiative: DHS Needs to Address Significant Risks in Delivering Key Technology Investment*, GAO-08-1148T (Washington, DC: Sept. 10, 2008).

⁵See GAO, *Department of Homeland Security: Better Planning and Assessment Needed to Improve Outcomes for Complex Service Acquisitions*, GAO-08-263 (Washington, DC: Apr. 22, 2008) and *Department of Homeland Security: Better Planning and Oversight Needed to Improve Complex Service Acquisition Outcomes*, GAO-08-765T (Washington, DC: May 8, 2008).

⁶Pub. L. No. 110-161, 121 Stat. 1844, 2047-2049.

⁷See GAO, *Secure Border Initiative Fiscal Year 2008 Expenditure Plan Shows Improvement, but Deficiencies Limit Congressional Oversight and DHS Accountability*, GAO-08-739R (Washington, DC: June 26, 2008).

⁸GAO-08-508T.

SBIInet and does not have the capabilities that SBIInet is to provide. Further delays of SBIInet technology deployments may hinder the Border Patrol's efforts to secure the border.

The deployment of tactical infrastructure projects along the southwest border is ongoing, but costs are increasing, the life-cycle cost⁹ is not yet known, and land acquisition issues pose a challenge to DHS meeting the goal it set, as required by law, to have 670 miles of fencing—370 miles of pedestrian fence and 300 miles of vehicle fence—in place by December 31, 2008. As of August 22, 2008, the SBI program office reported that it had constructed a total of 341 miles of fencing—187 miles of pedestrian fence and 154 miles of vehicle fence, and program officials stated that they plan to meet the December 2008 deadline. However, project costs are increasing and various factors pose challenges to meeting this deadline, such as a short supply of labor and land acquisition issues. According to program officials, as of August 2008, fencing costs averaged \$7.5 million per mile for pedestrian fencing and \$2.8 million per mile for vehicle fencing, up from estimates in February 2008 of \$4 million and \$2 million per mile, respectively.¹⁰ Furthermore, SBI program office officials do not have a life-cycle cost estimate for fencing, in part because of increasing construction costs and also because the SBI program office has not yet determined the maintenance costs and locations for fencing construction projects beyond December 2008. Without a life-cycle cost estimate, the total cost to build and maintain fencing along the southwest border is not yet known. With respect to land acquisition issues, identifying landowners and negotiating land purchases present a challenge to completing fence construction by December 2008. For example, as of August 26, 2008, an estimated 320 properties remain to be acquired from landowners. Program officials noted that the fencing construction segments usually require 90 to 120 days to complete, and completion of all tactical infrastructure projects by December 31, 2008, is in jeopardy if issues related to land acquisition are not resolved.

As of September 2008, the SBI program office was reevaluating its staffing goal and office continues to take actions to implement its December 2007 human capital plan. In February 2008, we reported that the SBI program office had established a staffing goal of 470 employees for fiscal year 2008.¹¹ As of August 1, 2008, the SBI program office reported having 129 Government staff and 164 contractor support staff for a total of 293 employees. SBI program office officials said that a reorganization of the SBI program office and SBIInet project delays have resulted in fewer staffing needs. The officials further noted they will continue to evaluate the expected staffing needs through the end of fiscal year 2009. In addition, the SBI program continues to implement its human capital plan. For example, the SBI program office has recruitment efforts underway to fill open positions. However, in other areas, the SBI program office is in the process of drafting or has drafted documents, such as the SBI Succession Management Plan, which have yet to be approved and acted upon. Until the SBI program office fully implements its plan, it will lack a baseline and metrics by which to judge its human capital efforts.

In their oral comments on a draft of this statement, DHS generally agreed with our findings and provided clarifying information that we incorporated as appropriate.

BACKGROUND

CBP's SBI program is responsible for deploying SBIInet (e.g., sensors, cameras, radars, communications systems, and mounted laptop computers for agent vehicles), and tactical infrastructure (e.g., pedestrian and vehicle fencing, roads, and lighting) that are intended to enable CBP agents and officers to gain effective control of U.S. borders.¹² SBIInet technology is intended to include the development and deployment of a common operating picture (COP) that provides data through a command center to Border Patrol agents in the field and potentially to all DHS agencies and to be interoperable with stakeholders external to DHS, such as local law enforcement. The current focus of the SBI program is on the southwest border areas between the

⁹The estimated life-cycle cost is the total cost to the Government for a program over its full life, consisting of research and development, operations, maintenance, and disposal costs. Using a life-cycle cost estimate to determine the budget helps to ensure that all costs are fully accounted for so that resources are adequate to support the program. See GAO, *Cost Assessment Guide: Best Practices for Estimating and Managing Program Costs—Exposure Draft*, GAO-07-1134SP (Washington, DC: July 2007).

¹⁰GAO-08-508T.

¹¹GAO-08-508T.

¹²DHS defines effective control of U.S. borders as the ability to consistently: (1) Detect illegal entries into the United States; (2) identify and classify these entries to determine the level of threat involved; (3) efficiently and effectively respond to these entries; and (4) bring events to a satisfactory law enforcement resolution.

ports of entry¹³ that CBP has designated as having the highest need for enhanced border security because of serious vulnerabilities. The SBI program office and its offices of SBInet and tactical infrastructure are responsible for overall program implementation and oversight.

Figure 1: Map of Border Patrol Sectors along the Southwest Border



Source: GAO analysis of CBP data.

In September 2006, CBP awarded a prime contract to the Boeing Company for 3 years, with three additional 1-year options. As the prime contractor, Boeing is responsible for acquiring, deploying, and sustaining selected SBI technology and tactical infrastructure projects. In this way, Boeing has extensive involvement in the SBI program—requirements development, design, production, integration, testing, and maintenance and support of SBI projects. Moreover, Boeing is responsible for selecting and managing a team of subcontractors that provide individual components for Boeing to integrate into the SBInet system. The SBInet contract is largely performance-based—that is, CBP has set requirements for the project and Boeing and CBP coordinate and collaborate to develop solutions to meet these requirements—and designed to maximize the use of commercial off-the-shelf technology.¹⁴ CBP's SBI program office oversees and manages the Boeing-led SBI contractor team.

CBP is executing part of SBI activities through a series of task orders to Boeing for individual projects. As of September 5, 2008, CBP had awarded 11 task orders

¹³ At a port of entry location, CBP officers secure the flow of people and cargo into and out of the country, while facilitating legitimate travel and trade.

¹⁴ Commercial off-the-shelf is a term for software or hardware, generally technology or computer products, that are available for sale, lease, or license to the general public.

to Boeing for a total amount of \$933.3 million. Table 1 is a summary of the task orders awarded to Boeing for SBI projects.

Table 1: Task Orders Awarded to Boeing for SBI projects as of September 5, 2008 (Dollars in millions)		
Task Order Description	Date awarded	Task order obligation
Program Management: The mission engineering, facilities and infrastructure, systems engineering, test and evaluation, and program management services to develop and deploy the SBI ^{net} system.	09/21/2006	\$144.0
Project 28: Boeing's pilot project and initial implementation of SBI ^{net} technology for 28 miles of the border in the Tucson sector.	10/20/2006	20.6
Barry M. Goldwater Range (BMGR): The construction of 32 miles of vehicle and pedestrian barriers on the southern border of the BMGR in the Yuma sector.	01/12/2007	122.2
Fence Lab: The testing of potential pedestrian and vehicle fence and barrier solutions.	02/16/2007	0.7
Design: SBI ^{net} deployment design solution including design, environmental-clearance support, and locations for the SBI ^{net} technology solution in the Yuma, Tucson, and El Paso sectors.	08/01/2007	84.0
Project 28 Contractor Maintenance and Logistics Support: Provides Project 28 with the required maintenance and logistics support to operate the system.	12/07/2007	10.6
Command, Control, Communications and Intelligence (C3I) and Common Operating Picture: The development of the next version of the SBI ^{net} operating software to design, develop, and demonstrate a functional SBI ^{net} C3I/COP system.	12/07/2007	64.5
SBI^{net} System: A follow-on to the program management task order, this task order specifies the program management and system-engineering activities required to achieve an integrated program across all task orders issued under the SBI contract.	04/15/2008	93.6
Supply and Supply Chain Management: The development and implementation of a supply and supply chain management system solution to execute tactical infrastructure projects.	06/06/2008	313.3*
Arizona Deployment Task Order: Boeing's deployment of the SBI ^{net} system along approximately 53 miles of the southwest border in the Tucson sector.	06/25/2008	70.5
Integrated Logistics Support: Provides SBI ^{net} with the required maintenance and logistics support to operate the system	08/16/2008	9.3
Total		\$933.3

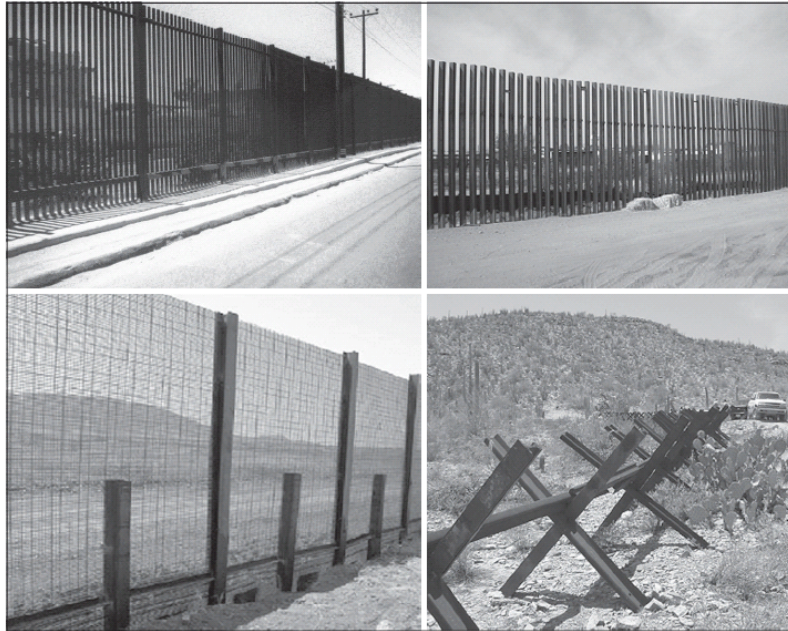
Source: GAO Analysis of CBP data.

*In January 2008, CBP issued a letter task order for the Supply and Supply Chain Management in the estimated amount of \$733.3 million. On June 6, 2008, CBP finalized the task order in the amount of \$313.3 million.

In addition to deploying technology across the southwest border, the SBI program office plans to deploy 370 miles of single-layer pedestrian fencing and 300 miles of vehicle fencing by December 31, 2008. Pedestrian fencing is designed to prevent people on foot from crossing the border and vehicle fencing consists of physical barriers meant to stop the entry of vehicles. Figure 2 shows examples of SBI fencing styles along the southwest border. The SBI program office, through the tactical infrastructure program, is using USACE to contract for fencing and supporting infrastructure (such as lights and roads), complete required environmental assessments, and acquire necessary real estate.¹⁵ In June 2008, CBP awarded Boeing a supply and supply chain management task order for the purchase of construction items, such as steel.

¹⁵The SBI program office contracted with Boeing Company to construct 32 miles of fencing in the BMGR. Deployment of this fencing has been completed, and the SBI program office plans to use USACE to contract for most remaining pedestrian fencing and vehicle barriers to be deployed through December 2008.

Figure 2: Examples of SBI Fencing Styles along the Southwest Border



Source: CBP

The Picket Fence (upper left), Bollard Fence (upper right) and Post & Rail with wire mesh (lower left) are examples of pedestrian fencing; the Normandy Vehicle Fence (lower right) is an example of vehicle fencing.

Since fiscal year 2006, Congress has appropriated more than \$2.7 billion for SBI. Table 2 shows SBI obligations from fiscal years 2006 through 2008 for SBInet technology, tactical infrastructure, and program management. DHS has requested an additional \$775 million for SBI for fiscal year 2009.

Table 2: SBI Funding Fiscal Years 2006 to 2008, as of March 2008 (Dollars in billions)

Allocation of funds	Total funds	Percent of total funds
SBInet Technology	\$0.74	27
Tactical Infrastructure	1.84	67
Program Management*	0.15	6
Total	\$2.73	100

Source: GAO Analysis of CBP data.

*Includes personnel operations and support, and regulatory and environmental requirements.

SBINET DEPLOYMENT DELAYS ARE ONGOING AND BORDER PATROL AGENTS CONTINUE TO USE EXISTING TECHNOLOGY TO SECURE BORDERS

SBInet technology deployments continue to experience delays and, as a result, Border Patrol agents have to rely upon existing limited technological capabilities to help achieve effective control of the border. We reported in October 2007, that SBI

program office officials expected to complete all of the first planned deployment of technology projects in the Tucson, Yuma, and El Paso sectors by the end of 2008.¹⁶ In February 2008, we reported that the first planned deployment of technology would occur in two geographic areas within the Tucson sector—known as Tucson-1 and Ajo-1—by the end of calendar year 2008, with the remainder of deployments to the Tucson, Yuma, and El Paso sectors scheduled to be completed by the end of calendar year 2011.¹⁷ In July 2008, SBI program office officials reported that SBInet technology deployments to Tucson-1 and Ajo-1 would be completed sometime in 2009. These officials further noted that SBInet technology deployments in the Tucson, Yuma, and El Paso sectors had also been delayed.

SBInet program uncertainties contribute to ongoing delays of SBInet technology deployments. These include:

- SBInet technology will be deployed to fewer sites than originally planned by the end of 2008; is expected to have fewer capabilities than originally planned at that time; and as discussed above, the SBInet program office does not have specific deployment dates;
- SBInet planning documents and mechanisms, such as the integrated master schedule, have not received executive approval and are constantly changing.¹⁸ For example, the current (unapproved) schedule is out of date and under revision; and,
- The SBInet program office has not effectively defined and managed program expectations, including specific project requirements.¹⁹

The need to obtain environmental permits is also contributing to the initial Tucson deployment delays. According to DOI officials, DHS officials initially stated that the DHS authority to waive all legal requirements as necessary to ensure expeditious construction covered both SBInet technology and tactical infrastructure projects.²⁰ However, DHS officials later determined that the Secretary's April 1, 2008, waiver did not extend to the Tucson-1 and Ajo-1 SBInet projects. Without waiver coverage for these projects, DHS must conform to the National Environmental Policy Act,²¹ which requires Federal agencies to evaluate the likely environmental effects of projects they are proposing using an environmental assessment or, if the projects likely would significantly affect the environment, a more detailed environmental impact statement. According to DOI officials, SBI program office officials had planned to submit the permit application for the Tucson-1 project area in February 2008, requesting access and permission to build on environmentally sensitive lands. SBI officials said that they had been working with DOI local land managers; however, due to confusion over the DHS waiver authority, the complete application for the tower construction sites was submitted on July 10, 2008, while the SBI program office had planned to begin construction for Tucson-1 on July 15, 2008. According to DOI officials, the approval process normally takes 2 to 3 months, but they have expedited the DHS permit and plan to resolve the application in mid-September 2008.

Given the delays with SBInet technology deployment, Border Patrol agents continue to rely upon existing technologies. The cameras and sensors in use predate SBInet technology and do not have the capabilities that SBInet technology is to provide.²² In addition, some of the equipment currently in use may be outdated. For example, in the Border Patrol's El Paso sector, aging cameras and sensors do not work in inclement weather and do not always function at night. In the Tucson sector, Border Patrol agents are using capabilities provided by Project 28, the SBInet prototype that was accepted by the Government in February 2008. We previously reported that Project 28 encountered performance shortfalls and delays.²³ Despite these performance shortfalls, agents in the Tucson Sector continue to use Project 28

¹⁶ GAO-08-131T.

¹⁷ GAO-08-508T.

¹⁸ The integrated master schedule is a planning tool intended to integrate the disparate project schedules that officials use to manage SBInet program activities.

¹⁹ These issues are discussed in greater detail in GAO-08-1148T.

²⁰ The REAL ID Act of 2005 allowed the Secretary of Homeland Security to waive all legal requirements he determines necessary to ensure expeditious construction of physical barriers and roads along the U.S. border to deter illegal crossings in areas of high illegal entry. Pub. L. No. 109-19, § 102, 119 Stat. 302, 306.

²¹ 42 U.S.C. §§ 4321-4347.

²² SBInet is to provide a system with the detection, identification, and classification capabilities required to maintain operational control of the border. To do so, Boeing is to provide, among other items, mobile towers equipped with radar, cameras, a COP that communicates comprehensive situational awareness, and secure-mounted laptop computers retrofitted in vehicles to provide agents in the field with COP information.

²³ GAO-08-508T.

technology capabilities while waiting for the SBInet technology deployment. During our visit to the Tucson Sector in June 2008, Border Patrol agents told us that the system had improved their operational capabilities, but that they must work around on-going problems, such as finding good signal strength for the wireless network, remotely controlling cameras, and modifying radar sensitivity. Moreover, during our visit we observed the agents' difficulties in logging on to the wireless network and maintaining the connection from the vehicle-mounted mobile data terminal.²⁴ Project 28 is the only available technology in the Tucson-1 project area of the Tucson sector, compared to the Ajo-1 project area, which does not have any technology. Further delays of SBInet technology deployments may hinder the Border Patrol's efforts to secure the border.

TACTICAL INFRASTRUCTURE DEPLOYMENT CONTINUES, BUT COSTS ARE INCREASING, THE LIFE-CYCLE COST IS NOT YET KNOWN, AND LAND ACQUISITION ISSUES POSE A CHALLENGE TO COMPLETION OF THE TIMELINE

The deployment of tactical infrastructure projects along the southwest border is on-going, but costs are increasing, the life-cycle cost is not yet known, and land acquisition issues pose challenges to DHS in meeting the goal it set, as required by law, to complete 670 miles of fencing—370 miles of pedestrian fence and 300 miles of vehicle fence, by December 31, 2008.²⁵ We previously reported that as of February 21, 2008, the SBI program office had constructed 168 miles of pedestrian fence and 135 miles of vehicle fence.²⁶ See figure 3 for photographs of SBI tactical infrastructure projects in Arizona and New Mexico. Approximately 6 months later, the SBI program office reports that 19 additional miles of pedestrian fence and 19 additional miles of vehicle fence have been constructed as of August 22, 2008 (see table 3).

²⁴ A mobile data terminal is a laptop computer mounted in select agent vehicles in the field. Mobile data terminals enable field agents to see information similar to that seen by command center operators.

²⁵ The Consolidated Appropriations Act of 2008, requires DHS to complete construction by December 31, 2008, of 370 miles (or other mileage determined by the Secretary) of reinforced fencing along the southwest border wherever the Secretary determines it would be most practical and effective in deterring smugglers and aliens attempting illegal entry.

²⁶ GAO-08-508T.

Figure 3: Examples of SBI Fence Construction



Source: GAO.

Construction of Post & Rail with wire mesh fence in Lukeville, Arizona, as of June 10, 2008 (left) and Santa Teresa, New Mexico, as of August 26, 2008 (right).



Source: GAO.

Completed Post & Rail with 4-gauge wire mesh (15 feet high) near Santa Teresa, Mexico.

Table 3: Tactical Infrastructure Deployment Progress as of August 22, 2008

Infrastructure Type	Miles in place before SBI	Miles deployed through SBI as of 08/22/08	Total miles in place as of 08/22/08	Target for 12/31/08	Miles remaining to meet target
Pedestrian fencing	78	109	187	370	183
Vehicle fencing	57	97	154	300	146
Total	135	206	341	670	329

Source: GAO analysis of SBI data.

Although SBI program office and USACE officials stated that they plan to meet the December deadline, factors such as a short supply of labor and materials, and

the compressed timeline affect costs. SBI program office officials said that beginning in July 2008, as they were in the process of finalizing construction contracts, cost estimates for pedestrian fencing in Texas began to increase. According to USACE officials, as of August 28, 2008, fencing costs²⁷ average \$7.5 million per mile for pedestrian fencing and \$2.8 million per mile for vehicle fencing, up from estimates in February 2008²⁸ of \$4 million and \$2 million per mile, respectively. SBI program office officials attributed the cost increases to a short supply of both labor and materials as well as the compressed timeline. For example, they said that as a result of a construction boom in Texas, labor is in short supply and contractors report that they must provide premium pay and overtime to attract workers. In terms of materials, USACE officials stated the price of cement and steel have increased and in some areas within Texas obtaining cement near the construction site is difficult. For example, contractors are now procuring cement from Colorado, and aggregate, a cement mixing agent, from Houston, Texas. The SBI program office officials also said that increasing fuel costs for transporting steel and cement were contributing factors. Officials said they are working to mitigate the cost increases where possible, for example, through their bulk purchase of steel and their negotiations in one county where premium labor rates were higher than usual. The SBI program office officials said that the compressed construction timeline also contributes to the cost increase, particularly in terms of labor costs.

The SBI program office does not yet have an estimated life-cycle cost for fencing because maintenance costs are unknown and the SBI program office has not identified locations for fencing construction projects beyond December 2008. The fiscal year 2008 Consolidated Appropriations Act required DHS to submit to the House and Senate Appropriations Committees an expenditure plan for the SBI program that included, among other things, a life-cycle cost estimate. However, the plan did not include the estimate. In a June 2008 response to an inquiry from the Chairman of the House Appropriations Subcommittee on Homeland Security regarding several deficiencies in the plan, the Secretary of Homeland Security stated that because Border Patrol agents have traditionally repaired damaged fencing themselves, DHS does not have historical cost data on fence repair by contractors on which to estimate life-cycle fence costs. However, according to the letter, DHS is currently collecting information on maintenance costs and by early calendar year 2009 plans to have a life-cycle cost estimate. In the near term, the Department requested \$75 million for operations and maintenance of tactical infrastructure in fiscal year 2009, according to the letter. In addition, Border Patrol officials have identified additional segments of the southwest border for construction of pedestrian and vehicle fencing beyond December 2008 and SBI program office and Border Patrol stated that they are developing fencing project priorities for 2009. However, they have not yet established a timeline for construction, and sources of funding have not been determined.

Land acquisition issues such as identifying landowners and negotiating land purchases present a challenge to completing fence construction by December 31, 2008. According to SBI program office officials, in order to adhere to this timeline, all fencing construction projects must be underway by September 30, 2008. However, according to SBI program office officials, as of August 26, 2008, an estimated 320 properties remain to be acquired from landowners. USACE officials noted that completion of fencing construction projects usually take 90 to 120 days and the December 31, 2008 deadline, is in jeopardy if on-going litigation related to land acquisition is not resolved by September 30, 2008 (see table 4).²⁹

²⁷ According to USACE officials, the cost includes program management, environmental assessments, design, real estate, construction management, and construction costs.

²⁸ GAO-08-508T.

²⁹ USACE officials stated they have the primary responsibility for negotiating land acquisition agreements for fence construction with private landowners. In cases where the property owner does not agree to right of entry or an offer to sell, the Department of Justice files a lawsuit against the landowner on behalf of the United States of America at the request of the Secretary of Homeland Security for the condemnation and taking of the property.

Table 4: Land Acquisition Status for Pedestrian and Vehicle Fencing as of August 26, 2008

Landowner Status	Number of Properties
Landowner has offered to sell	184
Landowner has refused to sell	122
Landowner is unknown	8
Landowner negotiations are ongoing	6
Total property acquisitions remaining*	320

Source: GAO analysis of USACE data.

*Agency officials stated that 56 land acquisitions were resolved in addition to the 320 property acquisitions remaining.

Of the 122 landowners who have refused to sell, 97 are within the Rio Grande Valley sector. As of August 28, 2008, of these 97 landowners, 20 are defendants in lawsuits filed by the Department of Justice at the request of the Secretary of Homeland Security for the condemnation and taking of their property. According to USACE officials, the 20 lawsuits were filed in July 2008 and are awaiting an order of possession ruling expected sometime in September 2008. Subsequent lawsuits were filed against the remaining 77 landowners, but court dates have not been set.³⁰

THE SBI PROGRAM MANAGEMENT OFFICE IS REEVALUATING ITS STAFFING GOAL AND HAS CONTINUED TO TAKE STEPS TO IMPLEMENT ITS HUMAN CAPITAL PLAN

As of September 2008, the SBI program office was reevaluating its staffing goal, and the SBI program office continued to take steps to implement the December 2007 Human Capital Plan. In February 2008, we reported that the SBI program office had established a staffing goal of 470 employees for fiscal year 2008.³¹ As of August 1, 2008, the SBI program office reported having 129 Government staff and 164 contractor support staff for a total of 293 employees (see table 5). SBI program office officials stated that a reorganization of the SBI program office and project delays have resulted in a need for fewer staff during fiscal year 2008. The officials further noted they plan to continue to evaluate the expected staffing needs through the end of fiscal year 2009.

Table 5: SBI Employees, as of August 1, 2008

	Government	Contractors	Total
SBI <i>net</i>	48	102	150
Tactical infrastructure	14	27	41
Other ^a	67	35	102
Total	129	164	293

Source: SBI program office.

^aOther includes employees in the Office of the Executive Director, the Office of Budget and Finance, the SBI Acquisition Office, the Transportation program office, and the Program Control Division.

The SBI program office published the first version of its *Strategic Human Capital Management Plan* in December 2007, and as of September 2008, continued to implement the plan. The SBI program office's plan outlines seven main goals for the office and includes planned activities to accomplish those goals, which align with Federal Government best practices.³² As of September, 2008, the SBI program office had

³⁰ As of August 28, 2008, USACE officials reported that they continue to negotiate with these land-owners and some of these lawsuits may be settled out of court.

³¹ GAO-08-508T.

³² These best practices are contained in the Government-wide Human Capital Assessment and Accountability Framework which was developed by Office of Management and Budget, the Office of Personnel Management, and GAO.

taken several steps to implement the plan. For example, the SBI program office held a meeting on September 2, 2008, to develop SBI's mission, visionary goals and objectives, and core values, and the office has recruitment efforts under way to fill open positions. However, in other areas, the SBI program office is in the process of drafting or has drafted documents, such as the SBI Value Statement, the SBI Awards and Recognition Plan, and the Succession Management Plan, which have yet to be approved and acted upon. Table 6 summarizes the seven human capital goals, the SBI program office's planned activities, and steps taken to accomplish these activities. We have previously reported that a properly designed and implemented human capital program can contribute to achieving an agency's mission and strategic goals.³³ Until the SBI program office fully implements its plan, it will lack a baseline and metrics by which to judge the human capital aspects of the program.

Table 6: Human Capital Goals, Planned Activities, and Steps Taken

SBI human capital goals	Planned activities	Steps taken as of February 2008	Steps taken as of September 2008, as reported by the SBI program management office
(1) Develop a coherent framework of human capital policies, programs, and practices to achieve a shared vision integrated with SBI's strategic plan	Complete the SBI human capital plan	<ul style="list-style-type: none"> Completed the first draft of the human capital plan Prepared the fiscal year 2008 staffing plan 	<ul style="list-style-type: none"> Human capital plan completed and to be updated on recurring basis Staffing plan drafted and pending approval
(2) Prepare leaders to lead and manage the workforce (3) Create and instill within the organization a value-driven organization	<p>(1) Identify key leaders' skills and competencies, develop and deliver a leadership/management workshop focused on equipping SBI leaders with these skills</p> <p>(2) Identify key organization values and create an SBI Value Statement</p>	<ul style="list-style-type: none"> Planning SBI leadership off-site meeting in early April, which will include discussions of leadership needs Planning to conduct 360° assessments for SBI leadership in late spring/early summer 	<ul style="list-style-type: none"> Leadership meeting held September 2, 2008 to develop SBI mission, visionary goals and objectives, and core values The 360° assessments for SBI leadership deferred to fiscal year 2009 Project manager, contracting officer's technical representative, and contracting officer certification and training available SBI Value Statement is drafted; final approval is anticipated within 30 days
(4) Develop and implement a succession management plan	Develop a succession strategy for mission-critical positions	<ul style="list-style-type: none"> Not yet started 	<ul style="list-style-type: none"> Succession Management Plan in progress; Currently identifying Mission Critical Positions
(5) Define the performance culture (reward excellence)	Based on the CBP Awards and Recognition Program, create an SBI policy and practice on rewards and recognition	<ul style="list-style-type: none"> Designed but not yet implemented a program to recognize high performers Drafted a recognition program 	<ul style="list-style-type: none"> SBI Awards and Recognition Plan drafted; approval anticipated within 30 to 60 days Awards recognition ceremonies conducted monthly
(6) Hire, recruit, develop, and retain employees with the skills for mission accomplishment	Fill vacancies with qualified professionals and create a Supervisors' Onboarding Guide and retention interview process	<ul style="list-style-type: none"> Developed an orientation course for new employees Drafted, but not yet finalized, the Supervisors' Onboarding Guide Recruitment efforts under way to fill open SBI positions in all programs 	<ul style="list-style-type: none"> SBI orientation approved and operational Approval of the Supervisors Onboarding Guide anticipated within 30 to 60 days Recruitment efforts underway to fill open SBI positions SBI section of CBP's National Training Plan submitted
(7) Establish leadership accountability for human capital management	Clarify key leadership responsibilities and metrics of success	<ul style="list-style-type: none"> Not yet started 	<ul style="list-style-type: none"> Have started to link individual performance goals to DHS's strategic priorities

Source: GAO analysis of CBP data.

CONCLUDING OBSERVATIONS

The SBI program continues to face challenges that include delays in project implementation and cost increases. The delays and cost uncertainties could affect DHS's ability to meet projected completion dates, expected costs, and performance goals. Border Patrol agents continue to rely upon existing limited technological capabilities as SBInet technology deployments delays persist, and this may hinder the Border Patrol's efforts to secure the border. In the tactical infrastructure area, meeting the Secretary's goal to build 670 miles of fencing by December 31, 2008, a goal that DHS was required by law to set for itself, continues to be challenging. Since our last report to you 6 months ago, 38 miles of fence have been built and 329 are to be constructed during the next 4 months—provided that land acquisition issues can be resolved. Furthermore, tactical infrastructure costs are increasing and the SBI program office has not yet determined a life-cycle cost for fencing because mainte-

³³ See GAO, *Human Capital: Key Principles for Effective Strategic Workforce Planning*, GAO-04-39 (Washington, DC: Dec. 11, 2003).

nance costs are unknown and the SBI program office has not identified the locations for fencing construction projects beyond December 31, 2008; therefore, the total cost for building and maintaining fences along the southwest border is not yet known. These issues underscore Congress's need to stay closely attuned to DHS's progress to ensure that schedule and cost estimates stabilize, and the program efficiently and effectively addresses the Nation's border security needs.

This concludes my prepared testimony. I would be pleased to respond to any questions that Members of the committee may have.

Chairman THOMPSON. We will now hear from Mr. Hite for 5 minutes.

STATEMENT OF RANDOLPH C. HITE, DIRECTOR, INFORMATION TECHNOLOGY ARCHITECTURE AND SYSTEM ISSUES

Mr. HITE. Thank you.

My testimony today will focus on SBInet and is based on a draft report that we are on target to issue to this committee on September 22. Like the report, the testimony addresses three questions that are fundamental to SBInet's success. They are, No. 1, has DHS adequately defined what capabilities are to be delivered, by when, and how they are to be delivered? No. 2, has DHS effectively defined and managed the requirements that should drive the delivered capabilities? No. 3, has DHS effectively tested these capabilities to ensure that requirements are met and that the system performs as intended?

Mr. Chairman, the short answers to these questions are "no," "no," and "no." That is the bad news.

The good news is that just last night we received DHS's comments on our draft report, and it agrees with seven out of the eight recommendations that are aimed at turning these "noes" into "yesses." I will now briefly expand on each of the "no" answers.

First, SBInet scope and schedule, as well as its life-cycle management approaches, for far too long have been in a state of flux to the point that it is still unclear and uncertain what technology capabilities will be delivered when and where and how they will be delivered. More specifically, the scope of what is to be delivered has continued to shrink without becoming any clearer.

For example, the scope went from having an undefined initial set of capabilities along the entire Southwest and Northern borders late in 2009 to having a to-be-determined set of capabilities at only two locations in one of nine sectors along the Southwest border sometime in 2009.

Similarly, the timing and the sequencing of the work has continued to shift for delivering SBInet, and not in the right direction, with slippages in key activities and events being the norm rather than the exception. At the same time, the life-cycle approach governing how things are to get accomplished has remained largely undefined or has continued to change. In my view, such constant change is not a recipe for success.

Second, SBInet requirements have not been effectively defined and managed. While the program office has taken credible steps to include users in defining high-level requirements, it does not ensure that some of the lower-level requirements, such as those that govern the common operating picture, or COP, are fully defined and approved. Moreover, DHS's own assessment of the high-level operational requirements, which is in fact what should drive the

lower-level requirements, ensure that some were unverifiable and unaffordable.

Also, alignment among these different levels of requirements is largely missing. For example, our analysis shows an estimated three-quarters of the requirements for the observing systems were not traceable to the higher-level system and operational requirements. It showed that the program office's oversight of the contractor's efforts to ensure alignment were not adequate. Without well-defined and -managed requirements, the chances of delivering a system solution that performs as intended are not good.

Third, SBInet testing has not been effectively managed. For example, system integration started before there was a test plan that described the full set of tests to be performed. It began even though the individual component systems that are being integrated had not been individually tested to ensure that each, in fact, met requirements.

Further, the overall SBInet test management approach has not been adequately defined as it is missing key information such as an accurate and up-to-date test schedule and clearly defined roles and responsibilities for all the entities that are involved in testing.

All told, this means that the program has not been defined and managed that reasonably ensures that promised system capabilities and benefits will be delivered on time and on budget, or in a way that provides a meaningful basis for measuring progress, conducting oversight, and holding DHS accountable for results.

Having said this, however, I am nevertheless cautiously optimistic going forward because very recent decisions and direction from the Deputy Secretary suggest that this may be changing; and in this case, I would have to say that more change would be welcome change.

In closing, let me commend this committee for its oversight of SBInet. I would be happy to answer questions that you have.

Chairman THOMPSON. Thank you very much.

[The statement of Mr. Hite follows:]

PREPARED STATEMENT OF RANDOLPH C. HITE

SEPTEMBER 10, 2008

SECURE BORDER INITIATIVE: DHS NEEDS TO ADDRESS SIGNIFICANT RISKS IN DELIVERING KEY TECHNOLOGY INVESTMENT

GAO HIGHLIGHTS

Highlights of GAO-08-1148T, a testimony before the Committee on Homeland Security, House of Representatives.

Why GAO Did This Study

The Department of Homeland Security's (DHS) Secure Border Initiative (SBI) is a multi-year, multi-billion-dollar program to secure the Nation's borders through, among other things, new technology, increased staffing, and new fencing and barriers. The technology component of SBI, which is known as SBInet, involves the acquisition, development, integration, and deployment of surveillance systems and command, control, communications, and intelligence technologies.

GAO was asked to testify on its draft report, which assesses DHS's efforts to: (1) Define the scope, timing, and life-cycle management approach for planned SBInet capabilities; and, (2) manage SBInet requirements and testing activities. In preparing the draft report, GAO reviewed key program documentation, including guidance, plans, and requirements and testing documentation; interviewed program offi-

cial; analyzed a random probability sample of system requirements; and observed operations of the initial SBInet project.

What GAO Found

Important aspects of SBInet remain ambiguous and in a continued state of flux, making it unclear and uncertain what technology capabilities will be delivered and when, where, and how they will be delivered. For example, the scope and timing of planned SBInet deployments and capabilities have continued to be delayed without becoming more specific. Further, the program office does not have an approved integrated master schedule to guide the execution of the program, and the nature and timing of planned activities has continued to change. This schedule-related risk is exacerbated by the continuous change in, and the absence of a clear definition of, the approach that is being used to define, develop, acquire, test, and deploy SBInet.

SBInet requirements have not been effectively defined and managed. While the program office recently issued guidance that is consistent with recognized leading practices, this guidance was not finalized until February 2008, and thus was not used in performing a number of important requirements-related activities. In the absence of this guidance, the program's efforts have been mixed. For example, while the program has taken steps to include users in developing high-level requirements, several requirements' definition and management limitations exist. These include a lack of proper alignment (i.e., traceability) among the different levels of requirements, as evidenced by GAO's analysis of a random probability sample of requirements, which revealed large percentages that were not traceable backward to higher level requirements, or forward to more detailed system design specifications and verification methods.

SBInet testing has also not been effectively managed. While a test management strategy was drafted in May 2008, it has not been finalized and approved, and it does not contain, among other things, a high-level master schedule of SBInet test activities, metrics for measuring testing progress, and a clear definition of testing roles and responsibilities. Further, the program office has not tested the individual system components to be deployed to the initial deployment locations, even though the contractor initiated testing of these components with other system components and subsystems in June 2008.

In light of these circumstances, our soon-to-be-issued report contains eight recommendations to the Department aimed at reassessing its approach to and plans for the program, including its associated exposure to cost, schedule and performance risks, and disclosing these risks and alternative courses of action to DHS and congressional decisionmakers. The recommendations also provide for correcting the weaknesses surrounding the program's unclear and constantly changing commitments and its life-cycle management approach and processes, as well as implementing key requirements development and management and testing practices.

Mr. Chairman and Members of the committee, I appreciate the opportunity to participate in today's hearing on the Department of Homeland Security's (DHS) Secure Border Initiative (SBI). SBI is a multi-year, multi-billion-dollar program to secure the Nation's borders through enhanced use of surveillance technologies, increased staffing levels, improved infrastructure, and increased domestic enforcement of immigration laws. One component of SBI, known as SBInet, is focused on the acquisition and deployment of surveillance and command, control, communications, and intelligence technologies. This technology component is managed by the SBInet System Program Office within U.S. Customs and Border Protection (CBP).

My statement summarizes our draft report on the Department's efforts to define the scope, timing, and life-cycle management approach for planned SBInet capabilities, as well as its efforts to manage SBInet requirements and testing activities. This report is based on a review of key program-related guidance, plans, and requirements and testing documentation, as well as our analysis of a random probability sample of system requirements, and our observations of operations of the initial SBInet project. In comments on a draft of this report, DHS stated that the report was factually sound, and it agreed with seven of eight recommendations and partially disagreed with the remaining recommendation. The Department also stated that it is working to address our recommendations and resolve the management and operational challenges that the report identifies as expeditiously as possible. We plan to issue our final report on September 22, 2008. Both the report and this statement are based on work that we performed in accordance with generally accepted Government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evi-

dence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

SUMMARY

Important aspects of SBInet remain ambiguous and in a continued state of flux, making it unclear and uncertain what technology capabilities will be delivered and when, where, and how they will be delivered. For example, the scope and timing of planned SBInet deployments and capabilities have continued to change since the program began and remain unclear. Further, the program office does not have an approved integrated master schedule to guide the execution of the program and the nature and timing of planned activities have continued to change. This schedule-related risk is exacerbated by the continuous change in, and the absence of a clear definition of, the life-cycle management approach that is being used to define, develop, acquire, test, and deploy SBInet.

Further, SBInet requirements have not been effectively defined and managed. While the program office recently issued guidance that does a good job of defining key practices for effectively developing and managing requirements, the guidance was developed after several important activities had been completed. In the absence of this guidance, the program has not effectively performed key requirements definition and management practices, such as ensuring that different levels of requirements are properly aligned.

Finally, SBInet testing has not been effectively managed. While a test management strategy was drafted in May 2008, it has not been finalized and approved, and it does not contain, among other things, a high-level master schedule of SBInet test activities and a clear definition of testing roles and responsibilities. Further, the program office has not tested the individual system components to be deployed to the initial deployment locations, even though the contractor initiated testing of these components with other system components and subsystems in June 2008.

Collectively, the above limitations in the scope and timing of SBInet's to-be-deployed capabilities, and the ambiguity surrounding the schedule and approach for accomplishing these deployments, as well as the weaknesses in requirements development and management and in test management, introduce considerable risks to the program. As such, it is imperative that the Department immediately re-evaluate its plans and approach in relation to the status of the system and related development, acquisition, and testing activities. Our soon to be issued report contains recommendations to accomplish these things. Until DHS implements them, the chances that the system will require expensive and time-consuming rework, and that it will not meet user needs and perform as intended, will increase.

Today we are also providing a statement for this committee that provides observations on SBInet tactical infrastructure (e.g., fencing) and the status of human capital and staffing efforts.¹

BACKGROUND

CBP's SBI program is to leverage technology, tactical infrastructure,² and people to allow CBP agents to gain control of the Nation's borders. Within SBI, SBInet is the program for acquiring, developing, integrating, and deploying an appropriate mix of surveillance technologies and command, control, communications, and intelligence (C3I) technologies.

The surveillance technologies are to include a variety of sensor systems aimed at improving CBP's ability to detect, identify, classify, and track items of interest along the borders. Unattended ground sensors are to be used to detect heat and vibrations associated with foot traffic and metal associated with vehicles. Radars mounted on fixed and mobile towers are to detect movement, and cameras on fixed and mobile towers are to be used to identify, classify, and track items of interest detected by the ground sensors and the radars. Aerial assets are also to be used to provide video and infrared imaging to enhance tracking of targets.

The C3I technologies are to include software and hardware to produce a Common Operating Picture (COP)—a uniform presentation of activities within specific areas along the border. The sensors, radars, and cameras are to gather information along the border, and the system is to transmit this information to the COP terminals located in command centers and agent vehicles, assembling this information to provide CBP agents with border situational awareness.

¹GAO, *Secure Border Initiative: Observations on Deployment Challenges*, GAO-08-1141T, (Washington, DC: Sept. 2008).

²Tactical infrastructure includes roads, vehicle barriers, pedestrian fences, etc.

SBINET LIFE CYCLE MANAGEMENT APPROACH

A system life-cycle management approach typically consists of a series of phases, milestone reviews, and related processes to guide the acquisition, development, deployment, and operation and maintenance of a system. The phases, reviews, and processes cover such important life-cycle activities as requirements development and management, design, software development, and testing.

In general, SBInet surveillance systems are to be acquired through the purchase of commercially available products, while the COP systems involve development of new, customized systems and software. Together, both categories are to form a deployable increment of SBInet capabilities, which the program office refers to as a “block.” Each block is to include a release or version of the COP. The border area that receives a given block is referred to as a “project.”

Among the key processes provided for in the SBInet system life-cycle management approach are processes for developing and managing requirements and for managing testing activities. SBInet requirements are to consist of a hierarchy of six types of requirements, with the high-level operational requirements at the top. These high-level requirements are to be decomposed into lower-level, more detailed system, component, design, software, and project requirements. SBInet testing consists of a sequence of tests that are intended first to verify that individual system parts meet specified requirements, and then verify that these combined parts perform as intended as an integrated and operational system. Having a decomposed hierarchy of requirements and an incremental approach to testing are both characteristics of complex information technology (IT) projects.

LIMITED DEFINITION OF SBINET DEPLOYMENTS, CAPABILITIES, SCHEDULE, AND LIFE-CYCLE MANAGEMENT PROCESS INCREASES PROGRAM’S EXPOSURE TO RISK

Important aspects of SBInet—the scope, schedule, and development and deployment approach—remain ambiguous and in a continued state of flux, making it unclear and uncertain what technology capabilities will be delivered and when, where, and how they will be delivered. For example, the scope and timing of planned SBInet deployments and capabilities have continued to change since the program began, and remain unclear. Further, the approach that is being used to define, develop, acquire, test, and deploy SBInet is similarly unclear and has continued to change. The absence of clarity and stability in these key aspects of SBInet introduces considerable program risks, hampers DHS’s ability to measure program progress, and impairs the ability of Congress to oversee the program and hold DHS accountable for program results.

Scope and Timing of Planned Deployments and Capabilities Are Not Clear and Stable

The scope and timing of planned SBInet deployments and capabilities have not been clearly established, but rather have continued to change since the program began. Specifically, as of December 2006, the SBInet System Program Office planned to deploy an “initial” set of capabilities along the entire southwest border by late 2008 and a “full” set of operational capabilities along the southern and northern borders (a total of about 6,000 miles) by late 2009.

Since then, however, the program office has modified its plans multiple times. As of March 2008, it planned to deploy SBInet capabilities to just three out of nine sectors along the southwest border—Tucson Sector by 2009, Yuma Sector by 2010, and El Paso Sector by 2011. According to program officials, no deployment dates had been established for the remainder of the southwest or northern borders.

At the same time, the SBInet System Program Office committed to deploying Block 1 technologies to two locations within the Tucson Sector by the end of 2008, known as Tucson-1 and Ajo-1. However, as of late July 2008, program officials reported that the deployment schedule for these two sites has been modified, and they will not be operational until “sometime” in 2009. The slippages in the dates for the first two Tucson deployments, according to a program official, will, in turn, delay subsequent Tucson deployments, although revised dates for these subsequent deployments have not been set.

In addition, the current Block 1 design does not provide key capabilities that are in requirements documents and were anticipated to be part of the Block 1 deployments to Tucson-1 and Ajo-1. For example, the first deployments of Block 1 will not be capable of providing COP information to the agent vehicles. Without clearly establishing program commitments, such as capabilities to be deployed and when and where they are to be deployed, program progress cannot be measured and responsible parties cannot be held accountable.

Program Schedule Is Unsettled

Another key aspect of successfully managing large programs like SBInet is having a schedule that defines the sequence and timing of key activities and events and is realistic, achievable, and minimizes program risks. However, the timing and sequencing of the work, activities, and events that need to occur to meet existing program commitments are also unclear. Specifically, the program office does not yet have an approved integrated master schedule to guide the execution of SBInet. Moreover, our assimilation of available information from multiple program sources indicates that the schedule has continued to change. Program officials attributed these schedule changes to the lack of a satisfactory system-level design, turnover in the contractor's workforce, including three different program managers and three different lead system engineers, and attrition in the SBInet Program Office, including turnover in the SBInet Program Manager position. Without stability and certainty in the program's schedule, program cost and schedule risks increase, and meaningful measurement and oversight of program status and progress cannot occur, in turn limiting accountability for results.

SBInet Life Cycle Management Approach Has Not Been Clearly Defined and Has Continued to Change

System quality and performance are in large part governed by the approach and processes followed in developing and acquiring the system. The approach and processes should be fully documented so that they can be understood and properly implemented by those responsible for doing so, thus increasing the chances of delivering promised system capabilities and benefits on time and within budget.

The life-cycle management approach and processes being used by the SBInet System Program Office to manage the definition, design, development, testing, and deployment of system capabilities has not been fully and clearly documented. Rather, what is defined in various program documents is limited and not fully consistent across these documents. For example, officials have stated that they are using the draft Systems Engineering Plan, dated February 2008, to guide the design, development, and deployment of system capabilities, and the draft Test and Evaluation Master Plan, dated May 2008, to guide the testing process, but both of these documents appear to lack sufficient information to clearly guide system activities. For example, the Systems Engineering Plan includes a diagram of the engineering process, but the steps of the process and the gate reviews are not defined or described in the text of the document. Further, statements by program officials responsible for system development and testing activities, as well as briefing materials and diagrams that these officials provided, did not add sufficient clarity to describe a well-defined life-cycle management approach.

Program officials told us that both the Government and contractor staff understand the SBInet life-cycle management approach and related engineering processes through the combination of the draft Systems Engineering Plan and Government-contractor interactions during design meetings. Nevertheless, they acknowledged that the approach and processes are not well-documented, citing a lack of sufficient staff to both document the processes and oversee the system's design, development, testing, and deployment. They also told us that they are adding new people to the program office with different acquisition backgrounds, and they are still learning about, evolving, and improving the approach and processes. The lack of definition and stability in the approach and related processes being used to define, design, develop, acquire, test, and deploy SBInet introduces considerable risk that both the program officials and contractor staff will not understand what needs to be done when, and that the system will not meet operational needs and perform as intended.

LIMITATIONS OF SBINET REQUIREMENTS DEVELOPMENT AND MANAGEMENT EFFORTS
INCREASE PROGRAM RISK

DHS has not effectively defined and managed SBInet requirements. While the program office recently issued guidance that is consistent with recognized leading practices,³ this guidance was not finalized until February 2008, and thus was not used in performing a number of key requirements-related activities. In the absence of well-defined guidance, the program's efforts to effectively define and manage requirements have been mixed. For example, the program has taken credible steps to

³The Capability Maturity Model Integration for Development® developed by the Software Institute of Carnegie Mellon University, defines key practices that are recognized hallmarks for successful organizations that, if effectively implemented, can greatly increase the chances of successfully developing and acquiring software and systems. See Carnegie Mellon Software Engineering Institute, Capability Maturity Model Integration for Development® version 1.2 (Pittsburgh, Penn., August 2006).

include users in the definition of requirements. However, several requirements' definition and management limitations exist.

Program Office Has Taken Steps to Involve Users in Developing High-Level Requirements

One of the leading practices associated with effective requirements development and management is engaging system users early and continuously. In developing the operational requirements, the System Program Office involved SBInet users in a manner consistent with leading practices. Specifically, it conducted requirements-gathering workshops from October 2006 through April 2007 to ascertain the needs of Border Patrol agents and established work groups in September 2007 to solicit input from both the Office of Air and Marine Operations and the Office of Field Operations. Further, the program office is developing the COP technology in a way that allows end users to be directly involved in software development activities, which permits solutions to be tailored to their needs.⁴ Such efforts increase the chances of developing a system that will successfully meet those needs.

Not All Levels of Requirements Have Been Adequately Baseline

The creation of a requirements baseline establishes a set of requirements that have been formally reviewed and agreed on, and thus serve as the basis for further development or delivery. According to SBInet program officials, the SBInet Requirements Development and Management Plan, and leading practices, requirements should be baselined before key system design activities begin in order to inform, guide, and constrain the system's design.

While many SBInet requirements have been baselined, two types have not yet been baselined. According to the System Program Office, the operational requirements, system requirements, and various system component requirements have been baselined. However, as of July 2008, the program office had not baselined its COP software requirements and its project-level requirements for the Tucson Sector, which includes Tucson-1 and Ajo-1. According to program officials the COP requirements have not been baselined because certain interface requirements⁵ had not yet been completely identified and defined. Despite the absence of baselined COP and project-level requirements, the program office has proceeded with development, integration, and testing activities for the Block 1 capabilities to be delivered to Tucson-1 and Ajo-1. As a result, it faces an increased risk of deploying systems that do not align well with requirements, and thus may require subsequent rework.

SBInet Requirements Have Not Been Sufficiently Aligned

Another leading practice associated with developing and managing requirements is maintaining bi-directional traceability from high-level operational requirements through detailed low-level requirements to test cases. The SBInet Requirements Development and Management Plan recognizes the importance of traceability, and the SBInet System Program Office established detailed guidance⁶ for populating and maintaining a requirements database for maintaining linkages among requirement levels and test verification methods.

To provide for requirements traceability, the prime contractor established such a requirements management database. However, the reliability of the database is questionable. We attempted to trace requirements in the version of this database that the program office received in March 2008, and were unable to trace large percentages of component requirements to either higher-level or lower-level requirements. For example, an estimated 76 percent (with a 95 percent degree of confidence of being between 64 and 86 percent) of the component requirements that we randomly sampled could not be traced to the system requirements and then to the operational requirements. In addition, an estimated 20 percent (with a 95 percent degree of confidence of being between 11 and 33 percent) of the component requirements in our sample failed to trace to a verification method. Without ensuring that requirements are fully traceable, the program office does not have a sufficient basis for knowing that the scope of the contractor's design, development, and testing efforts will produce a system solution that meets operational needs and performs as intended.

⁴This method, Rapid Application Development and Joint Application Design (RAD/JAD), uses graphical user interfaces and direct end-user involvement in a collaborative development approach.

⁵Interface requirements describe the capabilities that must be in place in order to integrate components and products together.

⁶SBInet Requirements Management Plan, January 15, 2007.

LIMITATIONS IN KEY SBINET TESTING AND TEST MANAGEMENT ACTIVITIES INCREASE PROGRAM RISK

To be effectively managed, testing should be planned and conducted in a structured and disciplined fashion. This includes having an overarching test plan or strategy and testing individual system components to ensure that they satisfy requirements prior to integrating them into the overall system. This test management plan should define the schedule of high-level test activities in sufficient detail to allow for more detailed test planning and execution to occur, define metrics to track test progress and report and address results, and define the roles and responsibilities of the various groups responsible for different levels of testing.

However, the SBInet program office is not effectively managing its testing activities. Specifically, the SBInet Test and Evaluation Master Plan, which documents the program's test strategy and is being used to manage system testing, has yet to be approved by the SBInet Acting Program Manager, even though testing activities began in June 2008. Moreover, the plan is not complete. In particular, it does not: (1) Contain an accurate and up-to-date test schedule; (2) identify any metrics for measuring testing progress; and, (3) clearly define and completely describe the roles and responsibilities of various entities that are involved in system testing.

Further, the SBInet System Program Office has not performed individual component testing as part of integration testing. As of July 2008, agency officials reported that component-level tests had not been completed and were not scheduled to occur. Instead, officials stated that Block 1 components were evaluated based on what they described as "informal tests" (i.e., contractor observations of cameras and radar suites in operation at a National Guard facility in the Tucson Sector) and stated that the contractors' self-certification that the components meet functional and performance requirements was acceptable. Program officials acknowledged that this approach did not verify whether the individual components in fact met requirements.

Without effectively managing testing activities, the chances of SBInet testing being effectively performed is reduced, which in turn increases the risk that the delivered and deployed system will not meet operational needs and not perform as intended.

In closing, I would like to stress that a fundamental aspect of successfully implementing a large IT program like SBInet is establishing program commitments, including what capabilities will be delivered and when and where they will be delivered. Only through establishing such commitments, and adequately defining the approach and processes to be used in delivering them, can DHS effectively position itself for measuring progress, ensuring accountability for results, and delivering a system solution with its promised capabilities and benefits on time and within budget constraints. For SBInet, this has not occurred to the extent that it needs to for the program to have a meaningful chance of succeeding. In particular, commitments to the timing and scope of system capabilities remain unclear and continue to change, with the program committing to far fewer capabilities than originally envisioned. Further, how the SBInet system solution is to be delivered has been equally unclear and inadequately defined. Moreover, while the program office has defined key practices for developing and managing requirements, these practices were developed after several important requirements activities were performed. In addition, efforts performed to date to test whether the system meets requirements and functions as intended have been limited.

Collectively, these limitations increase the risk that the delivered system solution will not meet user needs and operational requirements and will not perform as intended. In turn, the chances are increased that the system will require expensive and time-consuming rework. In light of these circumstances and risks surrounding SBInet, our soon-to-be-issued report contains eight recommendations to the Department aimed at reassessing its approach to and plans for the program—including its associated exposure to cost, schedule, and performance risks—and disclosing these risks and alternative courses of action for addressing them to DHS and congressional decisionmakers. The recommendations also provide for correcting the weaknesses surrounding the program's unclear and constantly changing commitments and its life-cycle management approach and processes, as well as implementing key requirements development and management and testing practices.

While implementing these recommendations will not guarantee a successful program, it will minimize the program's exposure to risk and thus the likelihood that it will fall short of expectations. For SBInet, living up to expectations is important because the program is a large, complex, and integral component of DHS's border security and immigration control strategy.

Mr. Chairman, this concludes my statement. I would be pleased to answer any questions that you or other Members of the committee may have at this time.

Chairman THOMPSON. I thank the witnesses for their testimony. I remind each Member that he or she will have 5 minutes to question the panel.

I now recognize myself for the first set of questions, and I guess we will start with SBInet.

Mr. Hite, since you had the responsibility for looking at the Project 28 situation, is it your suggestion that original procurement and the ultimate product that was delivered was, in fact, what the Government expected or contracted for?

Mr. HITE. Mr. Chairman, I hate to punt on that, but to be honest with you, I don't have a definitive answer to that question. I know it was 8 months late, I know a lot of things had to be corrected on it. I don't know exactly what the—what kind of functionality was delivered in P-28, to compare that to the contractual provisions to be able to lay out for you what the gaps were.

Chairman THOMPSON. Well, could you help me understand whether or not the procurement, in your professional opinion, was done where certain things could be measured at the end of the product?

Mr. HITE. My understanding in having looked at the contractual documents in that case was, the requirements were not defined in a way that would permit meaningful measurement as to whether or not the deliverables from the contract actually lived up to the expectations. That, to me, would be a fault in the expectations themselves as not sufficiently defined to permit that kind of determination.

Chairman THOMPSON. To the extent possible, do you know whether or not it has been corrected?

Mr. HITE. I do not know the answer to that. All I know is that the P-28 has been accepted and is operating.

Chairman THOMPSON. Is it operating according to whatever the contractual standards in the procurement were?

Mr. HITE. I would have to go back to my response to the first question, which is, I don't have that information to be able to delineate for you what those potential gaps are.

Chairman THOMPSON. Mr. Stana, can you help the committee on that?

Mr. STANA. Yes.

I think P-28 was supposed to deliver certain operational capabilities. It was supposed to be able to identify incursions. It was supposed to be able to classify threats.

When we were down in the sector about 2 months, 3 months ago, we rode with agents. We tried to turn the system on. It took us 45 minutes to get the system up and running. The signal would not go into the vehicle. The camera range was limited. The ability to identify and classify different targets was limited. So I would have to say that, at least as far as expectations go, it did not meet expectations.

Part of the issue that you are raising with Mr. Hite is that the contract was loosely worded, and so it was tough to hold the contractor to what amounted to expectations rather than the letter of the contract.

Chairman THOMPSON. So—and I'm saying for the benefit of the committee, we were told that this was not a complicated procure-

ment, that the technology was off-the-shelf technology, and that once it was completed, a number of those items, from an expectation standpoint, could be met.

I think part of our oversight responsibility, as a committee, is to see whether or not taxpayers are getting what they are paying for. So to the extent that Chairman Carney and Chairman Sanchez have been diligent in their oversight responsibility, I think it is because we have had significant investment in this product; and we would like a product that works.

Mr. Ahern or Mr. Basham, tell me whether or not the items that Mr. Stana referenced in terms of the system being turned on and operable, have they been corrected?

Mr. BASHAM. Well, first of all, the contract that was put into place was a fixed price contract. It was a proof of concept to take off-the-shelf technology, integrate that technology, and get it out as quickly as we could in order to allow us to get our hands around it, get an understanding of what works and what does not work, and then to further that technology and develop that technology so that we could, in fact, use it to get operational control.

So the proof of concept was the purpose of that first 8 months; and as you know, we did not—in fact, were not able to deliver that on the date that we had anticipated.

But we learned a great deal from that. We learned what works and what does not work. As an example—let me just give you an example: The Israeli cameras that were brought in in that first phase, they met all the specs. They met all the requirements. But when you tried to integrate that camera with other technologies and then, through a satellite, beam that image, it wasn't sufficient. But we learned there. So we had to go back out and to look at other technologies to do that.

We have been learning throughout this whole process. Again, this is only a piece of what we have been doing on the border.

Are we doing it better today? I believe we are doing it better today.

Chairman THOMPSON. So it is your testimony that rather than a procurement that we could expect a product, it was something that we spent money to learn on?

Mr. STANA. Mr. Chairman, to add what the Commissioner stated, I think certainly, as far as the proof of concept, that is exactly what P-28 was. It was to be a learning lab. Unfortunately, some of the language in the contract might have given the impression it was going to give us full operational capability. It was never meant to give us the full capabilities that we would need.

That is a communication problem on our part, clearly.

Chairman THOMPSON. So the information we received as a committee was not, in fact, correct?

Mr. STANA. I wouldn't say that, because I know in the last hearing we had, I believe in February of this year, when we talked to you about this issue, we realized that we needed to continue to enhance P-28. That is what we will continue to do, to evolve it to its next stages when it is not our intention nor was it ever our intention to replicate P-28 in every mile at the border that needed to have the technology laydown while we are going through the evolutionary process of developing the technology as we go forward.

Chairman THOMPSON. But I think for our men and women who are utilizing the P-28 equipment, they should at least have a product that works.

Now, we have heard testimony that it takes 45 minutes doing that test for it to become operational. Obviously there is something crossing the border; 45 minutes is a long period of time.

Now, the last hearing we had, we were told that 95 percent projection rate on the cameras was in the contract. Can you tell us whether or not we have 95 percent projection on the cameras as of this date?

Mr. BASHAM. Let me just say today, I believe, had we been allowed to bring the Chief of the Border Patrol with us today, I think you would hear him say that that area in Sasabe is fully operational and that system is delivering tremendous value to the Border Patrol in gaining control of the border.

Yes, we recognize that we—I think we did not manage expectations well in that first project. I don't disagree with you. We could have communicated better. I apologize to you for that. But I am telling you, we have learned and what we have there now, I think the Border Patrol would tell you is, in fact, working.

Chairman THOMPSON. I yield 5 minutes to the Ranking Member.

Mr. KING. Thank you, Mr. Chairman.

Commissioner Basham, Deputy Commissioner Ahern, it is my understanding that CBP is intent on realigning the remaining funds with the SBInet account to complete the border fence, and they could possibly be forced to reprogram other CBP accounts. If we are forced to operate under a CR for 2, 3 or 4 months, how will that impact what you intend to do? Or will it?

Mr. BASHAM. Well, quite literally, if we are forced into a CR and—we are going to be out of business unless we get some relief in the 2009. We are out of money and operations will stop.

I will let Jay elaborate on that. He has been working very closely with that issue.

Mr. AHERN. As we started to see the escalation of costs with the tactical infrastructure, the fence, we certainly did not forecast that the economy would realize some of the impact it has had with fuel costs, labor costs, material costs, competing vendors for a lot of the construction that is going on in the Southwest region.

They are not feeling the same type of national impact.

Mr. KING. Does that include fuel costs?

Mr. AHERN. Absolutely, it is a significant driver.

So, as we have seen, some of these miles come in much more expensive than we initially projected when we were looking at a rough order of magnitude. A year ago, after we completed PF-90 project, we had to go ahead and make a conscious decision within the Department—and we did make the determination—that the priority for our Department was to go ahead and put the tactical infrastructure that gives us the best capability in a more immediate fashion to give operational control to our agency. That is why we are continuing to go ahead and deploy the tactical infrastructure to meet our goal of hitting 670 miles, as required, by the end of this year.

We needed to continue to keep contracts moving, so we did go ahead and reprogram, or request to reprogram, for additional

funds, and that present to Congress just yesterday was to go ahead and move the moneys into tactical infrastructure so we can continue with building the tactical infrastructure as necessary for us to secure the borders.

If we do not also have access to moneys early in October, in effect, some of the projects that remain to be done for tactical infrastructure will come to a halt. We will have exhausted the money we have. Furthermore, as we project right now, based on what we had to go ahead and realign within our bids for our account—our border security fence and infrastructure and technology account—basically the contracts we currently have for SBInet will be done with by the end of October. We have no money to go beyond that unless we get a fiscal year 2009 appropriation.

Mr. KING. Thank you.

To switch the topic slightly, you heard some people telling you what you should be doing you are not doing, but DOD has deployed electronic surveillance systems and virtual fence technologies throughout the world. What extent, if any, of cooperation, collaboration is there between DHS and DOD as far as that type of technology?

Mr. BASHAM. We have been doing a lot of collaboration with—of course, the Army Corps of Engineers we have been working with; but in terms of surveillance systems, I cannot say that we have had that much contact with DOD. It is a recommendation and a suggestion that we are going to follow up on and see what they are doing in these areas, recognizing that it is somewhat of a different mission set. But if we can learn from technology that is being developed and deployed by other Government agencies, we will certainly take a look at what they are doing.

Mr. STANA. If I can add to the Commissioner's answer, during the source selection process, there was no company that actually presented capabilities, whether they had provided solutions to DOD or otherwise. Certainly we have done some evaluation of the DOD and some of the capabilities and the contractors; and in fact, the recent Lincoln lab site we have had for capabilities showed us there is really no adaptable solution for us right now. We need to continue to learn about the different component parts as part of the hardware, and we need to do the systems engineering to actually put the fully completed system available for deployment.

We have that development cycle going forward. We have added an additional layer for field testing before we actually put it out into the operational environment after the first of the calendar year.

Mr. KING. In the final 40 seconds, what can you tell us about the full deployment of SBInet along the northern border?

Mr. BASHAM. I know that there has been great discussion and actually a feeling that we have turned our back on the northern border, and quite frankly, that is not accurate. We have now opened up our fifth air wing up there. We have increased, tripled the size of the Border Patrol on the northern border. We have enhanced our technology at our ports of entry through e-Manifest. Witty is going to provide us with a great tool up there. We are deploying our UAS systems up there. The predators are on the northern border. We are working very closely with our Canadian counterparts from an

intelligence perspective, an infrastructure perspective; working very closely with the Coast Guard in integrating our systems and our assets on the northern border. There is a great deal of effort going on in the northern border.

The Border Patrol—and I will let Jay explain there was a northern border demonstration project that was to be awarded for \$20 million for SBI and SBInet. We decided that that money right now would be better utilized by the Border Patrol in more traditional types of technology.

Perhaps, Jay, you can give a little bit of oversight.

Mr. AHERN. Just to clarify that last part, as the commissioner stated, we did have \$20 million—it was \$19.7 million that was actually part of the language—from the appropriators on the House and the Senate side to do a northern border demonstration project. As we get into the end of this year and realized the increase in the tactical infrastructure cost, we have actually realigned that money in for this year's—put money on contracts for tactical infrastructure.

That does not require a reprogramming; it just has to be reflected in our expenditure account. But that is important for us again because I think the key thing we need to realize on the tactical infrastructure, as we see these costs continuing to rise, the quicker we get the money on contract and lock in our costs, the better we will be in the long term as we continue to see the investment values continuing to go up higher based on current projections. So we thought that was a prudent move at this point in time.

Chairman THOMPSON. Ranking Member King talked about the CR.

Mr. Ahern, can you provide the committee in writing this request that you say that if 2009 funds are not available by October 1, then there is a problem going forward with any of this?

What I also want to know is whether or not you are in the process of reprogramming other moneys to compensate for October 1 not being approved. I want to make sure we get all of the information out. All I need is, get it to the committee in writing.

Mr. AHERN. We have sent it as part of the overall reprogramming that went to Congress yesterday, so we will be able to provide what was sent to the appropriators both in the House and Senate.

Chairman THOMPSON. So you won't run out of money, you are just reprogramming existing money?

Mr. AHERN. Well, it does speak to the issues as far as what we needed to reprogram at this point. We also can speak to your issue specifically with how far we project out what we have in our technology account that we are able to put on contract to fund what we have with the development of SBInet; and our current projections will show that portion will run out at the end of October absent the 2009 funds.

We can certainly provide our analysis to you on that.

Chairman THOMPSON. Thank you.

I yield 5 minutes to the gentlelady from California, Ms. Sanchez.

Ms. SANCHEZ. Thank you, Mr. Chairman.

Thank you, gentlemen, again for being before us. As you know, I chair the subcommittee that oversees SBInet and border issues. Over the last Congress we have held about six oversight hearings.

We have also gone as a committee to Project 28 in Sasabe, Arizona. I have chaired many of those hearings with Mr. Carney because he has the Oversight and Investigations Subcommittee.

The first thing I would like to say is—just make a comment about the whole issue of communication that the Commissioner brought up because I recall on—I believe it was June 7 I asked a specific question of whether the original deadline for SBInet, for Project 28, would be met, which was just 1 week later on June 13.

On June 7, I was told and reassured by contractors, everybody from Homeland, et cetera, that would be delivered and there was no problem with that project's being delivered on time; and less than 24 hours later—in fact, about 12 hours later—I received a letter across my desk on June 8 telling me that you weren't going to meet the deadline.

I think that is bad communication. So to say that you didn't do a good job with communication—you didn't do a good job with communication. I hope those kinds of surprises aren't going to continue on with this.

Mr. Carney's committee, I think, is really the committee that takes a look at everything that has happened in the past and tries to get an accounting of that; and I hope that he will continue. I want to help him as much as possible to make sure that we do get a good accounting of everything that has happened with these projects.

But I think that my committee, in particular, is more focused on how do we really get this done. That is the question that—some of the questions that I have this morning. Because, you know, there is a lot of feeling in America that maybe all we should do is build a wall and maybe put some machine gun people out there and build a long pathway sort of reminiscent of Checkpoint Charlie and just shoot at people as they try to come over a wall. I don't really think that is where Americans are or that that is where America really wants to be.

So this whole issue of the virtual wall or the virtual fence or how do we, in fact—and we need to control all our borders not just the southern border, all our borders, but this is a piece of it. That is why we did this demonstration project whether it was just to check out different technologies or whether it was to be more operational, as some of us had thought or believed the contract did say.

We need to make sure that, in fact, we can use this stuff and that this stuff can be operational. I know we have done Project 28, and now we have got Ajo; and we have gone back and we are going to spend some more money on the same spot to try to put this all up.

I have two questions. Where do you really think we are? It is for all of you: Where do you really think we are on having tested all of this and figured out how we can really configure something that will, to a large confidence level, allow us to see incursions into our country? That is the first question.

The second question is back to, is it really saving us money to do it that way? Because there has always been the question of whether it takes just as many people to man that type of a system anyway, have we gotten any closer to figuring out the allocation of what it is really going to cost us in the long run?

The third question I have is, how are we doing this transition? Because we have a lot of knowledge. I mean, you know, failure also brings knowledge to people; and we have a lot of people who have knowledge now of what hasn't worked or what has or what we need to try or who we can trust or what we can't do. How does that transition to a new President and a new administration and some movements? Some of you won't be before our committee maybe in the future. How is that being worked through?

So those are the three questions I have.

Mr. BASHAM. Thank you for that question. I do want to say that going back to the origin of SBI, we are not talking about just SBInet, as you know. It is a combination of infrastructure; it is a combination of proper staffing and technology.

The Border Patrol, as the operational component charged with the responsibility of securing our borders between the ports of entry, literally has walked that Southwest border mile by mile. They have, as operators, come back with the requirements: where technology will work, where infrastructure will work, how many additional agents are needed to support that infrastructure and that technology. We, I believe, have a strategy to go forward to get that border secured by applying all of those lessons learned.

As you have said, yes, we have had some failures, but we have also had some tremendous successes. If you look at what is being done on the Southwest border, there has been a tremendous amount of good work done there; there has been a lot of learning through this process.

In terms of the technology, I think we have learned tremendous—gotten tremendous information from P-28 that we are now carrying forward into Tucson and into Ajo as the next steps along this process. I believe we are poised to deliver a good message to the next administration on where we have come and what we have learned and what our strategy is in going into the future.

We are establishing requirements. We are working very closely with GAO. As you heard during your testimony that we have taken seven of the eight recommendations that they presented to us, because it was the right thing to do. This committee has provided tremendous oversight to us in suggesting we slow down and not charge forward and put something in the field that we offer to an agent, a Border Patrol agent, that he puts in the glove box because it simply does not work; that is just not acceptable to us, and we aren't going to put something out there that doesn't work. We feel we are going about this in a very prudent and judicious manner.

Ms. SANCHEZ. Could I just have Mr. Stana comment on some of this? I would actually like all of you to comment on it in writing, the three questions I have. I know we are really pressed for time, but—

Mr. STANA. I think maybe both of us have something to contribute. But very quickly, where are we now?

I think the CBP has acknowledged that some mistakes were made, defining requirements, getting the Border Patrol involved, to understand what they really need pre-testing. What is left of Project 28 is not going to go forward, so let's just call it lessons learned. As far as what needs to be, I think that is still a bit of an open question.

Hopefully, the requirements defining process is taking away some of the more bells-and-whistles-type solutions, that maybe isn't really needed, away from the project and getting back to the true Border Patrol needs.

What is next, not only with an administration change, there is an opportunity, but if CBP is not satisfied with the solution that Boeing is putting forward; their 3-year contract will be up in 2009 I believe, and there is an opportunity to go in a different direction if they think that is the way to go.

Mr. HITE. Congresswoman, if I could, I believe I could rephrase your question, the two questions.

The first one I will address is your second question: Are you doing the right thing? Is this solution you are pursuing the cost-effective, right solution to pursue? Is it worth the money? Frankly, I have never seen anything that answers that question.

That is an economic justification for the investment that you are pursuing: Will the value, will the benefits, will that exceed the costs that we are putting into this? I have never seen it. In order to have that, you have to have some definition around what you are doing.

You also need that definition to answer your second question, which is, where are we? You have to have a baseline against which to measure where you are. The point is, the baseline is not there. So you can hear a lot of things about where we are and what is going on; but in fact a measurable baseline to say, are we making progress, are we making progress along a path that we intended, the answer is, "don't know."

Ms. SANCHEZ. Thank you.

Thank you, Mr. Chairman.

Mr. AHERN. If I may indulge for just a moment, because I think it is important just to add this, and we certainly will answer your questions in writing as well.

First off, who will be before you here as the end-of-year transitions in Government? That is one of the reasons why the Commissioner brought me in here today because I will certainly be here through the next year, as well, for the continuity.

I think the important thing also is on the requirements that we have currently defined, we learned a lot from the SBInet and the P-28 area; and that is why we have gone to the point of doing the RAD and JAD, the rapid application development and the joint application development, in a laboratory environment in Mesa, Arizona, with the contractors and the Boeing people so we can actually develop the software as we go forward. That is why we brought on the systems integration laboratory in Huntsville, Alabama. That is why we also added an additional proving ground in Playas, New Mexico, so we can actually demonstrate it before we take it out into the operational environment as we go forward.

Finally, just recently, the latter part of August, we had our investment review board with the Deputy Secretary which he confirmed to us just this week with an acquisition decision memorandum which lays our path forward, going forward. We actually laid down what the image is going to be for three of our nine Southwest border sectors, and that is the combination of what the personnel will be, what the environmental barriers will be as we

get out there, rivers, mountains, what we will have for tactical infrastructure, what we will have for air assets as well as virtual fences as we go forward.

So I think we are on a good path going forward, but we will be happy to give you that in much more detail in writing.

Ms. SANCHEZ. Great.

Chairman THOMPSON. I will yield 5 minutes to Mr. Dent—Mr. McCaul.

Mr. MCCAUL. Thank you, Mr. Chairman.

Mr. Hite, I think you nailed it on the head when you said, “where are we” is the question and the answer is “we don’t know.” My constituents have a lot of questions about not only the virtual fence, but the physical fence.

You know, we passed all this last Congress and provided the funding. It is hard to get a straight answer in terms of where are we with this virtual fence and physical fence. I know about 370 miles of physical fence is being built.

So, Mr. Ahern and Commissioner, if you could answer for me, where are we with these two components that are key on the border? I am talking about the Southwest, because that is where my home State of Texas is, on that border. Virtual versus physical, where are we with those two and when are they going to be completed?

Mr. BASHAM. In terms of the physical fence, as the Deputy mentioned earlier, we have a reprogramming request in at this point to converge some funds to the physical fence that we are building. We fully expect, if we are successful in getting the reprogramming effort through and if we resolve some of the legal problems and real estate problems that are involved, that by the end of December 2008, we will either have completed or under construction or under contract 670 miles of fence.

Do we have challenges? We certainly do have challenges. We are working very hard to get beyond those issues. But we expect to have, as I mentioned, those three components by the end of 2008.

In terms of the virtual fence, as you know, we have delayed the deployment of the virtual fence in Tucson, the Tucson-1 and Ajo-1 projects, to slow that down and—as recommended by the Congress, recommended by GAO that we do not go forward in both testing and deployment at the same time—do the testing, prove that it works, then deploy.

We will start to deploy Tucson-1 probably right after the first of the year. Then following that, our analysis of the effectiveness of it, will begin on Ajo-1. But as I have said, we are just not going to deploy something out there to meet timelines. We are going to deploy it when it is ready and when it is ready and can add value to the Border Patrol and the Border Patrol’s mission.

Mr. MCCAUL. That is understandable.

Just so I understand, you have 670 miles of physical fencing that will be completed by December 2008?

Mr. BASHAM. As I say, it will either have been completed under contract or under construction or under contract by the end of 2008.

Mr. MCCAUL. Specifically, the Texas-Mexico border, how much on the Texas-Mexico border?

Mr. AHERN. I can't give you the precision on the miles right now. I will be happy to give you the segment-by-segment, and what that adds up to within the Texas-Mexico border. That is where we are having some of our most significant challenges with real estate acquisitions. We have over 200 acquisitions that are actually before the court at this point in time that we are waiting to get orders of possession going forward. So that is a factor that is out of our control going forward.

The judge has been very deliberate with releasing orders of possession, a handful each week. We need to continue to get that pace picked up so we can actually get orders of possession so we can begin with the construction period. So that is a factor.

We can give you the precision of each one of the miles that are out there within the Texas border and those which we are actually having the real estate challenges.

Mr. MCCAUL. I know the challenges have slowed down the process, but that portion on the Texas border seems to be not the highest priority. It seemed like it was going up more in California, Arizona, but is that given the priority now?

Mr. AHERN. I would submit that it has been always been a priority for us. We certainly ran into a lot of unique challenges in the Texas border because of the multiple landowners. We have again hundreds of landowners that actually own a lot of that land versus a lot of the Federal land and some of the singular owners that actually own more over in the California and Arizona environments.

Certainly, we run into—Texas, we have multiple owners with very small segments and slivers along the border; and frankly, some of the Texas court records have been a challenge for us as well, because some of these go back 40, 50 years where we can't identify the original court records that have actually the description of the properties, and we can actually get out there with the Corps of Engineers and walk each inch of that border on that particular segment. We are finding some of the landowners had more land than they thought they had.

Mr. MCCAUL. On the visual fence, is there coordination with the Department of Defense, because they have a lot of expertise in this area?

Last, Operation Jump Start ended, the National Guard was pulled off the border, the Governor of my State, Governor Perry, has sent a letter requesting that the National Guard stay down there. They provided, I think, a very high value to helping secure the border and freeing up Border Patrol's time down there; and frankly, from a cost standpoint, I think it has worked very well.

If you would, comment on those two.

Mr. BASHAM. I will comment on the National Guard deployment, Operation Jump Start. They were a tremendous asset to us for that 2-year period that they were deployed, which gave the Border Patrol, CBP, the opportunity to hire and deploy Border Patrol agents back to the border.

There have been significant reductions over these past 2 years in terms of apprehensions, which is a measure for us. In Arizona alone, the Tucson sector in 2005, there were 577,000 apprehensions. Year-to-date, there are 302,000. That is a decrease of 48 percent in apprehensions. So the effect of having the Guard there and

their support as we went through this hiring phase was tremendously successful.

This is not ended, our work with the Guard. We have been working with the Guard for years, and we will continue to work. They have supported us and will continue to support us as we go into the future.

Mr. McCAUL. The coordination with DOD and the virtual fence, is that taking place?

Mr. AHERN. As I stated—I believe Ranking Member King asked the question before you came in, but certainly when we actually did the initial contracts, some of the bidders that had experience with the Department of Defense did not meet the specifications.

Had we dealt directly with the Department of Defense? Not to the level, I think, that this Congress would like. I know one of the things we will be looking at as we go forward is more engagement with them.

Certainly, some of the applications of the technology that has worked in the DOD environment has not been adapted to the particular environments we have. We do have some different challenges, and certainly it is not a one-size-fits-all approach, which is some of the challenge we found even with doing the initial testing in P-28.

So we need to make sure we adapt the right solution of hardware and software as we go forward for our concept of operations.

Chairman THOMPSON. With respect to DOD, can you provide the committee with any and all contact you had with DOD in reference to this procurement that Mr. McCaul is talking about?

Mr. AHERN. We will certainly be happy to provide it.

Chairman THOMPSON. For the sake of the committee, we have the memorial service on under way right now for Congresswoman Stephanie Tubbs Jones. I am actually going to indulge this committee that we recess and reconvene sometime next week if it is agreeable with all of us, and we work it out with witnesses and what have you.

This was totally unexpected. The hearing was set, and then the memorial service came in conjunction. But I am trying to get some consensus.

Mr. Pascrell.

Mr. PASCRELL. Mr. Chairman, of course, I just want to say, before we convene, just a few quick things and that is that I am very, very disappointed that the opening shot across the bow here was that we were going to be abusive. The word “abusive” was used. I want to know if the Homeland Security feels that the GAO has been abusive because they have been honest about the assessment.

I mean, this is a joke, but it is not funny. This is a joke, but it is not funny; and the quicker we get some assessment here without sending political jibes across the floor—it is unnecessary, it is uncalled-for, uncalled-for.

I want the words taken down. What do you know about that?

Chairman THOMPSON. Well, I mean, obviously I heard the comments too, Mr. Pascrell. It is not the witness’ opinion in the testimony as to how we style the committee hearing; it is our job. I did not make a reference to it, but clearly, it was made note of, likewise.

We will recess the committee and reconvene next week, working it out with the witnesses.
[Whereupon, at 11:08 a.m., the committee was adjourned.]

MISMANAGEMENT, MISSTEPS, AND MISSED BENCHMARKS: WHY THE VIRTUAL FENCE HAS NOT BECOME A REALITY

PART II

Thursday, September 18, 2008

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

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

Present: Representatives Thompson, Dicks, Norton, Lofgren, Etheridge, Cuellar, Carney, Green, Pascrell, Dent, and Brown-Waite.

Chairman THOMPSON. The Committee on Homeland Security will come to order. The committee is meeting today to resume the hearing entitled, "Mismanagement, Missteps and Missed Benchmarks: Why the Virtual Fence Has Not Become a Reality." This hearing was recessed on September 10, 2008, so that Members could attend a memorial service for our late friend and colleague, Representative Stephanie Tubbs-Jones.

However, I want to express on the outset my dismay that our witnesses from the U.S. Customs and Border Protection, Commissioner Basham and Deputy Commissioner Ahern have declined to join us. I would note that the committee attempted to accommodate their schedules by offering an alternate date to continue the hearing.

This Congress has provided the Department of Homeland Security and Customs and Border Protection billions of dollars to help secure America's borders. We have a responsibility on behalf of the American taxpayers to ensure that Customs and Border Protection is spending those funds wisely in its secure border initiatives. Likewise, Mr. Basham and Mr. Ahern had a responsibility to make themselves or a designee available to testify before the committee today on this crucial issue, particularly given the Department's abysmal track record with border security technology projects.

With that said, I would like to welcome back our witnesses from the Government Accountability Office, Mr. Richard Stana, who is the Director of Homeland Security and Justice Issues; and Mr. Randolph Hite, who is the Director of Information Technology Architecture and Systems at GAO, and as most of you know, a frequent guest before this committee. We appreciate them joining us

today to share their expertise on the secure border initiative and SBI-net with the committee.

When the committee recessed on September 10, 2008, the witnesses had summarized their testimony and Members had begun questioning the witnesses. The Chair will now continue recognizing Members for questions in accordance with our committee rules, first, recognizing Members who were present on September 10, 2008, alternating between majority and minority Members. Any Members present today who were not present on September 10, 2008, will then be recognized in order of their arrival today.

The Chair now recognizes the gentleman from Texas, Mr. Cuellar.

Mr. CUELLAR. Thank you, Mr. Chairman.

Well, I had some questions for the other witnesses, so I will ask the questions and see if you all can help me on this. I know there have been some issues with the virtual fence, and I think we have gone over that; but do you all have any information on some of the projects that Homeland is doing that I think are good, like the cane eradication? Like, in the Laredo area, they finally started a pilot program.

I added an amendment on an appropriations rider back 3 years ago, and it is finally moving, which is good. Zero tolerance, also; I don't know what term they used. But on that project also when somebody comes in across a river, from across a river, instead of just being sent back, they spend a little bit of time in one of our hotels with bars, and—those type of projects.

The levee system that we set up in the Valley also, could you all elaborate a little bit? Because I know there are some, but I want to talk about some of the things that I think they are doing good.

Mr. STANA. Okay. Let me start with the cane eradication project.

As you know, the project is in its pilot stage. They have tested three means of eradication using agricultural means, insect means. The pilot that they are considering fielding now and is being—it is at a stage where they have to check with Canada and Mexico on agricultural issues. But that project involves a fly, a wasp or a hornet and a small little worm, a nymph of a bug. The fly and the wasp eat at the plant above the ground level, the nymph, or the little worm, below the ground level.

It has proven somewhat successful in the test, indoor testing. It is supposed to not go after indigenous plants, only this cane, which I think originated in a foreign country anyway. So they haven't set a date for outdoor testing, but they do have to get the approvals to do so, because obviously the flies and the wasps are going to cross the river and they need to make sure that the Mexican authorities are well aware and approve it.

With regard to the zero tolerance, I understand the program. We haven't done work on that, so maybe we could arrange to do something on that if you still have an interest in that.

As far as the levee goes, down in the Rio Grande Valley they had 97 property owners that did not want to sell, and the Federal Government was inquiring through condemnations. Twenty of those have been basically acquired pending a final court date to transfer the property. There are 77 other owners that the land has not yet been taken over, and if that isn't done by the end of this month,

then all bets are off on finishing fencing by the end of the year, which is the goal.

One other point that I would make, in following the levees with the wall, it is going to be a concrete wall, depending on where, say, 15 to 20 feet high, there are still some issues in construction. But being that that is essentially a Government property, the kinds of land acquisition issues aren't there.

There are some issues on rights-of-way and easements, but that has begun.

There is difficulty getting concrete there. Cemex, the Mexican concrete company, said they would not provide the concrete for those kinds of projects, so some of that concrete has to be brought down from Houston and as far away as Colorado. So it is proceeding, but whether it is going to be done by the end of the year is going to be challenging.

Mr. CUELLAR. If I could ask—Mr. Chairman, if I could ask the GAO if they can provide some information on at least the two issues.

One issue is on the cane eradication. As you know, when you were down there, there are were some folks—there are three ways of cleaning up the cane—mechanical, herbicides and then, of course, the one that I have a little concern about is putting a bug there—a foreign, I think it was a Spanish bug.

Mr. STANA. Yeah, they were; they were Spanish.

Mr. CUELLAR. My only problem is, what happens if that bug decides to change its diet. I think if you talk to any of the private owners that are there, they are concerned about that; and certainly the other side is concerned about it.

But, Mr. Chairman, if there is a way the committee could ask for a little bit more information on that.

On the zero tolerance, because the zero tolerance, in my opinion, has worked. There has been a deterrence effort on that. In fact, the places that they have added the zero tolerance—they started in Laredo last year—the numbers of folks coming across has slowed down. In fact, the crime level has also slowed down according to some of the numbers that we have seen.

So I would ask you to, if it is okay with the Chairman, if you can provide us a little bit—I don't know how formal, but a little bit of background or information on those two issues.

Chairman THOMPSON. Well, to the extent that you have the information—

Mr. CUELLAR. Right.

Chairman THOMPSON [continuing]. Please provide it to the committee.

Mr. STANA. I would be happy to do that.

If the information we have isn't as much as you would like, we could perhaps arrange to do more work on that particular program for you.

Chairman THOMPSON. If we need to send a formal request to you, we would be happy to do that also.

Mr. STANA. We can discuss that with your staff.

Mr. CUELLAR. All right.

Thank you Mr. Chairman. Thank you very much.

Chairman THOMPSON. Thank you.

We welcome the gentleman from Pennsylvania, Mr. Dent, for 5 minutes.

Mr. DENT. Thank you, Mr. Chairman. I just wanted to say very briefly that I see that we have two empty chairs at the witness table today. For the record, I would like to point out that top officials from CBP are unable to testify today because they are participating in a high-level transition planning meeting at the Department of Homeland Security. As we all know, that transition planning is a top priority for this committee as reflected in the Member briefing that was held Tuesday on this issue, and we should encourage and not discourage the CBP leadership to engage in this type of transition planning.

With that said, I do have a letter from Mr. Basham, Commissioner Basham, explaining his absence. I would like to submit this letter for the record if I may, Mr. Chairman.

Chairman THOMPSON. Without objection.
[The information follows:]

Mr. Dent

U.S. Department of Homeland Security
Washington, DC 20229U.S. Customs and
Border Protection

Commissioner

September 17, 2008

The Honorable Bennie G. Thompson
Chairman
Committee on Homeland Security
U.S. House of Representatives
Washington, D.C. 20515-6480

Dear Chairman Thompson:

I regret that Deputy Commissioner Ahern and I are unable to attend the completion of your September 10th hearing on SBInet. As you know, we will be joining our executive team for a long-scheduled, major planning conference designed to ensure that U.S. Customs and Border Protection (CBP) is ready for the upcoming transition.

While we cannot be there on September 18th, we stand ready to provide any additional information that would be useful to you and your staff. Obviously, Mr. Ahern and I will be pleased to answer any additional questions for the record. We look forward to a continuing dialogue with the Committee to clarify your lingering concerns about the management of this critical program. While we recognize the challenges that SBInet has faced, I am proud that we have, at times, slowed implementation to ensure that we get the right technology to the field. Our hard-working men and women deserve nothing less and we remain committed to not repeating the mistakes that were made prior to the creation of the Department of Homeland Security. As I stated at the hearing, we are also grateful for the valuable feedback and suggestions we have received from the Government Accountability Office.

I appreciated the opportunity to highlight for the Committee that SBInet is just one piece of our layered defense strategy to protect our border. We are thankful for the Congressional support that is helping us double the number of Border Patrol Agents, increase staffing on the northern and southern borders, build new fencing and greatly expand our air and marine capabilities.

One of the reasons why I asked Mr. Ahern to join me last week is because CBP is so committed to making this first transition a smooth one. Later this week we will continue building a foundation for CBP's Future State at the off-site conference. While I regret that it will cause us to miss the wrap-up of the hearing, I know that you share my firm commitment to making this transition as smooth as possible.

I appreciate your continued interest in SBInet and all of CBP's efforts to secure our borders.

Sincerely,

W. Ralph Basham
Commissioner

cc: Ranking Member Peter King

Mr. DENT. I will just briefly state something. He did say here in his letter, "While we cannot be there on September 18, we stand ready to provide any additional information that would be useful to you and your staff. Obviously, Mr. Ahern and I will be pleased to answer any additional questions for the record."

I understand the circumstances that led to the adjournment of the meeting last week, which are completely understandable given our colleague's memorial service, but I know they do want to come back and share their insights with this committee.

They also say in this letter, too, by the way, that "We are thankful for the congressional support that is helping us double the number of Border Patrol agents, increase staffing on the northern and southern borders, build new fencing, greatly expand our air and marine capabilities"; and I will just submit that for the record.

Again, I just wanted to mention, too, that I had some questions for them, as well, which I didn't get to ask last week; and I look forward to having that opportunity in the future.

So at this time I would be happy to yield back. Thank you, Mr. Chairman.

Chairman THOMPSON. Thank you very much. Before you got here, we indicated that we tried to negotiate a time when they could be here, and we were unsuccessful. There is interest to complete the hearing, and because of that, we are going forward.

We will now yield 5 minutes to the gentleman from North Carolina, Mr. Etheridge.

Mr. ETHERIDGE. Thank you, Mr. Chairman.

Let me thank you, gentlemen, for coming back. Let me ask each of you the same question, if I may. How much collaboration has there been between DHS and other Federal agencies, No. 1, to leverage knowledge about the technical, physical requirements to secure the border; and what agencies should they be working with that may have been—may have had really better practices or assets that could be useful in the Department's mission?

Do you understand the question? If each one of you would respond to that, please.

Mr. STANA. Mr. Etheridge, I think it was about 3, 4 years ago we did a study of cooperation between the Border Patrol and CBP and other land management agencies, whether it is the Department of Interior or Bureau of Mines or whatever. What we found is that the cooperation could have been improved, certainly. They have taken steps since then to improve that cooperation and coordination on requirements and sharing of information, and even making sure that agents understand what they are supposed to do and when to call another agency.

We have been asked to follow up on that study, and we will do that.

With respect to SBI—

Mr. ETHERIDGE. Do you have a timeline to do that?

Mr. STANA. No, we haven't even begun the work. We can keep you informed as that work progresses.

Mr. ETHERIDGE. Will you, please?

Mr. STANA. With regard to SBI, I know that the CBP—more specifically, the Border Patrol—does deal with DEA on drug matters, deals with the FBI on terrorism matters; but we haven't really heard of problems in that area.

The bigger concern that we have with SBI in the operational sense is between the Border Patrol on the ground and the SBI office in Washington and in the field, whether the requirements of

the Border Patrol are properly communicated and taken into account in the design of the system.

Mr. HITE. Yes, sir. The only—I would add two points to that.

At the hearing last week, Commissioner Basham in fact noted that there were probably additional opportunities to engage with the Department of Defense that they had yet to take advantage of with regard to having or leveraging experience and existing technology that the Department has relative to command and control capabilities for a given environment.

In that regard, we do know early on in this program, when they were looking at options relative to the system that would create the common operating picture, the situational awareness view that would be back at the command center, they did look at the Department of Defense in terms of what systems were already available that could possibly be used as a GOTS, government off-the-shelf, capability. So there was some activity there.

But I would go back to the record in terms of what the Commissioner said last week that there were opportunities that they still needed to explore.

Mr. ETHERIDGE. It would seem to me that you do that before you get too deep in the bushes.

Mr. HITE. Yes, sir.

Mr. ETHERIDGE. So that leads to my second question, and that is for the physical fence.

The fencing we are talking about, how was the original—I guess I want to know, why was the original cost estimate so far off the current estimates and the actual bidding that really came in? It just sort of—it didn't even come close.

I was in business for a long time. It seems to me this really is off the page.

Let me just finish the rest of it so you can answer it all in one.

I guess my question would be, because of the lack of oversight or mismanagement, or a combination thereof? Or were other parts of the Government involved in cost discussions? For example, did DHS speak with the Army Corps of Engineers regarding costs for other on-going projects that might have been similar?

I mean, it just defies one's thinking to be so far off.

Mr. STANA. You are correct. It was off by a factor of almost 100 percent. The estimates came in at about \$4 million a mile, and it is coming in at about \$7.4 million or \$7.5 million.

Now, some of them are up to \$15 million, \$20 million a mile, the best we can figure.

Mr. ETHERIDGE. That is like building a highway.

Mr. STANA. It is. Some of the terrain, though—just in the interest of full disclosure, some of the terrain is up and down the sides of hills and mountains, and it is just more expensive to do it.

The best we can figure, there are a handful of reasons, one, the estimates that we prepared came in for a fence about 10 feet high, using 9-gauge or—yeah, 9-gauge steel in the mesh. The actual one built was 15 feet high, using 4-gauge mesh—you know, a thicker mesh. So the materials costs increased.

Concrete costs increased hugely; and I mentioned earlier that they couldn't get concrete from Mexico, so they are having to truck it in, and that added to the cost.

Third, they paid a premium or are paying a premium for labor. They are on a tight deadline. They want to get this done by the end of the year, and they are competing with other construction contracts, and so the cost got bid up, the cost of labor got bid up.

Fourth, I just think, all in all—

Mr. ETHERIDGE. Let me ask a question on that, if I may, on bid-up. Do we have a contract? Is this cost-plus, or is it a contract?

Mr. STANA. I believe it is a regular contract.

It is interesting that you mention that, though, because usually there is a sequence to building something like a fence or a building or whatever. That is, as you acquire the land and then once you have the land, you design the project, then you go off for bids on the project.

Well, here we are not following that order, because in many instances we don't have the land yet, or we don't have access rights to build near the—so we have let the contracts, and now we have to go make sure we get the land, which could force other contract modifications.

The Commissioner used an interesting term last Wednesday when he said that they will meet the goal by having contracts in place by the end of the year. Well, they could have contracts in place for 100 more miles because they have these preapproved, and you can just let the contracts and worry about the land later. So if the goal was to have it contracted, they will meet it by the end of the year; if the goal was to have it built, it is going to be a challenge.

Chairman THOMPSON. But that does not build a fence, letting a contract.

Mr. STANA. Letting a contract is one of several steps in building the fence. But if the goal is to have the fence constructed and up by the end of the year, that will be a challenge for the Department.

Chairman THOMPSON. So what is the advantage of letting a contract before you have control of the land?

Mr. STANA. You will have to ask the Department that. I don't know what the advantage there would be, other than it may help you meet the time frame that they have set for themselves. Not only have they let the contracts and begun to preposition materials, they are just waiting for other things, primarily land acquisition.

Chairman THOMPSON. So the material could sit out there for months or even years.

Mr. STANA. Well, I guess that depends on when they can get the land. I don't know if years, but certainly months until the courts rule on the properties.

Chairman THOMPSON. Well, Mr. Cuellar, isn't that your understanding, that there is some real challenges with some of the land that is being proposed to build a fence on?

Mr. CUELLAR. Yeah, there are legal challenges. I think what they are doing—I think you hit it right on the nail. They set—there is a timetable. They know physically they are not going to construct it. So to say that they have met the deadline, they are going to say we have this out on contract, and therefore they are going to argue that they met the deadline.

I really think that is what they are probably doing.

Mr. STANA. That adds risk, not only program risk, but it adds financial risk. Because what you don't know is, the contracted price ultimately will be the one that is the final project cost.

Mr. CUELLAR. Right.

If I can just follow up—and I can understand, I don't agree with him, just to say, well, we are going to meet the deadline by part of it to be let out. Because the question is, if you let it out, what is the risk, the financial risk, in the future by just saying, "Let it out," because there are going to be a lot of delays.

I really wish that they would just say, "This is all we did in December, and that is it"; and not try to say they met the deadline by contracting or letting out the contracts. Because otherwise that cost would definitely go up.

Chairman THOMPSON. Have you, Mr. Stana, viewed any of the contracts that we are discussing right now?

Mr. STANA. No, we haven't done a contract review per se of that. We know that the contracts are in place, but the last thing that has to be done is acquiring the land.

Now, the courts have ruled in favor of DHS in almost every instance. I can't think of an instance off the top of my head where they haven't. But there is a delay in scheduling court actions and having these court decisions come down.

Chairman THOMPSON. So these are not fixed price contracts, if you have not seen them—

Mr. STANA. I am not sure whether they are fixed price contracts or not. We haven't reviewed the contracting for the fence.

Chairman THOMPSON. Well, maybe we will get staff to get some of the contracts for the committee so we can at least have an opportunity to see them.

Mr. HITE. Mr. Chairman, if I could add to that, I do believe it is my understanding that most of these task orders are cost-plus contracts.

Chairman THOMPSON. Well, that answers the gentleman from North Carolina's question then. Thank you.

We will now hear the gentleman from Pennsylvania, Mr. Carney, for 5 minutes.

Mr. CARNEY. Thank you, Mr. Chairman. This is for both of you.

Last week Commissioner Basham characterized the relationship between DHS and GAO as—a "partnership" is the term he used. Do you see it that way?

Mr. STANA. Well, I take the Commissioner's characterization as well-meaning. I think "partnership" implies a relationship that I am not sure would be proper in that we like to keep our independence. In that we are, after all, the congressional auditors, we like our work to be taken constructively. We like our work to be done cooperatively.

It gets into the issue of access; access has been mixed. There have been instances where we get information in a reasonable amount of time. There are other times when we get information or documents in an unreasonable amount of time.

For example, it took us 3 weeks to get briefing slides and a sign-in sheet from a meeting we had in the Rio Grande Valley—3 weeks. We had arrangements with the program office to get updates to task orders automatically; we have never seen it. There

have been updates; they have never provided them. That is not indicative of a partnership.

But we are hoping to have a cooperative relationship. We are your eyes and ears on this project.

Mr. CARNEY. Exactly, so the oversight piece is a mixed picture at best.

Mr. STANA. I would say the access piece is a mix, access to records is mixed.

Mr. CARNEY. Mr. Hite, do you concur? Disagree?

Mr. HITE. I would echo Mr. Stana's remarks and just emphasize the fact that other agencies sometimes characterize us as "partners." I think they do that with good intentions, recognizing the fact that we are all trying to make a program successful. But in the end, we have to abide by Government auditing standards, which require us to maintain our independence.

So there is technically no "partnership" by any definition of the word. But we do, as Mr. Stana said, work constructively with the agency to try to make the program successful.

But our No. 1 priority is supporting the Congress in its oversight of the program and maintaining that independence.

Mr. CARNEY. Okay. Well, as we all know, in a few weeks we are going to have a new President elected, either Mr. Obama or Mr. McCain, and when they take office in January 2009, what state will they find border security in? How far progressed is it?

I get the sense that this is probably one of the things on their plate that they are fearing the most, actually peeling back this page and seeing what is happening on the border security—with border security issues. Could you reflect on that a little bit?

Mr. STANA. Well, I would say that there has been a good bit of progress made. I mean, we have increased the size of the Border Patrol, we have provided new equipment to the Border Patrol.

I know fencing is a controversial subject, but the Border Patrol would tell you that fencing has added to their ability to control the borders.

On the other hand, we have these projects, like Project 28, which haven't been entirely successful. It provided a capability that is limited. Border Patrol appreciates it, but it is not what they expected.

The use of technology is another subject where there have been fits and starts. A number of projects exist on the border: NorthGuard, BorderNET, SBI. It seems that maintenance is an issue. It seems every time we visit one of these projects, they seem to be down for whatever reason.

So I think that there have been improvements, but there is certainly still a ways to go.

Mr. HITE. What I would add to that is, I think one of the things that a new administration would need to do, coming in, is to get a sense of where are we, where is the baseline as to where we are right now, and where is it that we are proposing to go in the future—what capabilities, by when, to deliver what mission value?

Let's define that. Let's agree that that is worth the investment, and then let's hold ourselves accountable for delivering according to some transparent set of commitments.

Mr. CARNEY. Are you suggesting that that has not been the case?

Mr. HITE. I am certain that has not been the case on this program.

Mr. CARNEY. I was afraid that was the answer. Okay, thank you, gentlemen. No further questions.

Chairman THOMPSON. I would like to say for the record that Chairman Carney, who chairs the Oversight Committee, has made several trips to the border. He has seen firsthand what is going on and brought back his concern to the full committee Chair on a number of things happening along the border.

Mr. Stana, in support of Mr. Carney's question, this committee was told that technology is the way to go and that the Project 28 approach, as well as other technologies from SBI net, would be good.

Can you just say to the committee that tens of millions dollars later how much actual technology is deployed along the border, to your knowledge?

Mr. STANA. Do you mean through the SBI program?

Chairman THOMPSON. That is correct.

Mr. STANA. Well, through SBI we have Project 28, which left behind some capability. They provided cameras and radars and a common operating picture.

Chairman THOMPSON. All right. Well—

Mr. STANA. You know about Project 28. I don't know if this is the direction of your question.

Chairman THOMPSON. Yeah, it is the direction. I will let you go.

Mr. STANA. There are some preexisting or parallel projects like BorderNET in Douglas. You may have seen that. NorthGuard, which is part of P-28—not P-28, SBI, which is a demonstration project.

Then there are these other technology programs that are apart from those that have been in place for some time. For example, if you have been in Nogales, you have seen the cameras along the border there and the control room. ASIS, I think, was mentioned last week in the hearing.

The Department hasn't had a really good track record on these technology acquisitions, but the Border Patrol would tell you that technology is a very important tool to help them gain control of the border. In fact, when we were in El Paso a couple weeks back, one of the points they made is with the delays of implementing the Secure Border Initiative, it is going to push the fielding of technology in El Paso back to 2011, maybe 2012. In the mean time, they are going have this fence where they won't have a camera on it to help them patrol the area; and they would like that.

Chairman THOMPSON. Well, I guess my point is that if the general agreement is that this type technology would be good for the border, Mr. Hite, can you, for the committee's sake, say, why is it we can't get it implemented in a reasonable period of time based on your review of existing approaches?

Mr. HITE. Yes, sir.

It is not a technology issue, it is an acquisition management issue. Because the way things stand now in terms of what hasn't been met all goes back to, well, what was it that you intended to do. By when? Was it clearly defined? Were the requirements clear for the contractor? Were there adequate performance standards in

place to hold the contractor accountable to? Were you putting in place the discipline processes, the rigor along the way to be able to manage this thing on a continuous basis, to know when you are getting off track so that you can preemptively take corrective action?

Those are the kinds of things that haven't been done. So it is an acquisition management concern.

Chairman THOMPSON. Well, I guess—and I will yield to the gentleman from Pennsylvania, you know that they have not been done, but to this date, has that been corrected?

Mr. HITE. Our report, which comes out next week, in my written statement for this hearing shows that there were a number of areas where it has not been done yet. That is not to say there aren't aspects of this program where certain types of acquisition management controls are, in fact, in place.

Because there is a whole range of things that you want to do, we focused on the extent to which requirements had been well-defined and requirements were being properly managed. In that arena, we found some serious gaps.

We also focused on how well they were approaching testing of the systems and how well they had structured an effective test management program for this; and we found gaps there as well.

So, all in all, there are areas that are serious, that need to be improved, where the CBP agrees. They say they are going to act on these things; and we look forward to following that for the committee to make sure that that, in fact, occurs.

That is not to say that there aren't a whole range of other areas where there are also problems, because one of the things I have said in the past on large programs like this, it really takes 100 stars to align for the program to be successful. We have only looked to a few of those stars, and so there are a lot of unknowns associated with the program right now.

Chairman THOMPSON. Part of why we do oversight is to try to help the process align.

So as we develop this information, hopefully we can work with the Department and our friends to fix it.

The gentleman from Pennsylvania.

Mr. CARNEY. Thank you, Mr. Chairman.

Just briefly, I guess I got quite concerned last week when I think—I believe it was—Mr. Ahern said, well, our big problem is, we failed to manage expectations.

I think the big problem is, they failed to manage the project—I mean, a different way to look at this. But the problem is, you have to, in fact, be very clear with what you are trying to do. I think that they were moving the goalposts as we were looking into this issue.

I mean, is that a fair characterization, do you think?

Mr. STANA. I think it is fair. If you look at the original task order for Project 28, it had very specific standards for success: Identifying intruders, plus or minus 95—95 percent of the time, plus or minus 5 percent; being able to characterize the threats 95 percent of the time, plus or minus 5 percent. Project 28 can't do that.

But if you also look at the task order, the way it is worded, it says that the Government will basically evaluate their progress on

meeting these goals. Well, there is a difference between a goal and a performance standard. That is why the acceptance of Project 28, while controversial, I suppose would be permitted.

But the issue you raise about managing expectations is an interesting one, because when we first began to look at this program, Project 28, and SBI more generally, there were higher expectations. Maybe they were managed, but they seem to be managed downward, and only as the vulnerabilities and the challenges of these projects became apparent.

Mr. CARNEY. That was my concern. I think as we watched the project evolve and then talked about it, they overpromised and underdelivered, certainly; and we got concerned. Now I am even more concerned that projects like Tucson-1 and Ajo-1 are being shelved or put way on the back burner.

Is that because there is fear that the technology does not work? What are the reasons for something like this to occur?

Mr. HITE. I think it is a recognition on the part of CBP that they aren't where they need to be right now, and so they recognize that we need to make some improvements. It is better to get it right rather than get it early, or on time, and wrong. So I think that is why those projects have been moved out.

So I think that is a compliment to them, better late than never to recognize what you need to do is to get it right.

Mr. CARNEY. I agree. But how open-ended do we leave something like this? After all, border security is national security, and this is their job.

Mr. STANA. Well, there is a consequence to this. There are a whole other—there are many other pieces to border security besides the technology piece. For example, what is the right size of the Border Patrol? How much fencing do we use?

The assumption was that we were going to have the SBInet technology in three sectors by the end of this year—Tucson, Yuma and El Paso—and that that would sort of lead the way in determining how it was going to be used, how the Border Patrol doctrine was going to incorporate this technology into everyday operations and therefore get a better sense of what it really takes.

With these delays—and maybe these delays are proper and appropriate, but with these delays you are pushing out that date as to when you are going to, No. 1, gain operational control of the border and, No. 2, incorporate technology with information and other infrastructure like fencing into a total package of border security.

You are pushing that date out.

Mr. CARNEY. I will close with this question: Do we have operational control of the border?

Mr. STANA. How do you define “operational control”?

Mr. CARNEY. How do you define it?

Mr. STANA. Are we in a position where we will be able to detect and classify every individual who crosses the border and have a Border Patrol agent or other law enforcement agent on-site to be able to address that particular crossing or threat?

Are we at that position today? No.

We have increased our capabilities significantly from where we were 6, 7 years ago.

Mr. CARNEY. Okay. Once again, my concern here—

Chairman THOMPSON. Do you accept the definition?

Mr. CARNEY. I think that would be one we would love to have, but I don't think it is realistic. I would like to see what the CBP's definition of operational border security is, and if they believe that they are meeting that.

Mr. STANA. Here is their definition of operational or affective control: Detect illegal entry, identify and classify a threat level associated with it, respond to it, and resolve the situation.

The fact that it is estimated that hundreds of thousands of people cross over the border, undetected, illegally every year would indicate that we don't have effective control right now.

Chairman THOMPSON. I think the point, Mr. Carney, is that this Congress has been more than supportive of providing the resources that should, within a reasonable period of time—if managed properly, would give operational control. I think part of the challenge that we have is to make the Department provide the management and oversight necessary for that to occur.

That has been one of our challenges.

Mr. CARNEY. My concern, Mr. Chairman, is that the definition of "operational control of the border" doesn't change either.

Mr. STANA. I think we also have to acknowledge, it is a difficult task. There are thousands of miles of wide-open spaces, and there are very many hard-working men and women who attempt to gain operational control.

In fact, in some locations we have it. But as far as a Nation, do we have operational control of all of our borders? No.

Mr. CARNEY. Mr. Stana, please understand that our efforts in this committee on both sides of the aisle are for those men and women. That is our concern.

Mr. STANA. I understand.

Mr. CARNEY. We want to give them the tools to help them get that operational control, and we want to give them the tools that make them safe and protect them. We want to give them the tools that make all of us safer. My frustration in the first 2 years that I have been here and chairing the Oversight Subcommittee is that sometimes I feel that there has been a bit of a shell game going on with what is going on at the border and the projects; and that is just unacceptable.

Thank you, Mr. Chairman. No further questions.

Chairman THOMPSON. Thank you.

For the record, Mr. Stana, have you been able to get from the Department a border security plan for the southern border?

Mr. STANA. I don't believe so. I am not sure if the plan exists, but—it is in the predecisional stage or whether a comprehensive plan doesn't exist.

Chairman THOMPSON. Well, we have not been able to get one either. I thought maybe you had been more successful than the committee.

I yield to the gentleman from Washington State, Mr. Dicks, for 5 minutes.

Mr. DICKS. Well, I appreciate the Chairman yielding.

Let me ask you this question: We understood that part of the problem here was—on the Department's thought, it could just waive all environmental requirements; and then at the end they

found out that they, in fact, had to—on the technology side of the equation, they had to go through the environmental permitting process. Now, that would seem to me to be a very fundamental area.

Now I understand, because of that, they are asking for a re-programming of \$400 million of this money to be used to build the fence instead of its being used for technology. Is that an accurate portrayal of the situation?

Mr. STANA. They had difficulty with the environmental assessment process. They didn't leave a lot of time to do that. I think it normally takes several months to complete it, and they left a matter of weeks to finish it.

At the end of the day, I think, whereas it may have worked, the relationship between DHS and the Department of Interior at the local level may have worked well, at headquarters level it didn't; it wasn't as close and productive, and there were some stops there.

Now, I will say that that isn't the only reason for the delay in pushing out Tucson-1 and Ajo-1 projects into 2009, that may have been a contributing factor. But as Randy Hite pointed out, there were some procedural delays in making sure that things worked right, which also contributed to pushing the date out.

Mr. DICKS. It also sounds—and I have been on the Defense Appropriations Subcommittee throughout my entire career. It sounds like you didn't have a proper—you know, a plan—you know, what is this system supposed to do—and then, you know, a timeline for when you are going to have reviews the way the military does it.

Now, the military takes time to do it, but they get it done, normally, at the end of the day. In reading through your review it just sounds as if a lot of the work that should have been done by the Department, the program office, to oversee this simply wasn't done. Is that an accurate portrayal?

Mr. HITE. That is a fair statement, yes.

Mr. DICKS. Obviously, the contractor in this situation, you want them to do as much as you can to work with the program office to get the thing done; but it is hard to do if the program office is understaffed and doesn't have a clear idea of what it wants to achieve. We have these problems in other areas of the Government.

The Department of Homeland Security seems to have a terrible problem of being able to do acquisition projects. This is not the first time they have had a fundamental flaw.

I would also mention, just to my colleagues, that as I am Chairman of the Interior and Environmental Appropriations Subcommittee, I mean, we have some very serious environmental issues down there on the border. You have got endangered species; you have got a lot of Federal land involved.

When these people come across—especially the drug dealers and gangsters are leaving waste on the land. It is a very difficult situation, and the departments don't enough money to clean it all up.

So the environmental issues are real. This is not just the Endangered Species Act, which some people don't appreciate; but you have serious environmental questions that are not being addressed. I think, frankly, that we almost went too far in giving waivers on building the fence. Some of these species go over and back, across the border; and their survival is also of importance.

So do you think they can get this turned around? I mean, do you think—or is it going to take a new administration, new people coming in to reinvigorate the process? I mean, is that our best hope? I mean, because obviously we are down to the end of this administration. I mean, the witnesses aren't here today because they are working on transition.

Mr. HITE. With regard to whether or not I think they can get it turned around, with respect to the acquisition concerns that we identified in terms of being able to clearly define what it is that you want and putting together a meaningful plan of how you are going to get there, I would point to the fact that CBP has acknowledged the concerns that we raised. We made a litany of recommendations to correct that. They agreed with the recommendations. They are already moving out to try to implement those.

So as I said in my opening statement, I am cautiously optimistic. Going forward, it remains to be seen. As part of our work in support of this committee, we will be there to make sure it gets done properly.

Mr. DICKS. Thank you, Mr. Chairman.

Chairman THOMPSON. Thank you. Before I recognize the gentlelady from Florida, I would like to express the complete and full sympathy of every Member of the committee at the loss of her husband while we were on break in August; and you have our prayers.

The gentlelady from Florida.

Ms. BROWN-WAITE. Thank you very much, Mr. Chairman. I missed some meetings in July because we knew the end was near. My husband had pancreatic cancer and the doctor was incredibly accurate when he told us how long we had. So I, as everyone would do, decided that I needed to be with him in July and certainly August. He passed away August 19.

But thank you so much for your thoughts. I apologize for not being here earlier. I had some people from Farm Bureau in my office from my very district.

Certainly, CBP has a very difficult job of recruiting and retaining the border agents, probably because of the harsh nature of the job—the isolated environment, difficult climate, and salary as compared to the cost of living in places such as San Diego, the San Diego sector, for example.

Of the new agents that were hired in, let's say, the past year, what percentage have already left Border Patrol? Could you let us know what the primary retention and recruitment tools are that are available to CBP?

Mr. STANA. I believe the figure is around 25 to 30 percent of those hired in the last, maybe, year or 2 have left the Border Patrol. I don't have the latest figure, but that is the last one that I saw.

The Border Patrol offers a range of incentives, but it is a difficult job, as you pointed out. There are language requirements; oftentimes you are in remote locations, sometimes very expensive locations.

But this turnover you are talking about, this churning, has consequences to other efforts within the Border Patrol. You know, you are placing a stress on the supervisory level to constantly train

new staff and evaluate new staff. The supervisory ratios in the Border Patrol in some sectors are very high, and understanding how a new agent works in that first 2 years is critical, not only to train people, but to get those bad apples out.

Any time you have a run-up in staff in any agency, you are so concentrated on getting a large number of new people in that you are going to get people who just don't have the right skills or temperament for the job; and it is up to that first-line supervisor to detect that and get them out before they cause harm to, say, an alien or to the agency. That is more difficult.

So this large percentage of turnover has complications up and down. It is not just a recruiting problem. It is a training problem, it is a supervision problem, and it is a skill problem.

Ms. BROWN-WAITE. I have been told that the morale is very low. On a scale of 1 to 10, how would you rate the morale? Have you done—as you go in and you do the studies, have you done any studies of morale of the Border Patrol agents?

Mr. STANA. No, ma'am, I really haven't done a study of the morale. I know that periodically OPM does studies of different agencies to try to determine things like morale and how people feel about their work.

I know CBP, more broadly, had some morale issues. I don't know how much of that was the Border Patrol, whether they thought their job was important or whether their pay was commensurate with job obligations.

I think you are raising some good questions, though. I just don't have an answer for you.

Ms. BROWN-WAITE. In your opinion, do you think that the escalating violence between drug cartels in the Mexican border cities could spill into the United States, posing an even greater threat to U.S. law enforcement and citizens and CBP members along the border?

Mr. STANA. It is interesting, I was just down in El Paso a couple or 3 weeks ago, speaking with not only the Border Patrol people, but the people at EPIC, the law enforcement center down there. That is very much a concern of theirs, and they are monitoring that every day.

One thing you don't want to happen is to have the violence in Nuevo Laredo, for example, with the drug cartel, spill over the river into Laredo or some of the cross-border towns in Arizona and California. It is something that is—it is a threat. They are monitoring it, and frankly, it is something that they really, really are concerned about.

Ms. BROWN-WAITE. Do you think once, you know, perhaps starting Operation Jump Start, again having the National Guard in there, would help?

Mr. STANA. The National Guard, as I understand it, did not perform a law enforcement role.

Ms. BROWN-WAITE. No, they didn't.

Mr. STANA. They would not bring their weapons and expertise to bear to fight drug cartels.

That is a question I just don't have any information on.

Ms. BROWN-WAITE. But they did backup so that those who actually are trained could be out in the field. So if we brought that back

again of having the National Guard there, there could be more trained and armed officers out there.

Mr. STANA. Remember that that Operation Jump Start was deployed at a time when the Border Patrol had thousands of fewer agents than they have now. So what I don't know is whether getting up to the 18,000 agent goal that they expect to get to by the end of the year would provide enough officers.

I understand your point, that anything we can do to put people back on-line would be helpful to control that kind of cross-border violence. I just don't know whether the recruitment and retention and the other issues you raise, taken all together, would still leave enough agents to properly patrol the border.

Ms. BROWN-WAITE. Thank you. I yield back.

Chairman THOMPSON. Thank you.

I want to now recognize the gentleman from New Jersey, Mr. Pascrell, for 5 minutes.

Mr. PASCRELL. Thank you, Mr. Chairman. Mr. Chairman thank you for bringing us back together again. I am very disappointed that the CBP could not be here today to answer the questions that we have.

Mr. Chairman, the bipartisan Partnership for a Secure America presented all of us on September 9 a report card on national security; and one of the subjects where we did the worst in terms of that report card on national security was establishing international cooperation.

I have a quick question, Mr. Stana. Do you think, in your review of what is going on there now, that—well, let me rephrase the question.

Do you think that there has been enough international cooperation with the countries that are on our borders so that we can come up with a viable, as was stated before, and clear way of how we are going to protect our borders? Have we established concrete relationships with these countries, whether it be Mexico, Canada, et cetera, so that we can come to a conclusion about how best to protect our borders?

It goes both ways.

Mr. STANA. Yeah. I am more familiar with the relationships on the northern border, with Canada. They have inter-border enforcement teams with the Royal Canadian Mounted Police, CBP and others. They share information and intelligence; and they even do some operations in the Great Lakes with, I think it is called, the Ride Share program—something to that effect—where we have agents from one country riding in the patrol boats of another.

It is not to say that everything is perfect or there isn't room for further coordination, but there are these mechanisms in place in the northern border.

On the southern border, I don't know that they have the degree of cooperation in relationships that they do on the northern border, but I do know they have made some inquiries and some initiatives to try to improve those.

Mr. PASCRELL. I would like if we could look into that, Mr. Chairman. Because it seems to me we can't defend our border if we don't have the cooperation of whomever is on the other side of that particular border. It would make it much easier.

The report card concluded—this is bipartisan folks that have worked in this area for 30, 40 years—that we are still dangerously vulnerable. So we know the seriousness of the subject.

It is my strongly-held belief that border security cannot be accomplished by simply erecting a physical barrier or relying entirely on technology. Our Nation needs a layered, multifaceted approach to the problem.

I want to make clear that the current inability of the DHS, Mr. Chairman, to find a border security solution with clarity, as was just pointed out, to define the terms here, a solution that actually works, makes it impossible for Congress to enact comprehensive immigration reform. I have gone back over the dialog on immigration over the past 3 years, 4 years. It is not only critical, it is absolutely essential for us to get this right; and yet we don't have it right.

So it has to be clear to all of us that you can't create any new programs to bring legal workers, for instance, from Mexico into this country if the border isn't really secure and workers simply have the option of coming here illegally and avoiding whatever paperwork they have to fill out.

Any comprehensive immigration plan would likely require first that the President has to certify that the border is indeed secure before the rest of the plan would be initiated. At this pace we are going algebraically, we will have such change in immigration in another 20 years.

So let us imagine that Congress passed a comprehensive immigration reform tomorrow morning and the President signed the bill in the mean time. How long would it take, Mr. Stana, how long would it take in your mind before we could certify that the border is truly secure?

Mr. STANA. If you use the criteria that DHS has, you know, for the SBI program—and that criteria, again, is being able to detect illegal entry, being able to identify and classify the threat, being able to respond to any illegal entry and being able to resolve the situation—we are not at that point yet and it could be some time, it could be years before we get there.

Mr. PASCRELL. Thank you.

So, Mr. Chairman, more than pounding our chest and rattling our swords and providing distractions from our objective, we haven't done what we are supposed to do here; and we have let the American people down, not only the Department. But, as I have said before in other questions and other issues, there has to be a degree of accountability. There were people responsible, higher up, not so high up for this.

This shouldn't be a partisan issue. This should be something we should all be agreeing on. I don't think Democrats can do this any better than Republicans. But, on the other hand, it is not done. So we all bear some of the responsibility.

It is critical to defend this country as to what is happening on our borders. It goes both ways. The guns that go from America to Mexico, no one seems to be really concerned about. When we were down in Mexico in our Homeland Security trip that we took last year, it would seem to me that that was a major concern of the Mexican officials, of how many guns were going over the border

into Mexico from the United States of America. That is part of their homeland security.

Nobody cares about this. It is only guns. Since we as a Government are involved in the trade of such weapons, we just either accelerate it or turn our back.

So on both sides of the border, both sides of the border, to the south particularly, we do not have protection that the American people deserve. God knows—God is the only entity that knows what is coming into this country every day. Because we don't know. We pretend to know. We pound our chests. As a veteran, we put on our American Legion hats and we are there, America, U.S.A. Damn it, 7 years later, we haven't protected our borders. That is pretty basic, Mr. Chairman.

Thank you.

Chairman THOMPSON. Thank you.

I might add, Mr. Pascrell, that some of the milestones and timetables you asked for we have been working with the appropriators to try to come up with language that would encourage the Department that, before we start contracting and doing certain things, that some of the things we have heard here today, they would be required to do before the money is available. So, you know, we don't want to micromanage the Department, but in some instances we are left with no other choice if we are going to get it done right.

I will now recognize the gentlelady from California, Ms. Lofgren, for 5 minutes.

Ms. LOFGREN. Thank you, Mr. Chairman.

I really, I guess, have two fundamental questions. The first is whether the reprogramming that is being suggested—I don't know if you know the answer to this—is going to be a fatal blow to the high-tech solution that really, ultimately, has the—we all know you can't build a physical barrier along the entire southern border. I mean, they are remote areas. It is not possible to do that. I am mindful that, in addition to the environmental damage that was referenced by my colleague from Washington, you know, there are areas flooded along the southern border because the fence accumulated refuse—and Americans got flooded because of the incompetence of the Department.

So the question is, is this reprogramming going to prevent SBInet from actually moving forward, in your judgment?

Mr. HITE. No, ma'am. I don't think it is going to prevent it. I actually think at this juncture where things stand it is the right course of action to take a strategic pause on SBInet. Now whether the reason was because of the need for more money to go toward the physical fencing or not, I think it is the right thing to do now to make sure that we get this initial deployment correct.

Ms. LOFGREN. Let me ask maybe a more fundamental question. The Department doesn't meet its deadlines for virtually anything, for the US-VISIT, exit, for cybersecurity, for the fence, for SBInet, for anything. They can't even answer a letter in a timely fashion. So here is the question.

I actually have a great deal of respect for the head of the Border Patrol. I think he is a career guy. He has my respect. But his core strength is not technology or construction format matter. He is a law enforcement official. Whether the core competency of the CBP

should be recognized and honored and these other things that require a critical path and an understanding really ought to be assigned to somebody who has that core competency, not the Department of Homeland Security.

Mr. HITE. But the responsibility for acquiring the technology does, in fact, have to rest with the Department. I mean, they leverage contractors to help them with the engineering, with the development, with the testing. But acquisition, which is defining what you want because it is your mission, defining it in a way that is going to be understandable, you are going to be able to hold a contractor to delivering, that is a core competency of the Department.

Ms. LOFGREN. They are not competent at it. Maybe it is something they should be competent at, but they have failed over and over again.

Now, maybe new blood, you know, in the next administration will fix this, but I remember a couple of years ago when they couldn't get a list of critical infrastructure, that we actually assigned that task to the national labs who could have done it quite promptly. I mean, the Department—I don't think we just have to sit here and say this is a Department that can't perform. Therefore, these tasks that we want performed aren't going to happen.

Mr. Chairman, I would just suggest that one of the things that we will want to do with the new administration is to look at the structure of the Department that has performed so poorly and see what belongs in it and see what belongs out of it and who might actually be able to perform some of these functions in a more efficient way.

Obviously, we can't do that at this hearing. But that is a major task and I just—it is very disappointing that the Department is so unable to perform the task assigned.

I would yield back to the Chairman.

Chairman THOMPSON. I think both witnesses have already in their testimony documented some shortcomings in that area that we absolutely as a committee will be tasked to help the Department fix.

One of the things I might add with respect to this \$378 million request—I think it is \$370 million—is it \$370 million or \$278 million, the reprogramming—\$378 million reprogramming request for fencing, Ms. Lofgren, and as you were talking about, I am wondering if this is to do work now or to just do the task order for work to be performed at a later date. It might be that we need to seek further clarification from the Department. But, as I understand it, they can't even issue a proposed contract unless they have money, right?

Mr. STANA. They need the obligation authority.

Chairman THOMPSON. So that \$378 million may not mean that work would actually start before the end of this year?

Mr. STANA. That is correct. Although my understanding is that contracts have been let to cover all 670 miles that are in the goal for the end of this year. So there are some contingency miles where that they might apply new funds to. But my understanding is that this \$378 million is to go to cover the cost increases for the projects already approved.

Chairman THOMPSON. Those cost increases are attributed to what?

Mr. STANA. I would say three or four areas. One is the initial estimate, the ROM, was for a fence 10 feet high, 9 gauge steel. They are doing 15 feet, 4 gauge. So costs are going to go up a little bit.

But the bigger ones are the cost of materials. You know, concrete is one that has gone up tremendously. Because, as I mentioned earlier, CEMEX is going to sell concrete to fencing projects in the United States. And labor costs. They need to pay premium labor rates to have labor available to finish the fence at the point in time it was promised to be finished.

Chairman THOMPSON. I think again most of these contracts are cost-plus contracts for the fencing, am I correct?

Mr. STANA. That I am not clear on. If you will give me a minute. I believe that is the case, but we would have to check for sure.

Chairman THOMPSON. Thank you.

Now I yield to the gentlelady from Florida.

Ms. BROWN-WAITE. I wanted to go back to the National Guard issue. Do you think that it would be helpful for this committee to have either GAO or the committee staff do some kind of a study on the impact on the efficacy of border security when the National Guard pulled out?

Mr. STANA. If you would like, we can talk to your staff about that possibility.

Ms. BROWN-WAITE. Okay. But do you think in general it would be good to know the impact that the National Guard had and the result once they pulled out, if there has been any change?

Mr. STANA. Yeah. What we would do to do this sort of study, we would have to contact the Border Patrol and other officials who are responsible for border security and discuss the impact of the Border Patrol—or the National Guard when they were there and what capability was reduced because they left. That is what the study I think you would be suggesting would involve.

Ms. BROWN-WAITE. Yes.

Mr. STANA. I don't know the answers to those questions right now. But if you think that would be important to know, we can discuss with you or your staff on how we might do that for you.

Ms. BROWN-WAITE. Okay. I think it would help the committee also to know that, the whole ramification of the fact that the National Guard is no longer there.

Mr. STANA. We would like to work with you; and, of course, within GAO's protocol we would need the Ranking Member of a committee or subcommittee of jurisdiction to sign onto that. But that doesn't seem like there would be much of a problem if there is interest on the committee.

Ms. BROWN-WAITE. I appreciate that very much. Mr. Chairman, I think it would help the entire committee to have that knowledge.

Chairman THOMPSON. I think you are correct; and to the extent that the necessary requests can be made, you will, in fact, receive it shortly.

Ms. BROWN-WAITE. I appreciate your cooperation.

The other issue that I want to ask about is the impact of a continuing resolution on CBP. Are they going to be able to really do

their mission if they are just operating under a continuing resolution as opposed to having the increased funding? As you know, the continuing resolution keeps them at this year's funding as opposed to the start of the fiscal year being October 1 and not having the increased funding available.

Mr. STANA. That is a question that I can't answer in detail. I know with respect to the SBI program, the fiscal year 2008 amount was slightly lower than previous years because of carryovers and so on. So if they receive the amount in fiscal year 2009 as a CR, the same amount they had in 2008, that theoretically could present a problem. But I would have to defer to, you know, the appropriators as to what the answer is, because I haven't seen those numbers.

Ms. BROWN-WAITE. I appreciate the gentleman's forthrightness; and I yield back the balance of my time, Mr. Chairman.

Chairman THOMPSON. Thank you.

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

Mr. GREEN. Thank you, Mr. Chairman; and I thank the Ranking Member as well and the witnesses who have appeared. Like others, I regret that other witnesses did not appear.

Mr. Chairman, we have a number of alphabets, abbreviations I would like to deal with today. So as not to create any confusion when I deal with these alphabets, I would like to be a little bit clear. I want to talk about border security, Mr. Chairman. If I may abbreviate, I will simply call it BS.

It appears that BS started in 1995 with ISIS, which of course is the Integrated Surveillance Intelligence System. And then the BS moved on to ASI, which was an upgrade of ISIS, spent \$483 million at that point. The BS moved on 2005 to SBI, the Secure Border Initiative, which included personnel and fencing. Now the BS includes SBInet, which is an upgrade, I suppose, of SBI by adding a technology component.

I am not sure that we have had a lot of BS, some BS or no BS at all. But, clearly, we are dealing with BS; and at some point, we have to take a critical look at how much of this BS we can stand. You can have border security, and at some point we have got to make sure that the security we get is the security we can afford. That is what I mean by how much of this BS can we stand. Because we are spending a lot of millions of dollars on BS, and I am not sure we are getting as much for the BS as we are outlaying. Can you tell me, Mr.—is it Stana?

Mr. STANA. Yes.

Mr. GREEN. Since 1995, how much have we spent on BS?

Mr. STANA. I don't quite know how to answer that because BS can mean an awful lot of things.

Mr. GREEN. It does. I think you and I are on the page. Let's talk about ISIS, ASI, SBI, and SBInet. 1995 to date.

Mr. STANA. I don't know the answer on ISIS or ASI. I know for SBI, so far, \$2.7 billion; and there is another \$700-and-some million requested for 2009.

Mr. GREEN. Given the money that we have spent, are we—and this will be a guesstimate—are we 50 percent there, 60, 70, 80, 10 percent moving toward border security? How far have we moved

along the way, given that we have spent \$483 million on ASI and ISIS, coupled with the \$2.7 billion that you called to my attention?

Mr. STANA. I don't have a basis for judging exactly how far along we are. I know where we are on the SBInet and where we are in tactical infrastructure. On SBInet—and Mr. Hite could help me out here—we have Project 28, and it is deliverable. We have some plans—

Mr. GREEN. Project 28 was accepted conditionally, as I understand it, correct?

Mr. STANA. It was accepted, and it is in operation, although not providing the capability that was expected by the Border Patrol.

Mr. GREEN. Exactly. Okay. Go on.

Mr. STANA. If you look at Table I in my statement, if you don't have it in front of you, we list all the task orders that Boeing has received, \$933 million of task orders. Project 28 is in there. There are steel purchases for fencing in there. There are other projects like Tucson-1 and Ajo-1 in there.

But where we are right now is we have Project 28 in its state right now. We have plans and some demonstration projects for a COP and for other deployments. We have fencing. We are closing in on the goal to get the physical fence, the 670 miles that was promised by the end of the year. That is what we have right now and other—

Mr. GREEN. Let me ask you. What percentage of the fencing has been completed?

Mr. STANA. As of right now?

Mr. GREEN. Yes, sir.

Mr. STANA. There were to be 670 miles finished by the end of the year, and as of August we had 341. So we were a little over half.

Mr. GREEN. About 50 percent plus?

Chairman THOMPSON. If the gentleman will yield, we have a visual we can put on the screen that would help with some of that that Mr. Stana is talking about now. That is some of the task orders that have come into question.

Mr. GREEN. Mr. Chairman, I regret to inform you that, at this age, those numbers are quite small.

Chairman THOMPSON. Well, they are quite small, but they are quite large, too.

Mr. GREEN. They are quite huge numbers in another respect. I agree. Approximately 50 percent.

Now, with reference to the Project 28, while it was accepted conditionally, you do agree that it is not fully operational?

Mr. STANA. I would agree that it provides a limited capability. It does not provide the capability that was advertised in the task order.

If you have anything else to add?

Mr. HITE. Just a couple of points. It was accepted conditionally. I think there were 53 issues that went along with that conditioned acceptance. I believe the vast majority of those issues were worked off, so the Government did in fact accept the product from Boeing.

The problem with this was that the performance standards associated with P-28 were not concrete and specific enough that you could really hold the contractor accountable. So the Government

was really left with its failure to define with specificity what it wanted.

Mr. GREEN. I understand.

Let me just suggest this to you. Is the problem with P-28 the fact that, if you got a person moving across the area and you have some other object, there are times when you get a false reading and you are not sure of what you have? Is this true? You get false readings with the P-28 technology?

Mr. STANA. We were out in Tucson in June and asked some of the agents who use Project 28 technology if we could accompany them in the vehicle, and they said yes. We arranged to go out. It took 45 minutes to acquire a signal on Project 28, roughly 45 minutes. When it was up, it would fade in and out. At one point there was a target, for lack of a better term, that was on the screen and when the computer went down for that second, lost the signal, came back up, the target was gone and no longer trained on the target. So those kind of problems existed when we were out there, and that is after the Government accepted the project.

Mr. GREEN. Thank you.

Mr. Chairman, I just conclude with this. P-28, based on my intelligence and what I have read, does not do the thing that it was designed to do, which is identify people moving through. That has been the real problem with it. False readings are part of it.

But, in summary, we spent a lot of money; and we don't have the results that we should have for the money that we have spent. That is the bottom line. The question becomes why have we not the standards in place such that the product that we receive will be what the money we are according requires? That is where we are. What is going on such that we can't get the product that we are paying for?

It is sort of a rhetorical question; and, Mr. Chairman, I thank you very much for allowing the time.

Chairman THOMPSON. Thank you very much.

We now recognize the gentlelady from the District of Columbia, Ms. Norton.

Ms. NORTON. Thank you, Mr. Chairman.

I appreciate this hearing, and I am concerned about what this hearing is exposing, especially in light of answers concerning who gets to do what in the agency in terms of winning contracts and the like. Because I really think that is quite beside the point. What we have here is an unprecedented Federal agency. What we did was to put together agencies that Congress never intended to be in the same place after 9/11. Each of them had their individual expertise.

So what we have here when we say the Homeland Security will do X, Y, Z, we are really talking about ICE, which is immigration, we are talking about airline security, FEMA, border control, nuclear protection—I just tried to write down—Coast Guard. The only thing that links these functions is that we were attacked.

More importantly, although this has to do with the attack, more importantly, these agencies serve us in light of natural disasters. This was a very good-faith effort to put agencies together and to hope that it melded together. So I am not surprised that there would have been difficulties of all kinds.

When we are talking, however, about the technology, I am surprised. Because that is really not the expertise of any one of these agencies. It seems to me that if you ask Homeland Security to let contracts for everything, whether or not there is any hope that they had the expertise in everything, we didn't really mean this to be another government. Then I think we get into problems.

So I really have to ask about who should be doing what, and I ask about that, by the way, in light of the fact, in part, of some experience I have had. Homeland Security in the beginning had the right to go and find space for itself. Well, that is when it was a select committee. Agencies of the Government don't have that authority because they are not in the real estate business and they can easily be taken.

Well, Homeland Security also when they came back to GSA and said, for God's sake, what do we do now; and that matter is not any longer in their—it is something that they and they alone can do. There are very few agencies that have that expertise, and it is because probably—if one does, it is because some Senator or the other pulled them out for reasons having very little to do with our own mission here.

We just approved, for example, on the committee I chair, the construction of some border stations. Now, GSA did that because GSA knows about construction and knows about what kinds of people to look for. Homeland Security or ICE didn't go out and do that.

So when it comes to—and just reasoning from that analogy, and that happened only because, for this particular mission, everyone understands whatever you build—and, indeed, GSA is building a whole new headquarters and that headquarters is going to house at least half a dozen of these agencies. Well, nobody said, Homeland Security, because this is the Homeland Security Department, you go out and you figure out how to build a headquarters. That would be terribly unfair for them and more unfair for the taxpayers.

So somehow the other GSA is going to have to do better at what it has never done. It has never built as many buildings at one time, essentially a compound.

So I am concerned at going—something as complex as technology, particularly technology that will incorporate a number of these agencies—and saying that GSA—I am sorry—Homeland Security, whoever that is, has the requisite expertise—I think there was something in the responses to Ms. Lofgren that indicated—it may have been you—one of you. I am sorry. Mr. Hite.

You know, somebody has to say what we need in the contract. Well, when I go to buy a home, I tell somebody who knows something about what I need, but I don't sit down and do every part of buying a home. When GSA headquarters go up, they know what they need and, heaven knows, GSA can't build it without GSA having the extraordinary input into what happened, but it is GSA's responsibility. When you build a courthouse, nobody wants to get more involved in that than the judge. But, hey, this has to be done by somebody who knows how to build a courthouse, not somebody who knows how to sit at a lectern and try a case.

Now, I don't know who in this agency has any expertise. All I know is what your GAO report tells me. We are apparently in the

process of cutting our losses, and that is after almost half a billion dollars in installation and maintenance of technology at the border.

So, essentially, out of this I have two questions. I don't know why, assuming there is somebody competent in the Federal Government, they couldn't subcontract this to somebody who knew how to do technology across the board, rather than saying, since you are Homeland Security and it is your agency, you do it.

Second, I need to know if Boeing has been the contractor on all of these efforts, including the failed efforts up until now that have been discussed at this hearing.

First, what is there that mandates that they not only let the contract—or that contract be let for them but they have the ultimate supervision and say on the contract? Why is that the best way to do it? Is that the way a corporation, for example, who is dealing with the bottom line would do it?

Mr. HITE. Yes, ma'am. There are—with response to your first question, there are basically two models you could follow in the Federal Government, whether or not the agency that needs the technological solution manages the acquisition themselves. So they are the acquirer, and they perform that function.

The other model is you take advantage of an organization like GSA. It has a Federal acquisition service that performs that function on behalf of Federal agencies, if those agencies so choose to alleviate themselves of their acquisition services capabilities.

In this particular case, on a large number of acquisitions, departments and agencies decide to manage it themselves. That is not to say that some don't seek GSA assistance on this. In this particular one, the Department has chosen that they will manage the acquisition and they will contract with a systems integrator, Boeing, to help them in that regard.

With respect to your second question, yes, the work that has been done on SBInets starting with P-28 has been done through Boeing as the prime integrator.

Ms. NORTON. I ask you as a third party in this, given the failed efforts, in your professional judgment, based on your own investigations, would you advise the Department if you were asked to continue with this contractor in light of what has happened in the past looking at the performance?

Mr. HITE. I am sorry. The question is whether I would advise them to continue with the existing contract with Boeing?

Ms. NORTON. Boeing technology for the Department.

Mr. HITE. I am sorry. I am not quite following the question.

Ms. NORTON. I prefaced this by saying: Had Boeing been the contractor in all of these efforts? I recall your answer was yes.

Mr. HITE. Yes, ma'am.

Ms. NORTON. My question is, as the Department continues to do necessary technology, is this contractor, in light of its past performance, the best agent for continuing this work?

Mr. HITE. That is a fair question. They are a little over 2 years in this contract. It is a 3-year contract with 1 year of renewal options on the contract.

Ms. NORTON. They have got to consider that renewal within, as you say, 12 months. You have got to know whether to go or stop. We are going to be calling you or somebody back here after that

decision is made, so I am asking before it is made if we can be a little proactive here and look at past performance.

I mean, everything else in this world is judged; and then say, two-thirds down, one to go, without even knowing what would happen, would this be the best contractor to simply continue, that simply means renewal, in light of what has happened?

Mr. HITE. Yes, ma'am. That is a fair question.

I think it is the time to start thinking about that as the 3-year expiration approaches and you need to look at a number of variables in that regard, not the least of which is the contractor's performance.

Ms. NORTON. What else in the world would you look at? You might look at DHS' performance. My first question—

Mr. HITE. They are culpable in this as well.

Ms. NORTON. They are culpable in that, and I have—let us look at the contractor. Do you think—who is more culpable, DHS or Boeing?

Mr. HITE. I don't have the information to give you an answer on that.

Ms. NORTON. We need that information. In my judgment, I don't see—frankly, and I regret to see this. I don't see the expertise in Boeing or DHS, not based on past performance. I don't know how else we can do this, Mr. Chairman. Look at what you have done and look at the product. What product?

Chairman THOMPSON. Well, I think if the gentlelady will yield, it is a 3-year contract that comes up for renewal next year. I think you raised some legitimate questions that the committee is prepared to pursue based on this study and earlier studies.

Ms. NORTON. Well, I appreciate that, Mr. Chairman.

I want, finally, to say in light of my first question and I recognize that—well, first of all, is it not true that DOD allows GSA or somebody else to do some of its acquisition? For it to take the only agency I know that has real experience doing everything. They build—by the way, they have the right to build for themselves, and they build housing. We are talking now about a mammoth department. They build housing. They do most of what agencies do for themselves. They are the United States military. But don't they also use GSA for some of their acquisition work?

Mr. HITE. I am sure they do use GSA in some instances. I do know that the Department does and takes responsibility for acquiring a lot of major programs itself and they are the acquisition function.

Ms. NORTON. Could I say I have no jurisdiction over that part of GSA, that part of GSA which has to do with the mammoth contracting part that they are in charge of; and they get into trouble with that sometimes, too. They have had some noncompetitive contracts. I mean, they really are in charge of it. So I don't speak from any expertise there.

I know about what they do in building and when they have done a fairly competent job in that. Indeed, this committee is deeply involved with me and in the process of trying to get them a headquarters. So I don't—I would only ask this, that you look at whether—since I don't know anything about their acquisition and their contract—which, by the way, is by far the larger part of GSA. I

have no expertise, but I believe that you would help the committee if you would look at who the possible agents are besides DHS.

I think, frankly, it is very unfair to say to DHS, because we have thrown together everything we think has to do with Homeland Security, you now are deemed to have the expertise in every part of what they do. That is unfair to them. I think they have shown they can't do it. I don't know who should do it, but to keep doing what they have been doing just because they call themselves DHS is to guarantee that we will have a result not much better.

Thank you very much, Mr. Chairman.

Chairman THOMPSON. Thank you very much.

Let me thank our two witnesses for their understanding and cooperation with the committee, especially in coming back to this recessed hearing. I am certain there will be some questions forwarded to you based on what you have heard here this morning; and, to the extent possible, we will ask you to respond in as fast a manner as possible.

Again, I thank both of you. The committee stands adjourned.

[Whereupon, at 11:41 a.m., the committee was adjourned.]

APPENDIX

QUESTIONS FROM CHAIRMAN BENNIE G. THOMPSON OF MISSISSIPPI FOR THE DEPARTMENT OF HOMELAND SECURITY

Question 1. With respect to the SBInet program, in September GAO reported (GAO-08-1086) ineffective testing management, an incomplete testing plan, and a lack of component testing.

What is DHS doing with respect to testing for Tucson-1 and Ajo-1 to avoid the problems that affected Project 28?

Answer. As a part of lessons learned from Project 28, U.S. Customs and Border Protection (CBP) now has a Systems Integration Lab (SIL) in Huntsville, Alabama and a Field Test Lab in Playas, New Mexico. The Playas Field Test Lab provides the opportunity to conduct testing in a representative operational environment thereby enabling formal Government qualification testing prior to deploying the system to the TUS-1 and AJO-1 project areas. The System Integration and System Qualification tests that are now being completed prior to deployment are a change and improvement over the Project 28 test process, which will significantly reduce risk of system problems post-deployment.

The following types of testing are conducted prior to and post-deployment:

Testing Conducted Prior to Deployment

- CQT—Component Qualification Testing: Component qualification testing is performed to verify/evaluate the required performance of components that have not been otherwise addressed by the vendor's certificate of compliance.
- SIT—System Integration Testing: System integration testing performance in a controlled environment is a continuation of the integration test process to identify functional, interface and performance anomalies to be resolved or mitigated prior to integrating with the next subsystem.
- SQT—System Qualification Testing: SQT is conducted to verify that the design being tested is compliant with the requirements of the system as defined in the appropriate Block A-level specification. Testing is conducted on a production representative system.

Testing Conducted Post Deployment

- SAT—System Acceptance Testing: A system acceptance test is conducted to verify the installed system as built is as designed.
- FQT and IV&V—Software Functional Qualification Testing, and Independent Verification and Validation: As part of the developmental testing process, functional qualification testing (FQT) is conducted to satisfy requirements per the System Requirement Specification (SRS) and is performed on production representative components that are software intensive.

Independent Verification and Validation (IV&V) of this software is planned to provide services, consistent with IEEE Standard 1012-2004, IEEE Standard for Software Verification and Validation, will ensure that SBInet software products, and services meet CBP standards and SBInet requirements. This includes all aspects of the project lifecycle, as directed by CBP.

Question 2. We understand a process called "Rapid Application Development/Joint Application Development (RAD/JAD)" is being used to facilitate interchange among Border Patrol agents, Office of Field Operations officers, and other "super users."

Please provide a list of the RAD/JAD sessions that have been conducted and an explanation of how these sessions are improving the SBInet program.

Answer. The formal name of the process is Rapid Application Development/Joint Application Design. The RAD/JAD process refers to the practice of producing a rapid prototype (RAD) which is then presented to users in a joint session (JAD) to elicit actual end-user response to design issues with the prospective system design.

We have conducted three RAD/JAD sessions. The dates and locations for these RAD/JAD sessions are listed below.

1. January 23–24, 2008—Mesa, Arizona
2. February 12–13, 2008—Mesa, Arizona
3. June 10–11, 2008—Crystal City, Virginia

These sessions improve the SBInet Program by providing the Border Patrol agents the opportunity to participate in the software design and development process. Border Patrol agent participation during the JAD sessions not only captures the experience of the agents in the field, but it also improves end-user acceptance of the system as the end-users have played a key role in defining and refining the system design. The small teams simplify the decisionmaking process. The design feedback is immediate, interactive, and the changes are made with the agent present to witness and agree with the changes. During the three RAD/JAD sessions, Border Patrol agents provided 176 user comments, which were included in C3I COP software development.

Question 3. While many border security legislative proposals call for additional fencing and tactical infrastructure, very few consider the long-term obligations for maintenance and repair.

What is the Department's plan for repairing and maintaining border fencing and vehicle barriers that have been constructed or will be constructed?

Has the Department calculated the costs associated with upkeep of the nearly 700 miles of fencing that the administration is proposing to have constructed or under contract by the end of the year? If so, what are those costs?

Answer. Currently, there are fence maintenance and repair contracts in four Border Patrol Sectors: El Centro, Yuma, Tucson and El Paso. These are the sectors that have both the preponderance of current fencing and the greatest need for contract maintenance coverage at this time. The contracts, administered and managed by the U.S. Army Corps of Engineers (USACE), cover maintenance and repair of both legacy and newly constructed pedestrian and vehicle fence under the PF225 and VF300 programs, and have option periods that can extend maintenance service coverage through September 30, 2009, if needed.

The current USACE fence maintenance contracts are only intended to be an interim solution. The SBI Tactical Infrastructure (TI) division is aggressively pursuing a long-term solution by planning to award a Comprehensive Tactical Infrastructure Maintenance and Repair contract in the July 2009 time frame. This contract will cover maintenance and repair of all types of TI, including fencing, and will provide coverage to all nine Southwest Border Patrol Sectors.

CBP has an initial recurring base budget of \$75 million per year in the BSFIT appropriation for tactical infrastructure maintenance and repair.

Question 4. DHS's push to complete many of SBI's infrastructure projects by December 31, 2008, appears to have contributed to escalating costs and the planning and documentation problems described by GAO.

Is there a change in the Department's authority to construct fencing after December 31, 2008?

What are the Department's plans for fencing after December 31, 2008?

Answer. The most significant factors contributing to fence cost increases are the rising cost of steel and cement and limited construction labor in southwest Texas, rather than the compressed schedule required to meet DHS's goals.

The Secure Fence Act of 2006 mandated the Secretary of Homeland Security achieve and maintain operational control of the border. 8 U.S.C. § 1701 note. In addition, Section 102 of the Illegal Immigration Reform and Immigrant Responsibility Act, as amended (IIRIRA), requires that the Secretary take such actions as may be necessary to install additional physical barriers and roads in the vicinity of the United States border to deter illegal crossings in areas of high illegal entry into the United States. 8 U.S.C. § 1103 note. Section 102 of IIRIRA further requires that, in carrying out this mandate, the Secretary identify certain priority miles where fencing would be most practical and effective in deterring smugglers and aliens attempting to gain illegal entry into the United States and complete construction by the end of December 2008.

There are currently no plans to construct additional fence beyond the current goals. However, Border Patrol will continue to reassess its operational requirements including the determination of any additional fencing requirements in 2009 and beyond.

Question 5. In September 2008—more than 2 years after the SBInet program was launched—the Secure Border Initiative program office held a meeting to develop the Secure Border Initiative's mission, visionary goals and objectives, and core values.

How do you explain the 2-year delay in developing these principles?

Answer. There was not a 2-year delay in developing SBI's goals and objectives. The September 2008 effort was conducted as part of the CBP strategic plan framework which is expected to be conducted as part of the annual planning cycle. Each

CBP senior executive level office is required to develop an office strategic implementation plan which will be used to implement CBP's 2008–2013 Strategic Plan. While some elements such as the core values had not previously been memorialized by the program, the September manager's meeting was to refine the program's mission, vision, goals, and objectives and to ensure alignment with the agency's goals.

QUESTIONS FROM CHAIRMAN BENNIE G. THOMPSON OF MISSISSIPPI FOR RICHARD STANA, DIRECTOR, HOMELAND SECURITY AND JUSTICE, GOVERNMENT ACCOUNTABILITY OFFICE

Question 1. GAO has set forth a number of reasons SBIInet is at risk of failing to meet user needs and operational requirements or performing as intended, including ambiguous schedules, lack of clear definitions and baselines, and ineffective testing.

How responsible is the Secure Border Initiative Program Office for the deficiencies discussed in your reports?

How would you evaluate Boeing's performance?

Answer. Response was not received at the time of publication.

Question 2. A number of factors are cited to explain the rise in fencing construction costs along the southwest border, including labor shortages, increases in material and transportation costs, and a compressed timeline.

Do you believe that any of these cost increases were foreseeable or could have been incorporated into a planning document?

Will these cost increases make it more difficult to predict the life-cycle costs for the fence? If so, how?

Answer. Response was not received at the time of publication.

Question 3. As of August 1, 2008, the SBI Program Office reported having a total of 293 employees, which is well short of its staffing goal of 470 employees. Furthermore, of the employees on board, 164 are contractors and only 126 are Government employees.

What are the risks involved in the majority of employees overseeing a complex program such as SBIInet being contract rather than Government employees?

How have those risks affected the program?

Answer. Response was not received at the time of publication.

QUESTIONS FROM CHAIRMAN BENNIE G. THOMPSON OF MISSISSIPPI FOR RANDOLPH C. HITE, DIRECTOR, IT ARCHITECTURE & SYSTEMS ISSUES, GOVERNMENT ACCOUNTABILITY OFFICE

Question 1. GAO has set forth a number of reasons SBIInet is at risk of failing to meet user needs and operational requirements or performing as intended, including ambiguous schedules, lack of clear definitions and baselines, and ineffective testing.

How responsible is the Secure Border Initiative Program Office for the deficiencies discussed in your reports?

How would you evaluate Boeing's performance?

Answer. Response was not received at the time of publication.

Question 2. A number of factors are cited to explain the rise in fencing construction costs along the southwest border, including labor shortages, increases in material and transportation costs, and a compressed timeline.

Do you believe that any of these cost increases were foreseeable or could have been incorporated into a planning document?

Will these cost increases make it more difficult to predict the life-cycle costs for the fence? If so, how?

Answer. Response was not received at the time of publication.

Question 3. As of August 1, 2008, the SBI Program Office reported having a total of 293 employees, which is well short of its staffing goal of 470 employees. Furthermore, of the employees on board, 164 are contractors and only 126 are Government employees.

What are the risks involved in the majority of employees overseeing a complex program such as SBIInet being contract rather than Government employees?

How have those risks affected the program?

Answer. Response was not received at the time of publication.