

**DEPARTMENT OF HOMELAND SECURITY  
APPROPRIATIONS FOR FISCAL YEAR 2009**

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**HEARINGS**  
BEFORE A  
SUBCOMMITTEE OF THE  
COMMITTEE ON APPROPRIATIONS  
UNITED STATES SENATE  
ONE HUNDRED TENTH CONGRESS  
SECOND SESSION

—————  
**Department of Homeland Security  
Nondepartmental witnesses**  
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**DEPARTMENT OF HOMELAND SECURITY  
APPROPRIATIONS FOR FISCAL YEAR 2009**

**TUESDAY, MARCH 4, 2008**

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

The subcommittee met at 10 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Daniel K. Inouye presiding.

Present: Senators Inouye, Leahy, Murray, Lautenberg, Nelson, Cochran, Stevens, Specter, Craig, and Alexander.

**DEPARTMENT OF HOMELAND SECURITY**

**STATEMENT OF HON. MICHAEL CHERTOFF, SECRETARY**

**OPENING STATEMENT OF SENATOR DANIEL K. INOUE**

Senator INOUE. Mr. Secretary, welcome, sir. Chairman Byrd plans to be back here in the Senate on Thursday, and he has asked me to chair this hearing today.

This week, as you may know, Mr. Secretary, marks the fifth anniversary of the establishment of your Department. Since the Department was created, Senator Byrd and other members of this Committee have pressed the President and the Congress to provide the Department with the resources it needs to fulfill its critical mission.

Mr. Secretary, thank you for appearing before the subcommittee today. You manage a Department that employs more than 195,000 dedicated men and women. These workers serve on the frontlines, securing our ports, our waterways, securing our borders, enforcing our immigration laws, protecting over 700 million airline passengers using our airports each year, and responding to disasters.

And on behalf of the committee, I wish to commend them for their dedication and their service to preserving our freedoms and securing our homeland.

While we have had many issues with the administration over its commitment to providing the resources necessary to get the job done, I hope you will work with the committee to find a way to properly fund the Department's efforts to achieve this primary mission.

Last month, as you are well aware, the Director of National Intelligence released the Annual Threat Assessment. The Director confirmed that al-Qaeda has regrouped in Pakistan, and that terrorists continue to pose significant threats to the United States. According to this assessment, terrorists are likely to continue to focus

on prominent infrastructure targets, with a goal of producing mass casualties and significant economic aftershocks. In addition, the Department continues to believe that the aviation sector is at a high risk of attack.

Based on this assessment, I believe I speak for the committee in saying that we are disappointed that the President proposed a flat budget for your Department. The President seeks discretionary funding of \$37.6 billion, the same as fiscal year 2008. I'm also disappointed that funding approved by the Congress 9 months ago for hiring air cargo inspectors, deploying more K-9 teams, and purchasing explosive-detection systems remains unspent, sitting in the Treasury.

In your testimony, Mr. Secretary, you assert that the President proposes an increase of 7 percent in fiscal year 2009. However, in this calculation, you exclude the \$2.7 billion in the emergency funding for border security that the Senate passed by a vote of 76 to 17, and the President signed into law.

Most of this funding was not one-time funding. Your own budget for 2009 assumes that most of the emergency funding was not one-time funding. Securing our borders is a requirement that is not going away.

Mr. Secretary, in light of the administration's latest threat assessment, a flat budget simply is not satisfactory. Senator Byrd related to me that he is particularly troubled by the President's proposal to cut first-responder grants by \$2 billion, or 48 percent.

Hurricane Katrina proved that our communities are not prepared to respond to a major disaster. Dramatically cutting funds for police, fire, and emergency medical personnel, and for emergency planning, is not a solution.

It is equally troubling that the Department has not requested sufficient resources to fully implement 9/11 act requirements, such as expansion of the Surface Transportation Security Program, and increase screening of air cargo. Further, the Port Security Grant Program is cut by \$190 million, and there are no funds requested to develop interagency operation command centers for the maritime domain, as mandated under the Safe Port Act.

When the Senate Appropriations Committee, under Chairman Byrd's leadership, marks up the Homeland bill, I'm certain we will restore the ill-considered cuts in this first responder funding, while providing a robust budget for border security, for the Coast Guard, for aviation security, and for other efforts to respond to an evolving threat.

The President has already stated that he will veto any appropriation bill that exceeds his request. When we send such a bill to the President, I urge you to put the security of the American people above the President's agenda.

And without objection, I will insert the full statement of Chairman Byrd in the record.

[The statement follows:]

PREPARED STATEMENT OF SENATOR ROBERT C. BYRD

Welcome Secretary Chertoff. This week marks the fifth anniversary of the establishment of the Department of Homeland Security. As you know, I opposed creating the Department. But, since it was created, I have pressed the President and the

Congress to provide the Department with the resources that it needs to fulfill its critical missions.

Mr. Secretary, I thank you for appearing before the subcommittee today. You manage a department that employs over 195,000 dedicated men and women. These workers serve on the front lines, securing our ports and waterways, securing our borders, enforcing our immigration laws, protecting the 700 million flyers using our airports each year, and responding to disasters. I commend them for their dedication and their service to preserving our freedoms and securing our homeland.

While I have had many issues with the administration over its commitment to providing the resources necessary to secure the homeland, I have appreciated working with you in support of your agencies' missions. I thank you for your dedication and your service.

Last month, the Director of National Intelligence released the Annual Threat Assessment. The Director confirmed that al-Qaeda has regrouped in Pakistan and that terrorists continue to pose significant threats to the United States. According to the threat assessment, terrorists are likely to continue to focus on prominent infrastructure targets with the goal of producing mass casualties and significant economic aftershocks. The Department continues to believe that the aviation sector is at a high risk of attack.

Based on this assessment, I am disappointed that the President proposes a flat budget for your Department. The President seeks discretionary funding of \$37.6 billion, the same as fiscal year 2008. I am also disappointed that funding that Congress approved 9 months ago for hiring air cargo inspectors, deploying more canine teams, and purchasing explosives detection systems remains unspent, sitting in the Treasury.

In your testimony, you assert that the President proposes an increase of 7 percent for fiscal year 2009. However, in this calculation, you exclude the \$2.7 billion of emergency funding for border security that passed the Senate by a vote of 76-17 and was signed into law by the President. Most of this funding was not one-time funding. Your own budget for 2009 assumes that most of the emergency funding was not one-time funding. Securing our borders is a requirement that is not going away.

Mr. Secretary, in light of the administration's latest threat assessment, a flat budget is simply not satisfactory. I am particularly troubled by the President's proposal to cut first responder grants by \$2 billion or 48 percent. Hurricane Katrina proved that our communities are not prepared to respond to a major disaster. Dramatically cutting funds for our police, fire, and emergency medical personnel and for emergency planning is not a solution.

When we mark up our bill, we will restore ill-considered cuts in first responder funding, while providing a robust budget for border security, for the Coast Guard, for aviation security, and for other efforts to respond to an evolving threat. The President has already stated that he will veto any appropriations bill that exceeds his request. When we send such a bill to the President, I challenge you to put the security of the American people above the President's apparent political agenda.

Senator INOUE. And now, I wish to turn to my good friend and able colleague, Senator Thad Cochran, following any remarks that Senator Cochran may have. We look forward to your testimony. Senator Cochran.

#### STATEMENT OF SENATOR THAD COCHRAN

Senator COCHRAN. Mr. Chairman, thank you very much for convening this hearing, and we appreciate very much the attendance of the Secretary of Homeland Security to discuss the budget request submitted by the President.

Mr. Secretary, we appreciate you're being here and sharing your insights with us about how the Department of Homeland Security will continue to deal with the threats to the security of our homeland.

The fiscal year 2009 budget has a total discretionary appropriations request for the Department of \$37.6 billion. It's roughly the same as the Department's appropriations level for this fiscal year, including an additional \$2.7 billion in emergency appropriations for

border security. And, we are pleased to see that the Department is on track now to meet the hiring targets that were funded in the last 3 years, in regular and supplemental appropriations bills.

It's been a big challenge, we know, and we commend you for the hard work that's been done by the Department to achieve these goals. I think it's important to note that the budget request proposes resources to pay for the border initiatives that were funded over the past 3 years as well.

Approval of this request will enable us to meet the goal of having 20,000 agents at the border by the end of fiscal year 2009.

Senator INOUE. May I recognize Senator Specter.

STATEMENT OF SENATOR ARLEN SPECTER

Senator SPECTER. Thank you, Mr. Chairman. Welcome, Mr. Secretary.

I would like to focus this morning on the high cost of illegal aliens who have been convicted of serious crimes of violence, high cost in terms of public welfare, national security, and a drain on the budgets of the Federal, State, and local levels.

We have, at the present time in the United States, 74,000 illegal aliens in local jails, 49,000 criminal aliens in State facilities, at a total cost in the range of \$2.6 billion. The most serious aspect of the problem is that once they have been convicted and are released to be deported to their native country, they are not deported. And that under court rulings, they are released in 180 days, and pose an enormous problem in public safety, with a recidivism rate showing that they are likely to commit as many as eight additional crimes.

There are procedures which could be used to deport them to their native country, if the native country would take them back. I've written to you about this, and there are statutes which would require the Secretary of State not to grant visas to countries which do not take back illegal aliens.

But when the countries do not take back illegal aliens, and they are on the street, it is a problem of overwhelming significance. Under our system of laws, once the jail sentence has been served, you can't detain them any further. And if the native country will not take them back, they are left to roam the streets of the United States as dangerous criminals—something you and I know something special about, having been prosecutors of violent crime.

And I believe we have to move in a number of directions to find ways to deport these illegal aliens who are violent criminals, or to find some way legally, constitutionally, to detain them.

Thank you, Mr. Chairman.

Senator INOUE. I thank you very much. And may I now recognize Senator Nelson.

STATEMENT OF SENATOR BEN NELSON

Senator NELSON. Thank you, Mr. Chairman. Welcome, again, Mr. Secretary.

We already spoke this morning. Thanks for the call. And I appreciate you're responding to my correspondence relating to the question of the disallowance or ignoring of a statutory requirement for the homeland security process for the 100 largest metropolitan



areas. I appreciate you're stepping in and keeping the bureaucracy of the Department of Homeland Security from thinking it's the fourth branch of government, and I appreciate very much you're doing that. We look forward to continuing to work with you on this project, as well as others.

Securing our borders has become one of the most important things to the people of our country, because they recognize that it's not simply about protecting our borders from people who want to come across for a better opportunity of life, but it also has been open to those who would come across to do harm, whether it's the meth scourge that we see today, or the drug dealers coming across the border, or passing their drugs across the border, or whether it's the criminals or members of gangs that come across for their own purposes.

I know you've worked very diligently to get border security in place. Obviously, part of the border security is hard and concrete, but otherwise a fence wall approach that is a hardened barrier. I know there are other areas that are open to, if you will, a softer approach in terms of surveillance, but nevertheless, something that can also be effective, and that is the technology that we are seeking to have for certain areas, the whole purpose being not to prevent people from coming across the border, but to slow them down to the point where they get caught and are returned.

But I am very concerned about what Senator Specter has pointed out, and that is the challenge that we have with those who are here, who have violated the law, that we are unable to return. And I would hope that we would work very diligently, whether it's denying visas or whether it's working with our Government at some other level to overcome that.

I cannot imagine that the United States would not accept back a citizen from another country who would be in the process of being deported. That's unacceptable. And I hope that, as we move forward, your office can come up with some suggestions as to how we might go about doing that, because it's something that we are going to have to face at some point.

The whole question about amnesty or legalization or what do you do with the people who are here begs for an answer, but part of that answer is going to be, "What do you do with the people who have violated the laws who are here and continue to do us harm?" If we can't solve that question, it seems to me the other questions go begging, as well. So thank you, Mr. Chairman, I appreciate this opportunity.

Senator INOUE. Thank you very much. And I recognize Senator Stevens.

Senator STEVENS. Mr. Chairman, I'm here to hear the Secretary, and I don't have an opening statement.

Senator INOUE. Thank you, sir. Senator Lautenberg.

#### STATEMENT OF SENATOR FRANK R. LAUTENBERG

Senator LAUTENBERG. Yeah. Secretary Chertoff and I come from the same State. It's a small State, but it has enormous security concerns. And I welcome the Secretary. I hear he's done a fantastic job since being sworn into this position, with crowding homeland's 160,000 people in various departments. And I think that time has,

thank goodness, been on our side, and you've had a chance, Mr. Secretary, to mold the departments into the operating units as you want to see them functioning.

My concern is—and this by way of a statement, not really my first question—but the cuts that are in the various of the grants, and not the least of which is State homeland security, which is cut \$750 million from a top of \$950 million last year. So the 2009 request is down to \$200 million—port security cut in half, rail security cut by more than half, and emergency management cut by a third.

All of these, even assistance to firefighters, Mr. Secretary, is painful, because as it is, most of the communities have problems financing their firefighting needs, and a lot of them have volunteers where they'd like to have professionals. That's cut \$415 million.

So while I pat you on the back for a job well done, Mr. Secretary, as you know, around here, you never take a compliment until the last word has been said, and we'll have more to talk about in a few minutes.

Thank you, Mr. Chairman.

Senator INOUE. Thank you very much. Senator Leahy.

#### STATEMENT OF SENATOR PATRICK J. LEAHY

Senator LEAHY. Thank you, Mr. Chairman. If I leave, I am going to be leaving questions. I know the GAO report says that the Custom and Border Protection staffing allocation needs up to several thousand additional CBP officers. Of course, the budget that Secretary Chertoff is backing allows for only 234 additional officers at land borders, and 295 for radiation monitoring.

We have, I saw in Vermont, where they say we need 60, Assistant Commissioner Thomas Winkowski said that, "Well, we get eight. We won't get the 60, but we'll get 8." Of course, we haven't even gotten those.

So it's a concern. You go—it's almost as though it doesn't make a difference whether they say we need 50, 60, 70, if we're not going to get any, anyways. It's a nice study to read, but while we have all of that shortage, DHS established a temporary checkpoint on Interstate 91 in Hartford, Vermont in December 2003 to May 2005.

I wondered how you could spend this kind of money so far from the border. Even people like former Republican Speaker of the House Newt Gingrich said this is unnecessary government intrusion. If it made us safer, it'd be one thing. But, of course, there are about 20 parallel two-lane roads that go down there. And the checkpoint picked up a couple of lazy people with drugs, but mostly just ticked off everybody.

So I'd asked about that at my last hearing, because we'd heard that the parliament is quietly conducting a feasibility study to see whether they would build a permanent checkpoint there, 100 miles from the border. I finally got a response 5 months after I'd asked the question. You said the results of the study—any decisions on project advancement would be shared with your office through the Office of Congressional Relations.

Well, then, now I see in the President's budget, we have a \$4 million request installation of permanent border checkpoints—and

that's plural—in Vermont. Again, all on interstate highways where everybody knows they're there, all of them with dozens of roads that parallel the interstate highway.

So while I was told we would hear if there's going to be more, obviously that was Form Letter 12, because we never heard until we saw the President's budget. And I'm worried only because we don't have the adequate number of people on the border. We sometimes have hours—hours' wait just for tourists to go across that border. And it'll become worse once they start having to require more paperwork, because many of the lanes aren't open. They're short of people there, but somehow we can put symbolic checkpoints 100 miles from the border.

It's interesting. I went through one of those symbolic checkpoints in the State of New York, driving back here. It was about 125 miles from the border. And a car with license plate "1" on it, from Vermont, and little letters underneath that says, "U.S. Senate," stopped, ordered to get out of the car, and prove my citizenship.

I said, "What authority are you acting on?" And they—one of your agents points to his gun, and he says, "That's all the authority I need." An encouraging way to enter our country.

Thank you, Mr. Chairman.

Senator INOUE. Thank you very much. Senator Alexander.

#### STATEMENT OF SENATOR LAMAR ALEXANDER

Senator ALEXANDER. Thank you, Mr. Chairman. Mr. Secretary, thank you for being here. With a Department as big as yours, there's always probably something to fix every hour, so I want to make two comments, but the first falls under the category of "find the good and praise it," which my late friend, Alex Hailey, always used to say.

I refer specifically to the February 5 and 6 storms and tornadoes in Tennessee, and the reaction to it by FEMA, by the Tennessee Emergency Management Agency, by the President, by the Governor, by the local officials. I've been involved with various disasters and tragedies over the last 30 years in our State, as Governor and the university president, and now having been here, and living there.

And I've never seen a more effective response to a major tragedy or disaster than I saw on February 5 and 6 by our local officials, by Governor Bredesen, and by President Bush and his team.

I've visited in the Macon County area, north of Nashville, where a tornado hit the ground and stayed on the ground for 21 miles, causing many deaths, tearing up house after house down in Jackson, which is better known because of the Union University problems there. I was there.

What I was impressed was—just a few of the things—one, for example, the local planning—and some funding is important in this—the local planning efforts in Jackson, Tennessee permitted the local agencies not only to warn people hours ahead of time that a storm might be coming, it was as specific as saying over the television that, "10 minutes from now, if you live on the north side of I-40, you should expect a Level 3 tornado."

And it came in 10 minutes, and as a result of that warning, Union University—which has over 3,000 students—didn't lose a

single life, even though most of the dormitories were destroyed. So that local planning money for local agencies, as I heard from the local people, is being used pretty well to make sure they can respond to that. That was very helpful.

Then, in the case of Macon County, the tornado hit at about 9:30 at night, and you had people from the Atlanta office, and Chattanooga on the Tennessee border, by midnight of the same night, and disaster recovery centers open the next day at dawn, when the people came out with nothing to eat.

And within days, everybody had a phone number, people were beginning to get money. I won't go into all the details, but I think the bottom—we hear so much about Katrina that I think it may infect our view of everything else. On a scale of zero to 10, this was a 10-plus.

So your staff played a big role in that, as well as Governor Bredesen's staff, and I think when that happens, it needs to be pointed out.

Now, let me shift gears a little bit. Something I'm not as pleased about, and not really your fault, when the REAL ID legislation passed, I objected to it. I thought it was inappropriate for Congress to create a de facto national identification card without the Senate even holding a hearing, and especially because it would seek to impose huge amounts of costs on States' governments.

And, as a former Governor, I hate nothing more than unfunded Federal mandate where somebody in Washington comes up with a big idea, makes it a law, and then sends the bill to the Governors. And then, usually, that politician goes home and makes a speech at the Lincoln or Jackson Day Dinner about local control.

So I'm sort of conditioned to be opposed to unfunded mandates, and this is a very serious one. I object really to the law itself, because while I've come reluctantly to the conclusion that we need a national ID card, I prefer that we would think about what ID card. I would prefer a secure work card, for example, which I think would be more appropriate, and which we could have figured out if we'd had a hearing about all this.

But we didn't. They just sort of stuck the REAL ID card into a must-pass appropriations bill, and we all—and the Senate voted for it. I said at the time, and I still believe, that—well, let me put it this way. There are now 46 States who have responded to what I think is a sensible and commendable effort by you to give a waiver to states, so that by May of this year, when they're supposed to have all of this ready, they don't have to have it ready. They've got another 3 years.

But there are still four States—Maine, Montana, New Hampshire, and South Carolina—that haven't asked for a waiver. And we're in sort of a game of chicken between those four States and the Federal Government. And I think what we ought to do is send the home phone number of every Senator and Congressman who voted for the REAL ID law to everybody in Maine, Montana, New Hampshire, and South Carolina.

And when they're not allowed to board an airplane, they can call us and tell us what they think about it. But in the meantime, I plan to offer an amendment that prevents—at least for the 1 year of the appropriations bill, if it should pass—your Department from

enforcing REAL ID mandates until the Federal Government provides full funding for the implementation.

I'll wrap up my comments with this, Mr. Chairman. The overall estimated cost to States is about \$4 billion. We're talking about 245 million drivers in this country who are going to have to go one way or another and get new identification. So far, \$90 million has been appropriated by Congress of the \$4 billion that it's expected to cost, and \$6 million has been distributed to States.

So there is at least one other former Governor on this subcommittee, and what I am suggesting here is that without arguing whether this is a good law or a bad law, the second question is, should we have a big unfunded Federal mandate? And I don't think the States should be required to implement the REAL ID law until Congress demonstrates that it's willing to reimburse the States for the cost of this mandate.

So that will be the point of my amendment when the time comes. Thank you, Mr. Chairman.

Senator INOUE. Thank you very much, sir. And now, Mr. Secretary.

#### STATEMENT OF MICHAEL CHERTOFF

Secretary CHERTOFF. Thank you. Thank you, Senator Inouye. Thank you, Senator Cochran, and other members of the subcommittee, for the opportunity to appear to discuss the President's 2009 budget.

I believe this is my fourth appearance at a budget hearing since I came onboard in 2005. As you've observed, this is the fifth anniversary of the Department's existence, and I'm happy to say that the budget the President has proposed for fiscal year 2009 is, I think, a sound budget.

I think it's fiscally responsible. I think it does advance the Department's critical priorities, although like with any other budget, it does require some tradeoffs. I think it focuses resources on the greatest risks and gives our 208,000 employees the tools that they need in order to serve and protect the American people.

I would echo the observations of the Director of National Intelligence concerning the strategic threat that we face. In some ways, we have had concerning developments from a strategic standpoint. In some ways, we've seen some positive developments.

As you noted, Senator, the developments in the frontier area of Pakistan and the creation of some safe havens there is a concerning element in terms of the strategic picture. At the same time, I'd have to say that what is going on in Iraq, with al-Qaeda in Iraq being repudiated by the Sunni population that I believe al-Qaeda hoped would be supportive, I think that repudiation and the losses that al-Qaeda in Iraq have suffered are a positive development, and I suggest that there are some hopeful signs in the future.

I would say this, of course, with respect to the budget in general. The security of the American people is, in fact, the President's agenda, and it's number one on his agenda. And to that end, if we look at our total funding proposed for fiscal year 2009, we're requesting \$50.5 billion, which is a 6.8 percent increase over the previous year's base budget, and a 62 percent increase since the Department's creation over 5 years ago.

Now, I know that those of you experienced in budget matters are also well aware there was emergency funding in the 2008 budget. Of course, emergency funding by definition is not supposed to be base funding. It's supposed to be emergency funding. So when we make our comparisons, we compare with the base.

Obviously, you have a lot of individual questions, but I'd like to focus on a few key elements of the budget in the time that I have allotted to me.

First, let me begin with the issue of protecting our country at the borders. That is a critical element of this Department's mission, and it's one that's pursued by most of our components, whether it be Customs and Border Protection, ICE, the Coast Guard, or TSA.

Let me start with the border between the ports of entry. As of February 21, we have constructed approximately 303 miles of pedestrian and vehicle fencing. Senator Nelson and I have actually constructed a little bit of that fencing ourselves. We welded at the border last year.

And we are on track to hit our objective of 670 miles of fencing along the Southwest border by the end of this calendar year. We currently have over 15,500 Border Patrol agents sworn into duty, compared to about 9,000-some-odd agents when the President took office. That includes a dramatic increase in the last 18 months, and again, we are on pace to hit our goal of 18,000 by the end of the calendar year.

About a 1½ ago, we announced that we were going to end what was the pernicious practice of catch-and-release at the border, where people were caught at the border entering illegally but were released because we did not have the capability to remove them in a timely way or to detain them.

And we sustain—we did end that 18 months ago, and we sustained that moving away from catch-and-release up to the present day. We currently have a policy of catch, detain, and return along the border.

I agree with the observation of Senator Specter that a key element of that is the ability to repatriate illegal aliens to their home countries. The good news is many countries work with us on that. The countries of Latin America and Central America, for example, have by and large been very cooperative with us in expediting the process of removing people who are here illegally, including criminal aliens.

Some countries—a minority, but some countries—are not cooperative with us. In some instances, we have had to threaten sanctions, and I would be eager to work with this committee to come up with alternative ways we might continue to press countries that do not accept their illegal aliens back.

China happens to, frankly, be the worst offender in this regard. We have probably around 50,000 people who are under orders of removal that we cannot remove, because the pace of processing them back to China is volatile, if I can use that word.

Nevertheless, if you look at the entire picture, what we've done with tactical infrastructure, what we've done with interior enforcement, we have seen positive developments and a decrease in flow across the borders, measured not only by a drop in apprehensions, but by other metrics, such as stabilization or a drop in remittances,

increased costs for coyotes smuggling across the border, and measures of activity south of the border.

For fiscal year 2009, we're requesting \$3.5 billion for the Border Patrol, which includes about a \$500 million increase that by the end of next September 2009 would get us to over 20,000 agents. We are also requesting \$775 million, which would get us to a—for SBI, sorry—the Secure Border Initiative Technology Program, which would provide over \$2 billion in fiscal year—total in fiscal year 2009.

That would be used not only for tactical infrastructure, like fencing, but for things like unmanned aerial system sensors, cameras, and other important tools such as that.

Let me take the opportunity to address an issue that has been subject of, I would say, some inaccurate reporting in the news, and that is the so-called mothballing or demise of SBInet. To paraphrase Mark Twain—and I'm always very careful when I quote or paraphrase to credit the source—so this is Mark Twain's original thought, the reports of the death of SBI are grossly exaggerated.

Let me explain what SBInet is, for the record, and let me explain what we have done and what we intend to do. SBInet is a total technology program that is designed to deploy technology across the southwest border, and ultimately the northern border.

It is not a one-size-fits-all program. It does not envision the same lay down of technology in every square mile of the border. It includes, among other things, unmanned aerial vehicles, and we have just taken delivery of the fourth unmanned aerial vehicle in the last couple of weeks.

It includes ground-based mobile radar sensing systems. I've seen them myself. We have about a half a dozen now. We are planning to have about 40 by the end of the year. It includes individual sensors laid down across various parts of the border, and we expect to be at 7,500 of those by the end of the year.

One element of SBInet, but only one element, is what we call P28 or Project 28. This was a prototype project contract for \$20 million that was awarded to Boeing to actually road test an integrated system of radar and cameras along 28 miles of Tucson Sector in Arizona.

The purpose of the program was to determine whether it is possible to integrate a system like that in a workable fashion. This program is one element of the total strategy of SBInet. It is not, however, all of SBInet. I liken it to the fact that you may have a cruiser in the Navy, but the cruiser is not the entire fleet. It is merely one element of the fleet.

Now, what is the report on SBInet? Last summer, we were disappointed in the performance of some of the individual equipment items which Boeing had laid down at the border, and which Boeing had attempted to integrate at the border.

I had what I would describe as a candid and unvarnished conversation with the CEO of Boeing, in which I explained that I was unhappy with what they had produced for us, and in which I made it very clear to him that I was not wedded to this particular approach, because we were pursuing other approaches as well.

To his credit, he changed the team that was working on the program, and a lot of progress was made by the end of last year in

correcting virtually all of the technical problems that had arisen at the P28 prototype site. Accordingly, we conditionally accepted the P28 lay down, and we then began to work with it operationally as a precondition to final acceptance, which occurred in the last couple of weeks.

With respect to any remaining defects, they were either immaterial, and therefore resulted in a credit to the United States Government, or they were fixed before we did final acceptance. I might also say that whatever the additional cost of fixing the problem was eaten by Boeing, as it should have been.

So the bottom line is we were tough consumers. I think we did a good job about being critical. And now, we're at the stage of taking what we have accepted and moving it to the next level, in terms of operational value and optimizing its value.

I look at the members of the Border Patrol who were involved in the project: the Project Manager, the Border Patrol Chief, the head of Customs. I looked them in the eye.

And I said to them, "The bottom-line question for me is, does this particular approach here on this 28 miles, does this add value? If it doesn't add value, I'm perfectly happy to go to use the other tools that we're using. If it does add value, then I want to work to increase the value that it adds."

And the uniform response which I got is that it does add value, and that the Border Patrol does want to move to it now. You might call it "P28-1.5" to take it to the next level. I want to emphasize, as I've said consistently, this will not be applied across border uniformly. It was never intended to be applied uniformly.

My expectation is that it will be applied in other places—in Tucson, Yuma, and El Paso sectors—and that we will begin some of these other applications during this year, 2008.

Having addressed that issue, let me talk briefly about the other element of border security, which is progress in the interior. Last year, fiscal year 2007, we had a record 863 criminal arrests as a result of our Work Site Enforcement Operations, including 92 people who were in the supervisory chain of the employers.

We are requesting this year \$1.8 billion—an increase of about a \$250 million—to help ICE expand its custody operations, adding beds to a total of 33,000 beds, which will be a 78 percent increase from where we were just a couple of years ago.

We're asking for a \$300 million increase, for a total of \$3 billion, for ICE interior enforcement-related activities. I might observe to you that, last year, we had 140 percent increase in our criminal alien removal program. That is the program that Senator Specter mentioned that takes criminal illegal aliens and makes sure they are returned to their own country.

In 2006, we removed about 70,000. Last year, it was about 164,000. And using 2-year money that was appropriated last year, we are building a strategy that will allow us to remove even more on an annualized basis.

We're requesting \$100 million for our E-Verify automated system, so that we can keep pace with employer demand for this very important tool for verifying the legal status of employees. We now have about 53,000 employers who are using the system, and it's in-



creased by between 1,000 and 2,000 new users every single week. That is a very positive development.

Let me turn to a second issue I know that concerns the committee. That is protecting our Nation from dangerous goods. Five years ago, we scanned none of the containers that came into this country for radiation.

Currently, as—after last year, we are at the point that we scan 100 percent of containers that enter our southern border, virtually 100 percent of those that come in at our maritime border, and over 90 percent at our northern border. And we will be close to 100 percent at our northern border at the end of this calendar year.

We've expanded our Overseas Container Security Initiative to 58 foreign ports, and we've begun overseas radiation scanning in the ports with this Congress's Safe Ports Act at three pilot ports, including one in Pakistan.

To continue to build upon this radiation scanning capability, we're requesting \$67 million in additional funding, for a total of \$157 million for our Domestic Nuclear Detection Office to allow us to continue to deploy very important technology.

And for protecting our critical infrastructure, we're requesting \$1.3 billion in total—that's an increase of \$359 million—for Department-wide efforts to counter IED threats. This includes over a billion dollars for TSA Explosives Detection Technology, \$50 million for science and technology development, \$30 million for training transportation security officers, and \$9 million for our Office of Bombing Prevention.

We have, as you know, issued our final regulations with respect to chemical security. We have hired and are continuing to build on our program of behavioral detection officers. We have increased money that we're requesting for our mobile detection and response teams that we put into train stations and airports all over the country, with dogs, in order to help us detect explosives.

And we've also requested \$293 million for our National Cyber Security Division, as part of the President's new cyber security strategy, which we have recently unveiled. All of these are positive developments, building on an enormous amount of investment already made in protecting our critical infrastructure.

With respect to emergency response, I want to thank Senator Alexander for his kind words about FEMA's response in Tennessee and other parts of the Midwest. I happened to be there at Union University. I saw the devastation. I also saw the remarkable cooperation at all levels, which happily led to no loss of life in that institute of higher education.

I think FEMA also has performed commendably with respect, for example, to the wildfires that we had last year in California, the floods we had in the Midwest, and a host of other national disasters.

This is not an accident. It reflects very hard work that was undertaken by the leadership of FEMA, and by the Department as a whole, to make sure that we built capabilities we've never had before to deal with natural disasters.

We want to continue to build on that, by requesting \$164 million in 2009, an increase of \$64 million, for FEMA's Vision initiatives. That will among other things build upon its ability to use informa-

tion technology to track and deploy emergency supplies, and will convert what was a part-time reserve disaster assistance workforce into a permanent workforce that is fulltime on the job, fulltime trained, and can be a much more effective cadre in terms of supporting our disaster relief when we do have to surge.

Finally, with respect to FEMA, I'm quite sure we'll have an opportunity to address the issue of grants. But I will say this. The grants we have requested this year equal or exceed the grants that the administration asked for last year.

I've been around long enough to know that there's a little bit of a tennis match that occurs where Congress always ups the number of grants, and we come in at the prior request. We have taken note of Congress' actions in a number of respects.

We continue, for example, our proposal in last year's budget to break out separately port security grants, rail transportation security grants, and other transit grants, as opposed to lumping them in a single infrastructure program.

We are seeking an increase in urban-area security initiative grants, which are risk-based funds. What I said when I testified before the authorizers, I will say here as well. No doubt one can always come up with viable ways to spend additional grant money, and I know at a time that States are feeling their own budget pinch, it would be welcomed if we could pick up a lot of the responsibility.

But the money has to come from somewhere. And there are some things that only the Federal Government can do. And if we take the money out of those functions and give it to the States as part of the grants, we will not be doing the jobs we have to do with the Coast Guard or with Customs and Border Protection or ICE.

So I think we've made some tough tradeoffs. I think those of you who have been Governors understand what that's like when you have to balance your own budgets. But I do think we are—we have built a disciplined and effective investment in our State and local governments, totaling \$23 billion over the life of this Department. That is a lot of money.

Finally, let me conclude by making one request. Last year, the one disappointment we had in the Consolidated Appropriations Act was the denial of any money for the consolidation of Coast Guard headquarters, DHS headquarters, and component mission functions in one campus at St. Elizabeth's.

This year, we're going to request \$120 million, and GSA will make a cognate request so that we can begin the process of consolidating the Department. This is an investment which will yield dividends in the future, in terms of morale, in terms of efficiency, and in terms of better management.

Sometimes bricks and mortar investments are not as popular as investments in grants or investments in new equipment. But in the long run, if we want to avoid some of the problems we have with acquisition management or IT that are the source of recurrent complaints, we have to invest in the basic guts of the Department and allow it to be managed and operated effectively.

## PREPARED STATEMENT

So with that, I want to thank this committee for its support. I look forward to constructively engaging on this budget and the whole issue of homeland security. Much of what we have accomplished over the last 5 years is a tribute to our good working relationship with Congress, and the importance that we all place on the issue of securing our homeland against all threats, whether they be manmade or natural.

[The statement follows:]

## PREPARED STATEMENT OF MICHAEL CHERTOFF

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

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

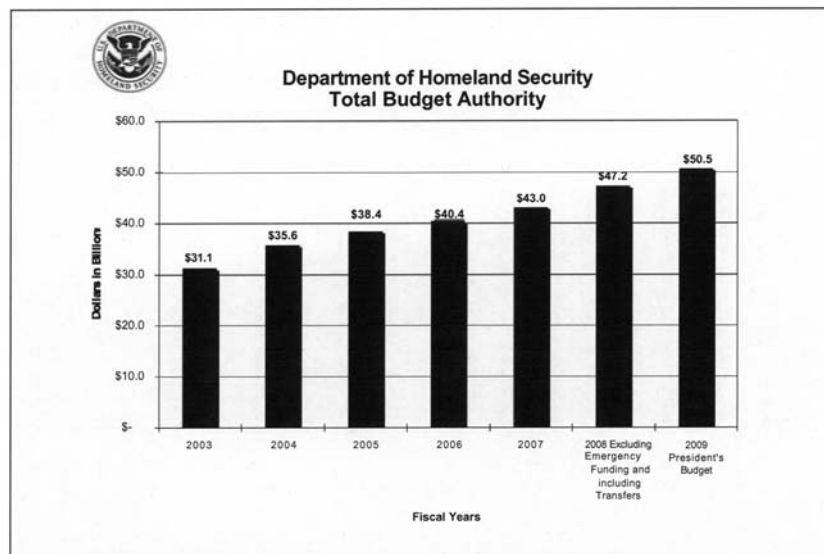
This year, as DHS embarks on our 5 year anniversary, we continue to protect the Nation from dangerous people and goods; to protect critical infrastructure; to build a nimble, effective emergency response system and a culture of preparedness; and to strengthen the Department's operations and management. The Department has made tremendous progress in achieving effective control of the border, screening passengers, protecting critical infrastructure, responding to emergencies, and enforcing our immigration laws. In fiscal year 2007, we invested significant time and effort to implement the requirements of the Post-Katrina Emergency Management Reform Act, to focus our efforts on the greatest risks, to be nimble in our response to changing threats, and to be disciplined in our use of resources as we build a Department ready to meet future challenges seamlessly with State and local leadership, first responders, the private sector, our international partners, and most certainly, the public.

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

President's leadership, the Department will continue to effectively carry out its critical mission and will leave a strong foundation for the future.

## FISCAL YEAR 2009 BUDGET REQUEST

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



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

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

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

#### GOAL 1: PROTECT OUR NATION FROM DANGEROUS PEOPLE

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

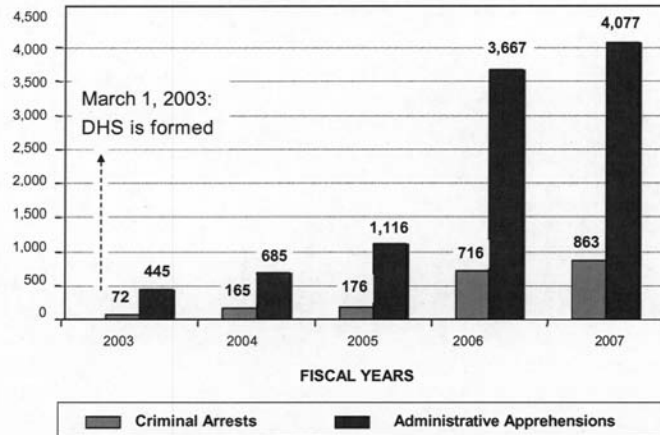
##### *Key Accomplishments*

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

extension program for the Department's P-3 maritime patrol aircraft that are so critical to intercepting drug traffic in the Caribbean and eastern Pacific and countering the increasing threat posed by the cartels' use of semi-submersible vessels.

- Secure Documentation Standards.*—Compliance with secure identification requirements for air travel under the Western Hemisphere Travel Initiative (WHTI) has exceeded 99 percent since implementation in January 2007. A Notice of Proposed Rulemaking for WHTI land and sea requirements was issued in June 2007 and final rule implementation is expected in June 2009.
- Enhanced Driver's Licenses.*—The Department signed agreements with the States of Washington, Vermont, New York, and Arizona to enhance the security of their State driver's licenses and to potentially satisfy REAL ID requirements or serve as alternatives for entry at land and sea borders.
- Better Biometrics.*—Ten-fingerprint collection from international visitors has been deployed by CBP at nine ports of entry, and will be implemented at 278 other ports of entry by the end of 2008. This upgrade from two- to ten-fingerprint collection will enhance security and fingerprint matching accuracy, improving the ability to compare visitors' fingerprints against latent fingerprints collected from known and unknown terrorists around the world. US-VISIT, the Science and Technology Directorate (S&T) and the Coast Guard have partnered on a pilot fingerprint collection at sea program near Puerto Rico, resulting in 114 prosecutions and a 53 percent reduction in migrant flow.
- Record-Breaking Law Enforcement.*—U.S. Immigration and Customs Enforcement (ICE) removed roughly 240,000 illegal aliens, and made 863 criminal arrests and fined or seized more than \$30 million following worksite investigations. Its Border Enforcement Security Task Forces made more than 500 criminal arrests and 1,000 administrative arrests, and seized roughly \$2.5 million in cash as well as significant amounts of narcotics and weapons. Further, ICE ACCESS was launched to foster collaboration between its agents and State and local leaders to identify crime-fighting priorities.

### ICE: Worksite Enforcement Sets Record in FY 2007



- Enhanced Aviation Security.*—The Transportation Security Administration (TSA) increased by more than 175 percent the number of personnel trained in techniques to identify potentially high-risk passengers in airports. Furthermore, TSA required that holders of airport-issued identification credentials be subjected to regular vetting against the Terrorist Screening Database. It also harmonized the 3-1-1 Liquids Rule with the European Union and many other countries, and published a Notice of Proposed Rulemaking in August to take

over watch-list checks from the airlines under the Secure Flight program in 2010.

—*Connecting the Dots.*—The Department renewed a Passenger Name Record (PNR) agreement with the European Union to share advance information on passengers arriving in and departing from the United States. PNR data has helped frontline personnel to identify scores of dangerous people and deny them entry into the country.

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

#### *Fiscal Year 2009 Budget Request*

—*Border Patrol Agents.*—Funding of \$442.4 million is requested in the President's Budget to hire, train and equip 2,200 new Border Patrol Agents and appropriate support. The additional agents represent the fiscal year 2009 increment of the President's goal of adding 6,000 new Border Patrol Agents by the end of the first quarter of fiscal year 2009. This request would increase the Border Patrol to over 20,000 agents by the end of September 2009, more than double the amount in 2001.

—*Western Hemisphere Travel Initiative.*—A total of \$140.0 million is requested for CBP's implementation of infrastructure and technology in support of the Western Hemisphere Travel Initiative (WHTI). These funds will complete the infrastructure improvements at the top 39 Land Ports of Entry, covering 95 percent of the land border arrivals.

—*E-Verify.*—Total funding of \$100 million is requested for E-Verify. This U.S. Citizenship and Immigration Services (USCIS) program allows employers to use an automated system to verify name, date of birth, and Social Security Number, along with immigration information for non-citizens, against Federal databases to confirm the employment eligibility of both citizen and non-citizen new hires. USCIS will deploy additional staff covering information status verification, compliance, and monitoring. It is important that Congress reauthorize the program so that these employers can continue to benefit from E-Verify and not have to play detective when hiring new employees.

—*Vetting Infrastructure Improvements.*—An increase of \$30 million is requested to support TSA's Vetting Infrastructure Improvements, providing screening and credentialing of individuals requiring special access to U.S. transportation and other critical infrastructure. These funds will enhance and stabilize the infrastructure necessary to perform vetting operations on populations that access our most critical infrastructure.

—*Secure Flight.*—The Budget requests an increase of \$32 million that will accelerate the Secure Flight Program by replacing the current airline managed passenger vetting program with a government-operated program in 2010. In addition to using improved technology, the Secure Flight Program will alleviate the variability in performance of the current system and reduce the risk for compromised watch list data.

—*Additional Bedspace and Staffing.*—An increase of \$46 million is requested to help provide 1,000 additional beds, staffing, and associated removal costs required to meet current demand and demand generated by increased immigration enforcement activities. Of the 1,000 beds, the addition of 275 will be funded through projected increases in collections.

—*Automation Modernization of Information Technology Systems.*—The Budget includes \$57 million for ICE to acquire secure and interoperable tactical communications equipment, a biometric detainee location tracking module, and to develop and integrate an enhanced Investigative Case Management system. These improvements promote officer safety, emergency response coordination, and case management efficiencies.

—*Federal Law Enforcement Training.*—An increase of \$10 million is requested for the Federal Law Enforcement Training Center (FLETC) to provide training to meet increases in border security and law enforcement hiring levels.

—*US-VISIT.*—A total of \$390.3 million is requested for US-VISIT. This funding will complete the transition from two-print to ten-print collection. Taking all ten fingerprints will improve accuracy and allow us to increase the number of matches from latent prints captured all over the world. This funding also allows US-VISIT to continue to provide biometric identity services to law enforcement and intelligence, and it will help complete interoperability between US-VISIT and FBI databases.

—*Command 21 and Situation Unit Watchstanders.*—The Budget includes \$7.3 million to support continued development of Command 21 and additional watchstanders at USCG Command Centers to meet increasing operational demands and support additional vessel monitoring, information collection, and interagency coordination capability provided by Command 21. These initiatives will provide information sharing and situational awareness tools required to close the gap between current port and coastal surveillance capabilities and the need for greater Maritime Domain Awareness in an all-hazards, all-threats operating environment.

#### GOAL 2: PROTECT OUR NATION FROM DANGEROUS GOODS

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

#### Key Accomplishments

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

#### Fiscal Year 2009 Budget Request

- Nuclear Detection Research, Development, and Operations.*—The Budget Request includes \$334.2 million to support DNDO's Research, Development and Operations program which provides resources for the development and evolution of the global nuclear detection architecture. Included in this research are development of an Advanced Spectroscopic Portal (ASP) suitable for examining cargo containers, trucks and privately-owned vehicles, and development of Human Portable Radiation Detection Systems (HPRDS) to provide handheld and 'relocatable' equipment to be used as primary detection tools by Customs Officers, Border Patrol agents, and USCG personnel.
- Next Generation BioWatch.*—The Budget includes \$111.6 million, an increase of \$34.5 million, for OHA's Next Generation BioWatch. Funding will begin to procure BioWatch automated detection sensors and initiate deployment activities

of the automated sensor system to existing BioWatch jurisdictions. Automated detection will enhance the capabilities of the BioWatch environmental monitoring system designed for early warning of bioterrorism incidents.

- Aviation Security.*—The Budget addresses the need to upgrade checked baggage screening equipment deployed immediately after September 11, which is exceeding its useful life. The screening equipment is used to screen 100 percent of the 1.8 million checked bags passengers travel with every day. The Budget also speeds the rollout of inline systems at all major airports in 6 years by allowing a more flexible approach to funding these projects. To support this activity, legislative authorization is required for a temporary surcharge to the current \$2.50 passenger fee—\$0.50 added to each leg of a trip capped at \$1.00. The surcharge is proposed to begin in fiscal year 2009 and sunset in fiscal year 2012. It will generate an additional \$426 million in revenue in fiscal year 2009 and approximately \$1.7 billion over 4 years, nearly doubling previously planned annual resources for checked baggage explosive detection systems. The increased revenue will be added to the existing \$250 million annual Aviation Security Capital Fund which is targeted exclusively for checked baggage explosive detection systems.

#### GOAL 3: PROTECT CRITICAL INFRASTRUCTURE

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

##### *Key Accomplishments*

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

##### *Fiscal Year 2009 Budget Request*

- Protective Terrorist Countermeasures.*—Total funding of \$19 million is requested for USSS Protective Terrorist Countermeasures. This program provides the latest state-of-the-art equipment that will be used in the event of an explosive, chemical, biological, or radiological attack. As new threats evolve and are identified, it is critical the Secret Service has the means to address them.



- Chemical Security Compliance Project.*—An increase of \$13 million is included for NPPD’s Chemical Security Compliance Project. The Department issued regulations establishing risk based performance standard for security of chemical facilities. Additional funding is requested to increase the staff of this regulatory program and to provide tools and systems to collect and analyze vulnerability information, review plans, support and manage inspections activity, issue decisions, address appeals, and support compliance enforcement.
- Explosives Research.*—\$96 million is requested to support S&T in developing the technical capabilities to detect, interdict, and lessen the impacts of non-nuclear explosives used in terrorist attacks against mass transit, civil aviation and critical infrastructure. Of these funds, \$50 million will address critical capability gaps in the areas of deterring, predicting, detecting, defeating, and mitigating the use of IEDs in the United States. The Vehicle Borne Improvised Explosive Device/Suicide Bomber Improvised Explosive Device (VBIED/SBIED) program will allow S&T to improve large threat mass detection in such areas as the transit environment, special events and other large areas.

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

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

*Key Accomplishments*

- Responded to 68 Major Disasters.*—During fiscal year 2007, Federal Emergency Management Agency (FEMA) responded to over 130 events that resulted in 68 Major Disaster Declarations, 9/11 Emergency Declarations, and 54 Fire Management Assistance Declarations, including tornadoes in Florida and Kansas, floods in the Midwest and Tropical Storm Erin.
- Supporting Local Security Plans.*—The Office of Infrastructure Protection’s Protective Security Advisors worked in State and local Emergency Operations Centers providing expertise and support to local authorities, the Principal Federal Official and the Federal Coordinating Officer during major domestic incidents including the Virginia Tech shootings in Blacksburg, Virginia; the Chevron Refinery Fire in Pascagoula, Mississippi; the I-3 5W bridge collapse in Minneapolis, Minnesota; and the Florida and California Wildfires.
- Improved Interagency Coordination.*—The Office of Operations Coordination (OP S) led Federal prevention, protection, and response activities to all-hazard threats during several incidents in 2007, specifically the recent outbreaks of Foot and Mouth Disease in the United Kingdom and the vehicle-borne improvised explosive device attacks in the United Kingdom.
- Building Stronger Response Partnerships.*—DHS engaged State and local leadership, first responders and stakeholders on developing the National Response Framework, which outlines how our Nation responds to all-hazard disasters across all levels of government and community sectors.
- New Operations Capabilities.*—USCG established the Deployable Operations Group which aligns all deployable, specialized USCG forces under a single, unified command in adaptive, tailored force packages for rapid response to national threats.
- Saved Over One Million Lives.*—The Coast Guard reached a remarkable milestone this year, saving more than 1 million lives throughout its 217-year history.
- Awarded Public Safety Interoperable Communications Grants.*—DHS administered over \$968 million in Public Safety Interoperable Communications Grants which will help support the establishment of Statewide Communications Interoperability Plans for improved first responder communication during major disasters, and fund State and local projects aligned with those plans.
- Realizing Interoperable Communications.*—S&T published results of the National Interoperability Baseline Survey—a nationwide survey of first responders across all jurisdictions and disciplines that assesses progress in achieving interoperable communications. By providing a clear representation of national capacities, these survey findings are helping emergency response leaders and policy makers make informed decisions about strategies for improving interoperability. The Department also established the Office of Emergency Communications (OEC) to consolidate several interoperability programs and address new respon-

sibilities including the development of the National Emergency Communications Plan.

—*Strategic Planning for Catastrophic Disasters.*—The Incident Management Planning Team continued to draft Federal interagency strategic plans that coordinate resources and capabilities to prevent, protect against, respond to and recover from major disasters and other catastrophic emergencies.

*Fiscal Year 2009 Budget Request*

—*Grant Programs.*—The Budget requests \$2.2 billion to support FEMA’s State and Local Programs and Assistance to Firefighters Grants, just above the amount provided in the President’s fiscal year 2008 Budget Request. These important grant programs help prepare State and local governments to prevent, protect against, or respond to threats or incidents of terrorism and other catastrophic events. The Budget will support the existing Homeland Security Grant Program, Port and Transit Security Grants, and Emergency Management Performance Grants, and also proposes a new discretionary grant program targeted towards high priority security initiatives including REAL ID implementation.

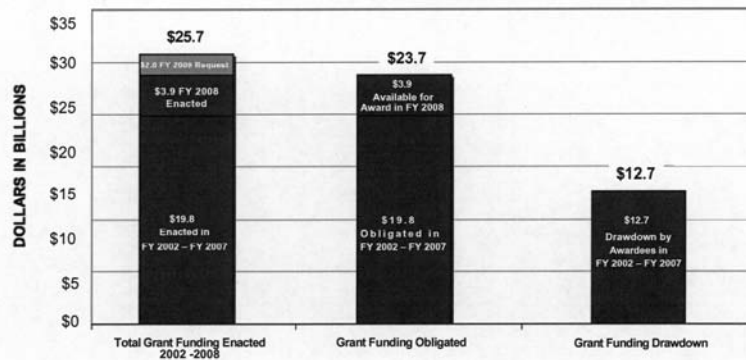
While Congress chose to provide an additional \$2 billion in the fiscal year 2008 Consolidated Appropriations Act, the Department is requesting approximately the same level as the fiscal year 2008 Budget Request.

The fiscal year 2009 Budget requests \$200 million for the State Homeland Security Grants and increases funding for the Urban Area Security Initiative to \$825 million. The \$300 million funding request for the Assistance to Firefighter grants is identical to the President’s fiscal year 2008 Budget Request.

Over a 6-year period from fiscal year 2002 through fiscal year 2007, grant recipients have drawn down \$12.7 billion of the \$19.8 billion made available since the Department’s inception. On February 1, 2008, the Department announced an additional \$3.0 billion in grants to be provided this year. Including Congressional approval of the fiscal year 2009 request, a total of \$13.0 billion would be in the pipeline for State and local homeland security needs.

## Department of Homeland Security Total Grant Funding

FY 2002 - FY 2009 Request \*



\* Does Not Include Exercises, Technical Assistance or Training

—*FEMA Vision—Phase II.*—The Budget requests a total of \$164.5 million to support FEMA’s Vision—Shape the Workforce program. Phase II of FEMA’s transformation will strengthen that agency’s ability to marshal an effective national response, deliver service of value to the public, reduce vulnerability to life and property, and instill public confidence. The Budget also requests a total of \$209 million to support FEMA’s disaster workforce, including transitioning 4-year Cadre On-Call Response Employees (CORE) from temporary to permanent full-

time personnel to achieve the level of readiness and response capability required in response to Presidentially declared major disasters and emergencies. —*Disaster Readiness and Support.*—The Budget includes \$200 million in a new Disaster Readiness and Support Activities account. This account will fund advanced readiness initiatives that assist FEMA in preparing for future disasters and will allow FEMA to perform critical administrative functions that support the timely delivery of services during disasters.

GOAL 5: STRENGTHEN AND UNIFY DHS OPERATIONS AND MANAGEMENT

A cohesive and operationally efficient organization is essential to the rapid implementation of homeland security priorities, policies, and objectives. As such, the Department has aligned its resources into areas that will most effectively accomplish its mission. Successful mission performance is driven by human capital development, executing efficient procurement operations, and possessing state-of-the-art information technology resources. We continue to improve systems for intelligence and information sharing.

*Key Accomplishments*

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

ment officers, prosecutors, and judges with training, equipment, and expertise in computer forensics and digital evidence analysis.

*Fiscal year 2009 Budget Request*

- Quadrennial Homeland Security Review.*—A total of \$1.65 million is requested for the first ever Quadrennial Homeland Security Review (QHSR). Funding is required to research, organize, analyze, and develop the QHSR. This document will recommend long-term strategy and priorities of the Nation for homeland security and comprehensively examine programs, assets, budget, policies, and authorities required to provide the United States with strong, sound and effective homeland security capabilities in the decades ahead. The Office of Policy requests \$1.5 million and the remaining \$0.15 million is requested in the Office of the Chief Financial Officer (OCFO).
- Transformation and Systems Consolidation.*—An increase of \$15.5 million is requested for OCFO to continue implementation of the Transformation and Systems Consolidation (TASC) project. One of the main objectives of DHS at its formation was to consolidate the support systems of the component agencies to realize cost savings and operational efficiencies. OCFO aims to reduce the number of DHS financial systems, and ensure the manual processes for internal controls are integrated with these financial systems. DHS will begin migrating OHA, S&T, DHS Headquarters, NPPD, CIS, and ICE's financial systems to the TSA Oracle Shared Baseline.
- DHS- Wide Acquisition Workforce Intern Program.*—The Budget includes an increase of \$3.1 million for the Office of the Chief Procurement Officer. DHS will enhance the Acquisition Intern Program which recruits, trains, certifies, and retains an appropriate workforce of acquisition professionals. In fiscal year 2009 the intern cohort will be raised to 100 people.
- Office of the Inspector General Auditors.*—An increase of \$6.4 million is requested for the Office of the Inspector General (OIG) to expand staff oversight of DHS preparedness programs, through audits of preparedness grant programs, science and technology programs, and Department-wide programs that establish the Department's baseline preparedness efforts. The additional funds will strengthen OIG oversight of DHS border security and enforcement programs through a proactive program of audits and on-going oversight of the policies, initiatives and funds to secure the Nation's borders.
- State and Local Fusion Center Program.*—Funding for I&A's State and Local Fusion Center program is to create a web of interconnected information nodes across the country ensuring information is gathered from all relevant operations and fused with information from the Homeland Security Stakeholder Community. The Budget requests funds to assist in producing accurate, timely, and relevant actionable intelligence products and services in support of the Department's homeland security missions.
- Vigilant Watch Over America.*—OPS carries out its unified mission to secure America by maintaining the National Operations Center (NOC) and by providing 365/24/7 incident management capabilities to ensure seamless integration of threat monitoring and information flow. To improve technological capabilities within the NOC, the Budget requests funding to provide improved data infusion, the auto-ingestion of data from multiple sources, and the creation of a consolidated, centralized data repository. In addition, funds are requested for the Principal Federal Official (PFO) program. As mandated by Presidential directive, the Secretary of Homeland Security is the Principal Federal Official responsible for coordination of all domestic incidents requiring multi-agency Federal response. Funding will provide a standing organizational structure to plan, train, exercise, deploy and support the PFO program.
- Create DHS Counterintelligence Program.*—Under the leadership of the Chief Intelligence Officer, I&A and the Office of Security will develop a new DHS-wide counterintelligence program to analyze threats posed by foreign intelligence entities collecting against the Department, support risk management decisions, and enhance operations and implement strategies and policies to unify the Department's counterintelligence mission.

CONCLUSION

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

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

## PROJECT 28

Senator INOUE. Thank you very much, Secretary Chertoff, for your excellent statement. You spoke much on the P28 Virtual Fence Project. I'm asking this question on behalf of Senator Byrd.

Based on your experience with the P28 Pilot Program, do you have any estimate as to how long it will take to test and deploy this improved version of the new system?

Secretary CHERTOFF. I think our expectation is that we will begin the next phase of deployment, which involves both retooling and improving what we are currently doing in this 28 miles, and then moving to the next part of the Tucson sector that we're going to deploy in.

We're going to begin that process this year, 2008, and that phase ought to be done in 2009. I think we will begin Yuma sector probably in 2009. And I would expect that to be finished in about a year. And then, I would expect the next phase, which is what we have in our current plan, to begin maybe in—to be deployed maybe in 2010.

Here, I have to be a little more hesitant, because we continue to reserve the right to modify the plan. If it turns out that the value add counts as for doing a little bit less, we might wind up doing a little bit less. We may wind up substituting more in terms of some of the other tools. But I would say that we should be underway in all the places we currently envision by 2010. That's my estimate.

Senator INOUE. I thank you very much, sir. I will be submitting, on behalf of Senator Byrd, several questions that he would want you to respond to. And we'll place it in the record.

## TSA SURCHARGE

The administration's proposed fee increase to fund the so-called Explosive Detective System. Now, I'm certain you're well aware that Congress has rejected similar proposals in the past. Doesn't your department have unobligated funds that can carry this project out?

Secretary CHERTOFF. Well, Senator, I am aware, having lived through this with a couple of earlier budget cycles, that using fees to plug our operating budget needs has been frowned upon by Congress. We have abandoned that kind of approach.

This is a very specific and narrow request with respect to fees. It is for a particular capital investment that would allow us to begin the process of moving: (a), to a better level of technology at the airport, which would be more efficient and more, frankly, customer friendly; and (b), to begin the process of replacing equipment that is really now becoming obsolete.

I think in talking about it, particularly with the airports, there was a fair amount of sentiment supporting this, and it's simply a way to accelerate the process of getting this equipment in. If we were not to have a fee dedicated to this particular function, and the idea is that it would be dedicated specifically to this function, we

would have to fund the retooling process through the ordinary budget process.

That is going to wind up, frankly, making it a longer process. I think it's part of a larger set of challenges that we have when we deal with very substantial investments in high technology, and it raises the question as to whether our whole method for financing this kind of approach ought to be looked at carefully.

You know, whether the Federal Government ought to buy equipment that becomes obsolete in a number of years, as opposed to leasing it or contracting for a service in which the service provider has to provide the equipment, I think that is a subject that we might profitably spend some time talking about.

But the bottom line is that this is meant to be a dedicated fee for a particular purpose that will actually benefit the airports by making their processes more efficient, and ultimately, therefore, should be in their interest.

Senator INOUE. Several airports have funded the installation of this system on the assumption that they would receive funding through a letter of intent arrangement. Would these airports be eligible to receive accelerated funding that you are proposing?

Secretary CHERTOFF. It's hard, Senator, for me to answer that question without knowing specifically what the facts and circumstances of the airport's position would be. I don't know that we're envisioning this as a retroactive repayment. There was a letter of intent program that I—if I'm not mistaken, has expired.

What would be covered by funding under this fee or not, I'm not sure I can answer you right now without having some specific knowledge of exactly what an airport's application would be. We'd certainly look at the applications if Congress approves this fee, and that idea is that we would begin a forward-moving replacement and enhancement program.

#### USCG WORKFORCE

Senator INOUE. Mr. Secretary, I understand the Coast Guard's active duty personnel is roughly the size of the New York City Police Department, and has not had a significant increase in 50 years. Do you think this is an appropriately sized workforce, to adequately enforce maritime security and safety along 95,000 miles of coastline, and 3.36 million miles of U.S. exclusive economic zone, not to mention the force protection in Operation Iraqi Freedom?

Secretary CHERTOFF. Well, let me say, first, I don't know how big the New York City Police Force is. No question that the Coast Guard's mission has expanded in the wake of 9/11. The issue of force protection remains really a much more urgent requirement now than it was prior to 9/11.

We do have some forces deployed over in Iraq, and I was privileged to visit them last year. What we're trying to do, obviously, and again, to manage the budget, is to equip the existing Coast Guard with the best possible tools to leverage their mission. That's why we do have money in this budget for continuing with the National Security Cutters, and for other essential retooling elements that the Commandant advised me is important in order to make sure that the men and women of the Coast Guard have the best possible tools.

Again, difficult tradeoffs. You can always benefit from having additional personnel. We also need additional personnel at the border. We have other missions. And within a budget that is expanded, but is nevertheless finite, I think we've struck a good balance in terms of these various missions.

Senator INOUE. Do you believe that the funds are sufficient?

Secretary CHERTOFF. Having consulted with the Commandant, I do believe they're sufficient.

Senator INOUE. I thank you, Mr. Secretary. I have a whole bundle of questions I'd like to submit for your consideration.

And now, may I recognize Senator Cochran?

#### GULF COAST RECOVERY EFFORTS

Senator COCHRAN. Mr. Chairman, thank you very much. Mr. Secretary, I've noticed that today's New Orleans Times-Picayune newspaper carries an editorial praising Donald Powell for the great job he has done as the Gulf Coast Recovery Coordinator since November of 2005.

He has been one of the most diligent and thoughtful coordinators or people serving in a position like this that I have encountered, and I wanted to add publicly my personal appreciation for the good job he did coming down to Mississippi and Louisiana and the other areas devastated by Hurricane Katrina to help coordinate and communicate with the local officials, the Governors, and all of us who were involved in trying to deal with that terrible disaster.

And I know that you worked closely with him, and he was in touch with you all along the way, too. Again, I don't think anybody can express sufficiently the heartfelt appreciation that we had in our State for the response we received from the Federal officials in key positions like yours and Don Powell's, and many others. But, thank you, and I want to be sure that Don Powell hears about compliments, as well.

He tried to call people the other day. I know I was out of town and didn't receive his call, but I've called him back, and I will talk to him personally.

Secretary CHERTOFF. I'll convey your remarks. He did a magnificent job, and a difficult job, and I think he richly deserves the thanks that he got in the newspaper.

Senator COCHRAN. We're still in the process of recovering and rebuilding, as you well know, and I was pleased to attend an event this weekend where the Administrator of the General Services Administration was personally there, with the Under Secretary of the Department, to participate in a groundbreaking ceremony for the retirement home and facilities for retired military persons, which was virtually destroyed in Hurricane Katrina.

And to see that that facility is going to be rebuilt, a modern facility there in the Gulf Port area, is very reassuring, not only to the retired servicemen and women who will be able to come and live there and take advantage of that retirement community, but to the general population, which is pleased to be a host site for a facility of that kind.

There are many other things that are going on still, through FEMA and other agencies, and with your Department, to deal with problems that exist as a result of that tragic disaster. Contamina-

tion in some of the trailers has been identified as formaldehyde. People are worried that if they've been in those trailers, are they going to have illnesses. What can they do about it? Looking for alternative facilities for housing continues to be a problem. And, the support of the Department of Homeland Security for all of these efforts is deeply appreciated.

#### NATIONAL BIO AND AGRODEFENSE FACILITY

I also wanted to mention that we have a new facility that's going to be built, the National Bio and Agrodefense Facility. It's a facility designed to protect the country's agriculture and public health interests. It's a replacement for the Plum Island Animal Disease Center that will have to be selected and fully funded. It will be designed, we are told, to be a state-of-the-art biological and agriculture defense facility, to carry out the complementary missions of the Department of Homeland Security and Agriculture.

I hope that our committee will approve the request that's included in this budget. For fiscal year 2008, there was \$11 million approved for this facility. For fiscal year 2009, the budget request includes \$35.3 million for initial design. Is that facility still on track? And is it the intention of the Department to proceed with the construction of a facility to replace the Plum Island facility?

Secretary CHERTOFF. Yes. It is on track, and we have narrowed down the final lists, and we're in the process over the next few months of having the experts do the site visits and the final analysis. And we envision an award or a decision by the end of the year.

#### DEBRIS REMOVAL

Senator COCHRAN. We note, also, in connection with debris removal, issues regarding public assistance funds from the disaster relief fund available for debris clearance, removal, and disposal operations that continue to be needed as a result of Hurricane Katrina.

This is being handled by the Federal Emergency Management Agency. We hope we can work with you and your officials in the Department to be sure that this is resolved at an early date.

Secretary CHERTOFF. We look forward to doing that. Also, if I, Senator Inouye, if I can just come back to your Coast Guard question, I omitted to mention—I'm reminded—that our 2009 budget does seek 658 additional FTEs for the Coast Guard, so we are actually seeking—it'll be an increase, not just a level, and will get us up to about almost 49,000 FTEs.

#### DHS HEADQUARTERS

Senator COCHRAN. And I remember in earlier discussions that we have had about the Department's responsibilities, the headquarters remains a problem that needs to be addressed, and I hope that our committee can respond to the request the administration has made for \$120 million.

That sounds like an awful lot of money, but it needs to be done. We know you've got people scattered all around Washington, DC, in different buildings, and that's inefficient and is a big problem



and a big challenge, and I hope the committee will be responsive to your request on that.

Secretary CHERTOFF. I appreciate that. And, of course, it should not go without notice that while we are occupying other buildings, we're paying rent. So it's not like that's cost-free. I think, in the long run, the money for St. Elizabeths would be a wise investment.

Senator COCHRAN. Okay. Thank you, Mr. Chairman.

Senator INOUE. Thank you very much. Senator Specter.

#### IMMIGRATION CONTROL

Senator SPECTER. Thank you, Mr. Chairman. Mr. Secretary, at the outset, I compliment you on the tremendous work you did, and Secretary Gutierrez, on our effort for comprehensive immigration reform. A group of Senators will be introducing legislation tomorrow, which will be focusing on the priorities of border control and employer verification. And whatever we may ultimately seek to do with the 12 to 20 million undocumented immigrants, I think there is a unanimity that violent criminals who are here illegally ought to be deported to their home countries.

I'd like to reference three letters for a moment or two before going on to the core question which I want to deal with you.

I wrote to you on February 15 of this year, relating to the matter of the visas, to deny another country having their citizens come here on visas if they do not repatriate the convicted criminals. These statistics that I have, as of February 11, eight countries alone are refusing to repatriate a total of over 139,000 aliens. And I know you haven't had a chance to look at it so far, but take a look at the letter, and examine the asylum procedure or the visa procedure, and see if there are other items which we could utilize.

I now want to reference the letter which I am sending to the Egyptian President Mubarak about a particularly troublesome Egyptian national who is in a Pennsylvania prison at a cost of \$250,000 a year, because he has to be force-fed. And it's complicated to establish whether he is an Egyptian, but we think the evidence points that way, and I'm asking President Mubarak to cooperate with us on this.

And what I'd like you to consider, whether there are any circumstances where you would recommend withholding foreign aid, or utilizing some other remedy available to the United States in addition to the visa matter, to try to get these convicted criminals repatriated.

The third item that I want to call to your attention is a letter that I sent to you just a few days ago on February 28, which involves a provision in Article 3 of the U.N. Convention against torture, which obligates the United States not to return a person to another State where there are substantial grounds for believing that he would be in danger of being subjected to torture.

But the Congress, in enacting this matter, specified that "to the maximum extent consistent with Article 3, the regulation shall exclude from the protection of such regulations aliens who are security risks, such as terrorists or those who have been convicted of a particularly serious crime, such as an aggravated felony carrying a 5 year prison sentence."

Ninety-six percent of these petitions are rejected, but they take an enormous amount of time. And I ask you to take a look at the regulation and see if you can, in the first instance, deal with it within your Department.

#### REPATRIATION OF CRIMINAL ALIENS

Now, I want to come to what I consider to be the really serious problem. And that is the projection that in 2007 some 300,000 illegal aliens convicted of crimes will be released without going back to their native country. They just can't be sent back there for one reason or another. And the Supreme Court has created a presumption that 180 days is the maximum amount of time you can hold someone.

Well, these alien criminals, violent criminals, are recidivous an average of six to eight repeat crimes. Now, we know the basic principles of criminal law. Someone has served a sentence, a maximum, and you can't keep them in jail any longer.

The person is a danger and a menace, based upon the individual's prior record. We can't send them back to their native country, because the native country won't accept them. And there are hundreds of thousands of them on the streets of America, posing a much greater problem for this country on public safety and the \$2.5 billion it costs, and also a national security problem.

If you have mentally ill people, and you can show in court on an appropriate petition that the individual is a danger to himself or herself, or to the community, they can be detained. We have preventative detention provisions, under circumstances notwithstanding a presumption of innocence, where there's a preliminary finding of danger that people can be held without bail.

And what I'm candidly struggling for, and would ask your assistance, we're doing research to see if there are some legal constitutional way we can detain these convicted alien criminals, who are recidivous, who are released on our streets.

Secretary CHERTOFF. Well, I think it's a very important issue to address. I should just mention in passing, it's not unique to this country. When I go overseas to Europe, one of the burning issues that my counterparts in Europe is the same problem. They are—people come into their countries, they commit crimes, they're violent, they're dangerous, and you can't return them, because the country from which they come doesn't want to take them back, understandably, because they're dangerous and bad people.

And so, then you wind up in the worst of all worlds, which is releasing them. I would be very happy to work with you and the Senate to see whether there is legislation that would enable us, with appropriate safeguards—if there is somebody who is in the country illegally and they cannot be returned—to detain them for a longer period than the 6 months currently allowed.

If I remember the Supreme Court case in question correctly, it didn't quite shut the door on that, particularly when you're dealing with violent offenders and terrorists. I'd certainly be willing to give it as good a try as I could, because I agree, everybody is dismayed at the notion of the worst of the worst getting released because we can't get them back, they've served their terms, they're here ille-

gally, but we're not allowed to detain them anymore. So I'd be happy to work on that with you.

Senator SPECTER. Thank you, Mr. Secretary. Mr. Chairman, I ask that the correspondence that I referred to be included in the record.

Senator INOUE. Without objection, so ordered.  
Senator Stevens.

LETTER FROM SENATOR ARLEN SPECTER

U.S. SENATE,  
Washington, DC.

Hon. MICHAEL CHERTOFF,  
*Secretary, U.S. Department of Homeland Security, 3801 Nebraska Ave. NW,  
Washington, DC 20528.*

DEAR SECRETARY CHERTOFF: I am troubled that thousands of deportable criminal aliens who have been convicted of crimes in the United States, sometimes violent crimes, remain in the United States because their native countries refuse to repatriate them. Moreover, most of these aliens are released back into the population, as extended detention is untenable due to a lack of resources and the Supreme Court's Zadvydas decision.

Many of these recalcitrant nations receive substantial U.S. aid, and their citizens are regularly issued U.S. visas. The Congress has already attempted to address this problem, in section 243(d) of the Immigration and Naturalization Act, and I am curious as to why it is not utilized to greater effect. According to the statute, upon notification from the Attorney General that a country denies or unreasonably delays repatriation (such notification is now provided by the Secretary of Homeland Security), the Secretary of State "shall" suspend visa issuances until notified by the Attorney General that the country has accepted the alien.

This tactic is potent in theory, and was successful in practice when applied against Guyana several years ago. While I appreciate that foreign relations is a delicate affair involving balancing numerous interests, surely public safety in the United States is a priority of the highest order. Not only does refusal to repatriate often put convicted criminals with no right to be here back on the street, but drawn out repatriation negotiations divert scarce Federal resources away from identifying and deporting other criminal aliens—as many as 300,000 of whom were incarcerated in 2007 and will be released rather than deported at the conclusion of their sentences.

It seems incongruous for the United States to continue admitting the citizens of an uncooperative country that refuses to take back those who are convicted criminals. Why then are we not more aggressive in our use of section 243(d) to ensure prompt repatriation, particularly of criminal undocumented aliens? I would appreciate your views on the efficacy of this provision and any obstacles to its utilization.

In a related development, this week, DHS noticed a proposed rule to prohibit H-2A visas for nationals of countries which refuse to repatriate. This is a welcome step, but why did DHS not instead dispense with time consuming rulemaking, which ultimately will provide only limited leverage, and simply notify the State Department immediately of the non-cooperating countries?

I look forward to your response and your thoughts on this important issue. To aid the analysis, I would appreciate it if you could include a list of the notifications you have forwarded to the State Department pursuant to section 243(d) in the last 5 years, any actions upon them (e.g., suspension of non-immigrant visas), and whether they were ultimately successful in securing repatriation.

Sincerely,

ARLEN SPECTER,  
*U.S. Senator.*

LETTER FROM SENATOR ARLEN SPECTER

U.S. SENATE,  
Washington, DC.Hon. MICHAEL CHERTOFF,  
Secretary, U.S. Department of Homeland Security, 3801 Nebraska Ave. NW,  
Washington, DC 20528.

DEAR SECRETARY CHERTOFF: I am informed that large numbers of removable criminal aliens, particularly aggravated felons for whom there is no other reprieve, invoke without justification Article 3 of the U.N. Convention Against Torture (UNCAT) in order to obstruct removal proceedings. I am curious as to whether UNCAT necessarily condones such dilatory tactics.

Article 3 of UNCAT obligates the United States not to "return . . . a person to another State where there are substantial grounds for believing that he would be in danger of being subjected to torture." However, in implementing UNCAT, Congress specified that, "[t]o the maximum extent consistent with" UNCAT obligations, "the regulations . . . shall exclude from the protection of such regulations" aliens who are security risks, such as terrorists, or those who have been convicted of "a particularly serious crime," such as an "aggravated felony" carrying a 5-year prison term. (See INA § 241(b)(3)(B).)

Notwithstanding this clear exclusion, DHS's regulations currently reflect no such exception for very dangerous aliens, and thus appear to leave aggravated felons eligible for deferral of removal. In contrast, Canada, another UNCAT signatory with a proud human rights record, maintains just such an exception in section 115(2) of its Immigration and Refugee Protection Act.

Without this exception, dangerous criminal aliens in the United States are able to abuse the laudable protections offered by UNCAT, burying worthy cases beneath a mountain of meritless claims. Even though 96 percent of UNCAT petitions are ultimately denied, the litigation can take years, during which time limited resources and decisions such as *Zadyvdas* and *Nadarajah* may require release. Protracted UNCAT litigation puts convicted criminals with no right to be in the U.S. back on our streets. It also diverts scarce Federal resources away from identifying and deporting other criminal aliens—as many as 300,000 of whom were incarcerated in 2007 and will be released rather than deported at the conclusion of their sentence.

I would like to know if DHS has issued or plans to issue any regulations to implement the express Congressional intent to exclude certain dangerous aliens from UNCAT protection. If not, I would appreciate your view of what the obstacles are and what might be done to remove them.

Sincerely,

ARLEN SPECTER,  
U.S. Senator.

LETTER FROM SENATOR ARLEN SPECTER

U.S. SENATE,  
Washington DC.His Excellency MOHAMMED HOSNI MUBARAK  
President of the Arab Republic of Egypt, Cairo, Egypt.

DEAR PRESIDENT MUBARAK: I seek your assistance in repatriating a criminal alien currently in custody in my home State of Pennsylvania. I recognize that, as a rule, Egypt is quite cooperative in repatriation efforts and that, in this case, the source of the problem is the prisoner's refusal to cooperate in obtaining travel documents. Nevertheless, I am hopeful we might work together to overcome the obstacles and secure his prompt return.

Mr. Abdel Fattah entered the United States on a fraudulent Portuguese passport. He was convicted in 2002 of an aggravated felony and is now serving his sentence at the Pennsylvania State Correctional Facility in Camp Hill. Because he has already served the required minimum sentence, he is now eligible for repatriation. Accordingly, the administrative body responsible for overseeing repatriation, Immigration and Customs Enforcement (ICE), requested travel documents from the Egyptian consulate in New York in early October of 2005. That request included form I-217, which contained substantial biographical information. In 2006, ICE augmented the filing with formal proof that Mr. Fattah's Portuguese passport was fake.

However, as part of the repatriation process and because Mr. Fattah does not have an Egyptian passport, he was required to fill out a passport request form in Arabic. In 2006, the Egyptian consulate advised ICE that the information Mr.

Fattah provided in his passport request was insufficient. Mr. Fattah was asked to correct the problems and after some further communication, the final version was resubmitted on June 28, 2007. In August, the consulate informed ICE that Mr. Fattah had again improperly completed the form, filling it instead with gibberish and expletives, and that consequently travel documents would not issue unless ICE could produce an existing Egyptian passport belonging to Mr. Fattah.

Based on its research, ICE is confident that Mr. Fattah is an Egyptian national. Indeed, in a 2001 letter from prison, Mr. Fattah asked immigration authorities to let him “serve the time in my country Egypt.” Nevertheless, I fully understand Egypt’s desire to satisfy itself of that fact before it repatriates him. Although the ordinary methods of confirming nationality—either via an existing passport or a valid passport application—are not feasible in this case, I am hopeful we may find an alternative way to verify Mr. Fattah’s status.

I could, for example, arrange for a visit to the prison by Egyptian experts who could then conduct an extensive background interview of Mr. Fattah in Arabic. If that is inconvenient, the prison has video conferencing equipment and could make Mr. Fattah available for remote interviews by your officials in New York, Washington or Egypt. Alternatively, if there is another arrangement your government would prefer I stand ready to assist.

Ordinarily, I might not intervene in such a matter, especially given Egypt’s well-established cooperation in repatriation, but Mr. Fattah’s detention cost over \$250,000 last year and is draining scarce local resources. I would appreciate anything you can do to speed his return. You can reach me in my office at 202–224–9011 and my staff is prepared to assist you. Thank you very much.

Sincerely,

ARLEN SPECTER,  
*United States Senator.*

#### ICEBREAKERS

Senator STEVENS. Thank you, Mr. Chairman. Mr. Secretary, I have several questions to ask you, but I would ask that you respond to the questions that I’m going to submit for the record.

And the first question pertains to the Coast Guard. We’re hearing all sorts of rumors about predictions that the ice in the Arctic disappear in the summertime. We are really behind the curve as far as icebreakers. As a matter of fact, we’ve had to lease some from foreign countries lately.

I note that you do not have money to construct a new icebreaker. We thought there would be one.

Secretary CHERTOFF. I believe that there—I think that the budget for icebreakers is in the National Science Foundation.

Senator STEVENS. I know that. But if you’ve got the Coast Guard and the National—

Secretary CHERTOFF. Yeah.

Senator STEVENS [continuing]. Science Foundation has the vessels, then they’re not going to request it, because they don’t like them there in the first place.

Secretary CHERTOFF. Yeah.

Senator STEVENS. So I would hope that you would take a look at that, because we’re just going to be—if the predictions are true, we should have more icebreakers, and we should have them very quickly, and I don’t see—we’ll ask them, too, but I don’t see any indication that they have any interest at all in the management of those icebreakers.

They didn’t want them, and I don’t think we should have given them to them.

Secretary CHERTOFF. Well, I’m just saying, Senator, as I think I mentioned to you, I’m actually going to go up this summer and look at the Arctic. I’ve talked to the Commandant about this issue, and

I do think that the whole question of whether we are adequately protecting our interests in the Arctic—particularly as we may find other countries now seeking to expand their exploration for petroleum resources, I think we have to take a serious, strategic look at that. So I agree with you about it.

Senator STEVENS. Well, people have the feeling that this is all going to—well, they're talking about summer ice, in the first place. I hope you'll take the time to go to the International Arctic Research Center in Fairbanks. It has a different view than the IPCC on the question of this ice.

#### DISASTER ASSISTANCE FOR ALASKA

So let me shift to FEMA. About the time that Katrina happened, there was a typhoon up off of the northwest coast of Alaska, and the net result was a whole series of villages on barrier islands were very seriously damaged. That's 4 years ago.

We're still making plans now to try and help them. FEMA has really poured hundreds of millions of dollars into the Katrina area. We have seen very little assistance of FEMA in terms of any recovery. I note there's \$200 million in this budget disaster readiness and support activities account. Now, I take it that's to prepare for new disasters. What are you going to do about the disasters that have already occurred in Alaska?

Secretary CHERTOFF. Well, you know, that is usually covered through Disaster Relief Fund. I don't know—frankly, I don't know right now exactly what the status is in terms of whether a Disaster Declaration was requested or whether it was granted. I'll find out about it, though.

Senator STEVENS. Well, I had an interesting meeting several weeks ago when I was at home, with the State and with FEMA and with the various echelons of the Federal and State government to try and help these people. They are Alaska Natives. They're on barrier islands. They've been there for centuries. They don't want to move, but—they don't want to move, but they may have to move, but there's very little help forthcoming from the Federal Government for them.

And I think it's one of the national shames, because they're out there on those islands, there's not many of them, they're not in a voting center like New Orleans, but they've been just completely ignored. And I hope that you'll take time to go to the barrier islands, and not just go look where the ice isn't.

#### PASSENGER VESSELS SERVICE ACT RULE

Thirdly, let me ask you about the matter of the Bureau of Customs and Border Protection, in terms of the interpretation of the Passenger Vessels Services Act, and I've raised this with you before. That publication in the Federal Register was under the heading of "Hawaii Coast Wise Cruisers." It's under the Vessels Services Act that came out of a Congress Committee that Senator Inouye and I have been on for so long.

We were very surprised when it was published that it applied to cruisers along the Alaska coast, originating in Seattle. As a matter of fact, if that regulation is adopted, none of the cruisers this summer can go to Alaska, because they all stay in Alaska waters for

longer than 48 hours. The net result would be that all of the cruise ships would move to Vancouver, where they could stay in Alaska as much as they want.

Now, this is getting very close. It's 2 months ago, now, that I raised this with your people, when you first published it. When is the Department going to make a decision on whether or not they made an error in publishing that with regard to Alaska Coast Wise Cruisers?

Secretary CHERTOFF. I can tell you that after our discussion, I spoke to the Commissioner of Customs and Border Protection about this. I have to be a little careful, because we're in a regulatory process, and if I say the wrong thing, we're going to wind up getting sued.

But we've certainly seriously taken onboard the issues that you pointed out. I believe that a final version of this is being presented to the Commissioner for him to review and make a judgment on it. I will personally look at it before it goes out.

Senator STEVENS. Well—

Secretary CHERTOFF. I can't tell you what we're going to do, because if I do it, I might as well just show up in the courthouse and—

Senator STEVENS. Well, respectfully, all you need to do is tell them to withdraw that proposed rule.

Secretary CHERTOFF. I—

Senator STEVENS. It's not necessary for Hawaii. Hawaii doesn't need any ruling for over there. The act was meant to apply to Hawaii only, and yet these proposed rules are out there, scaring the death out of all these people.

Secretary CHERTOFF. I—I—

Senator STEVENS. Reservations are not being made on the cruise lines, because this is a common known thing, all the way along the west coast.

Secretary CHERTOFF. I will make sure this thing gets out quickly. I think we've taken—as I said, I took onboard your view on this. I've communicated that to the Commissioner. I think we will get this resolved very quickly.

Senator STEVENS. All right. I hope so, because I think that the bell is tolling on cruise ship activity for Alaska. That is substantially what's left of our economy in southeastern Alaska. The government closed down all harvesting of timber. The mines have been protested by extreme environmentalists. There is no economy left in Southeastern Alaska except tourism.

And they all come in on these cruise ships. I can't think of anything—but my last comment—

Senator INOUE. Well, Senator, you—

Senator STEVENS. Yes?

Senator INOUE. I just wanted the record to show I support you.

Senator STEVENS. Thank you. I support Hawaii's coverage on this, and we had—did in the committee.

Secretary CHERTOFF. My understanding is that you're—

#### FEMA GRANT FUNDING

Senator STEVENS. I'm about ready to run over—let me just mention to you this. I note that there's a State and local program re-

duction of \$1.46 billion, Assistance to Firefighters Grant \$450 million—it looks like we’re nationalizing national—all this concept of security. And not using the people who are in the local governments, and particularly State governments, the way we should.

Why would the budget be reduced there?

Secretary CHERTOFF. I think that if you look at what we do on the first responder grants, we have generally kept our requests at the same level. Actually, I think the position that we take is precisely what you’re saying, that the Federal Government should not generally be in the business of paying salaries for local firefighters. That would truly nationalize local firefighting. What we—

Senator STEVENS. Well, you’re—no. You’re bringing all the authority into Washington when you don’t help them.

Secretary CHERTOFF. Oh, actually, we’re trying to do quite the reverse. We don’t want to actually run local fire departments or have the authority. We do propose money for—

Senator STEVENS. Well, respectfully, Mr. Secretary, the local governments are not going to put up money for national security. They will help you, if you give them the money to help you.

Secretary CHERTOFF. Well, and that’s why I say for—we do have—

Senator STEVENS. Help them, I mean. To help them.

Secretary CHERTOFF. We do have \$300 million we’re requesting for fire grants, which are for equipment and the kinds of capabilities that would have national significance. Where we typically have not requested money, although Congress has granted it, is on the SAFER grants, which are basically payroll. It’s individual salaries.

We view that as principally a local firefighting function. And I agree with you, we do not want to nationalize that. Local firefighters, whether they be volunteer or professional, ought to be hired, trained, and paid for by local governments. That’s the way we did it when I grew up, and that’s what we want to continue to do.

Senator STEVENS. Well, respectfully, again, I’m over time, but that’s not what that money was spent for. That money was spent to help them get equipment, to help them train, to make them able to help you, not to put them—the firefighters are going to be paid locally. What this is, is training, equipment, and integration of their systems into yours.

Instead, you’re bringing all that money into Washington. Sorry, Mr. President—Mr. Chairman.

Senator INOUE. Thank you very much. Senator Lautenberg.

Senator LAUTENBERG. Thanks, Mr. Chairman. I noted that the Senator from Alaska just gave you an increase in stature here to Mr. President.

Senator STEVENS. What did I call him?

Senator LAUTENBERG. Mr. President.

Senator STEVENS. Well, that fits with him.

Senator LAUTENBERG. All right. Should we vote it here, and get done with the—no time. This is no time for humor.

Senator STEVENS. I would appreciate it. Thank you very much. A little humor would be good in my life right now.



## AMTRAK SECURITY FUNDS

Senator LAUTENBERG. I can't help, but I'd like to—Mr. Secretary, we look at the budget for the recommendations for 2009 for the grants programs, and the cuts are enormous. It comes down to almost \$2 billion worth of cuts, and the most important areas, State homeland security, port security, rail transit security.

And these are going to be very, very difficult for the communities to absorb. And, for one thing, in fiscal year 2008, Congress appropriated \$25 million for Amtrak security needs. Now, FEMA and TSA are now requiring that Amtrak provides a non-Federal match in order to use this money.

Now, I don't know where the authority was granted to do that, but when we're looking at Amtrak carrying more than 26 million people a year right now, and initially the funds weren't that great, but now to cut it further and impose a restriction that causes Amtrak to furnish double the money that it used to have—that it would have had.

So what can we do about that, Mr. Secretary?

Secretary CHERTOFF. I have to say, I don't—as I sit here, I don't know exactly what that decision relates to. I'll find out what the Amtrak—

Senator LAUTENBERG. If you would see, because Amtrak needs \$60 million for security, it's estimated, in fiscal year 2009, and yet there's no money for this in the budget. And while you're looking at the question of Amtrak, please try to find out for me why the President eliminated that kind of funding. Isn't the rail security a high priority at this time?

Secretary CHERTOFF. Well, it is, and let me say in addition to requesting \$175 million, which is what we requested last year, we put additional what I would call in-kind assets into rail transportation. We've asked for an increase in our TSA budget to put these mobile teams that actually go into the train stations and actually do patrolling. They have dogs so that they can do explosive detection.

So our support for rail transportation security is not limited to grants. It also includes in-kind contributions that we use by deploying our personnel.

## AIRPORT SCREENING PROCESSING TIME

Senator LAUTENBERG. If they were only more kind, Mr. Secretary, we'd be better off. I saw a story in the New Jersey paper about the airport screeners being told to speed it up, push for 18 second searches, and it concerned some security experts. Now, I led the fight in Congress to remove the artificial cap of the number of screeners that could be hired by the agency. It was set at 45,000.

And currently, there's just about that number. Now, the law, which passed as part of the 9/11 recommendations bill last year, specifically allowed TSA to hire as many screeners as needed for safe operations. So why would we now ask for a faster review, and not be concerned about the fact that it might not be sufficient when we are looking for 18 second searches? It doesn't sound like a long time.

The 200-person-per-hour goal has never been widely publicized, and it was a surprise to contend that 18 seconds of screening just isn't enough time. So may I have your thoughts on that?

Secretary CHERTOFF. Sure. I don't know—I didn't see the story. I don't—I can't vouch for the story. The issue for screening, of course, reflects a balance between doing a proper job and also making sure that we try to make it as efficient as possible. We are seeking additional money to hire behavior detection officers, travel document checkers, and we do appreciate the removal of the cap, which did it make it tougher for us to manage the workforce.

We have some other constraints we operate under. The architecture of an airport sometimes influences things. In other words, no matter how many screeners you have, if everything funnels down into a narrow portal, it's going to create a clog-up in terms of passengers moving through.

I will say that I've asked the head of TSA over the next 30 to 45 days to come to me with some what I would call out-of-the-box ideas for how we might reengineer what we do with TSA, in terms of airport screening. We have elevated the security measures in a lot of respects, and that always causes me to ask the question, "Now is there something that we've done in the past that we might eliminate or modify?" Because now we've reduced the risk, and something that originally had a purpose may no longer have a purpose.

So I can tell you that TSA is constantly looking at a way to increase—at ways to increase efficiency. But they always treat the issue of security as the paramount priority, and it doesn't get subordinated to just moving the traffic through.

Senator LAUTENBERG. You know, there has been talk in the past about giving additional modern screening equipment to the TSA staff, so that they could do a more thorough job. Now, Newark, which is one of the busiest airports in the country, doesn't have the most modern screening equipment. So are you aware of any shortages in that, or things that you would prefer that we get into place at the airports to help speed the process?

Secretary CHERTOFF. I'd say a couple of things. First, one of these goes to the issue of this fee, which would allow us to dedicate additional money to the process of actually getting and deploying more of this equipment, which I think in the long run would actually be a positive thing for the airlines and the airports.

We are currently testing technology that will be better and more efficient than what we currently have deployed in most airports. There's something called millimeter-wave, which we are testing, I think, in Phoenix. And if that turns out to be good, then that's the kind of equipment we're going to start to deploy elsewhere.

We are also doing some non-equipment changes, including behavioral detection officers and travel document checkers, which add additional layers of security. And I think some of those are operating in Newark, as well as in other airports.

Senator LAUTENBERG. Mr. Chairman, just one last record request, and that is, Mr. Secretary, can you furnish me with a report on the number of items recovered over the last 5 years, let's say, that represent some risk or some danger there? And if it's embargoed, will it acknowledge that?

Secretary CHERTOFF. I'll do my best. Yeah.  
[The information follows:]

TOTAL PROHIBITED ITEMS: 2002-2007

| Prohibited Item Type                                | 2002      | 2003      | 2004      | 2005       | 2006       | 2007      | Grand Total |
|---|-----------|-----------|-----------|------------|------------|-----------|-------------|
| Ammunition and gunpowder .....                      |           | 10,729    | 25,672    | 24,404     | 16,052     | 14,185    | 91,042      |
| Box cutters .....                                   | 3,992     | 21,348    | 22,430    | 21,319     | 15,999     | 11,908    | 96,996      |
| Clubs, bats, and bludgeons .....                    | 3,521     | 25,522    | 28,998    | 20,531     | 12,296     | 9,443     | 100,311     |
| Dangerous objects .....                             | 6,957     | 29,225    | 28,293    | 14,099     | 13,146     | 7,708     | 99,428      |
| Disabling Chemicals and Other Dangerous Items ..... |           | 8,133     | 34,013    | 40,989     | 25,985     | 22,473    | 131,593     |
| Explosive Materials .....                           |           | 3,808     | 14,298    | 6,950      | 5,145      | 3,089     | 33,290      |
| Explosives .....                                    | 358       | 1,088     | 335       | 2,776      | 1,768      | 505       | 6,830       |
| Firearms .....                                      | 153       | 638       | 254       |            |            | 1,416     | 2,461       |
| Fireworks .....                                     |           | 3,828     | 9,336     | 8,195      |            | 1,768     | 26,678      |
| Flammable Items .....                               | 13        | 44,772    | 301,819   | 443,290    | 335,164    | 250,161   | 1,375,219   |
| Flammables/Irritants .....                          | 62,853    | 485,055   | 697,271   | 371,711    | 92,329     | 73,165    | 1,782,384   |
| Knives and blades (3 inches or more) .....          | 143       | 142,565   | 64,608    | 57,963     | 56,902     | 51,171    | 373,352     |
| Knives and blades (less than 3 inches) .....        | 320,673   | 1,822,457 | 1,990,796 | 1,764,929  | 1,550,221  | 1,005,491 | 8,454,567   |
| Lighters .....                                      | 1,551     | 62        | 178       | 9,420,991  | 11,616,688 | 5,124,344 | 26,163,814  |
| Loose Ammunition .....                              |           |           | 28,497    | 27,701     | 18,748     | 16,600    | 91,546      |
| Replica Weapons .....                               | 20,057    | 27,990    | 17,260    | 12,641     | 8,473      | 6,719     | 83,140      |
| Sharp objects .....                                 | 540,298   | 3,020,984 | 3,409,888 | 3,276,941  | 163,419    | 101,386   | 10,512,916  |
| Tools .....   | 67,516    | 560,957   | 808,776   | 889,904    | 158,838    | 106,786   | 2,592,777   |
| Grand Total .....                                   | 1,028,085 | 6,209,161 | 7,482,722 | 16,405,334 | 14,094,724 | 6,808,318 | 52,028,344  |

Senator LAUTENBERG. Thank you very much. Thanks, Mr. Chairman.

Senator INOUE. Thank you very much. Senator Leahy.

#### CBP STAFFING ALLOCATION

Senator LEAHY. Mr. Secretary, we discussed—I discussed a couple of these things earlier, and I'd like to go back to the GAO Report. It says that Customs and Border Protection staffing allocation needs several thousand additional CBP officers and agriculture specialists at ports of entries. Your budget includes not a budget for the several thousand, but 234 at land borders and 295 positions for radiation portal monitoring staff.

That's about two additional officers at each air and land seaport. When Assistant Commissioner Thomas Winkowski came to Vermont last August, he said at least eight new agents would be assigned to Vermont. We're somewhat disappointed, because the estimate was we needed 60. But I guess it doesn't make an awful lot of difference, since we didn't get any.

Any chance we might get any by the—anywhere between one— or anywhere between none and the 60 that's been requested?

Secretary CHERTOFF. I will certainly—I'll get back you specifically with respect to Vermont. I can tell you that in fiscal year 2007, we budgeted and we received money for 1,131 additional CBP officers. This fiscal year, we got money for 679 additional ones, and we're asking for 539 next year. So that would get us up to about 2,300.

Senator LEAHY. Yeah. Well, that's all well and good, but—

Secretary CHERTOFF. That's all—

Senator LEAHY [continuing]. What about Vermont?

Secretary CHERTOFF. Right. I will get back to you specifically—

Senator LEAHY. We've been promised—we need 60. We've been promised eight. We've gotten none.

Secretary CHERTOFF. I'll find out exactly what the plan for Vermont is.

[The information follows:]

#### PLANNED CUSTOMS OFFICER STAFFING—STATE OF VERMONT

The U.S. Customs and Border Patrol (CBP) plans to deploy seven new CBP officers to Vermont ports of entry (POE) and 15 CBP officers to the Williston Vetting Center in Williston, VT, in fiscal year 2008.

In addition, there are six new CBP officers planned to be deployed to POEs in Vermont with funding from the fiscal year 2009 President's Budget. The fiscal year 2009 plans are preliminary and will be reassessed at the time of funding distribution to ensure operational needs are met.

CBP monitors and tracks the ever-evolving staffing needs at ports of entry and facilities to adequately carry out its diverse mission. CBP determines the appropriate staffing level at ports of entry by analyzing a variety of criteria such as: volume, processing times, facility constraints and expansions, number of terminals and booths, as well as an assessment of various threat and risk factors. CBP continues to assess its staffing needs throughout the year, based in part upon information that obtained from CBP Field Offices. These submissions, combined with national and local initiatives, all play a role in how personnel is allocated throughout the country within CBP's financial resources.

Three employee town hall meetings were conducted by the Director of Field Operations, Boston at the Port of Derby Line and the Williston Vetting Center on September 26 and 27, 2007, to discuss with CBP employees the staffing needs at POEs in Vermont and to address other employee concerns.

## NORTHERN BORDER

Senator LEAHY. And what about on the northern border? DHS promised a target of Border Patrol agents on the northern border by—what they promised, they missed it by about 100. How are we doing on that?

Secretary CHERTOFF. I think what we're requesting in the budget, we expect to have 1,500 in fiscal year 2009, which is I think what we committed to doing.

Senator LEAHY. Are we going to get them?

Secretary CHERTOFF. Pardon?

Senator LEAHY. Are we going to get them?

Secretary CHERTOFF. Well, if we get the budget request, we will get them.

Senator LEAHY. Well, that—

Secretary CHERTOFF. I mean, that is what is built into the budget for fiscal year 2009.

Senator LEAHY. All right.

Secretary CHERTOFF. It would get us up to 1,500.

Senator LEAHY. All right. But we put money in for these in the past, and nothing's ever happened. That's why I asked.

Let's go about this temporary checkpoint, so-called temporary checkpoint. And you said that, when I'd asked this, 100 miles from the border, along a road that's paralleled by dozens of other roads that people could take if they wanted to avoid the checkpoint. I realize that it would keep our fear factor going, and it doesn't seem to stop anybody.

You said you would let me know about this, and yet we now have it in the budget. Is this going to be a case of building them, and then you tell us?

Secretary CHERTOFF. Let me say this. First of all, Senator, let me—

Senator LEAHY. Invite us to a ribbon-cutting or something?

Secretary CHERTOFF. Let me first correct one thing. We're going to be at 1,500 Border Patrol agents in the northern border by the end of this fiscal year. So it'll be by the end of September.

Senator LEAHY. All right.

Secretary CHERTOFF. So we have that funded already.

Senator LEAHY. That's good news.

## CHECKPOINTS

Secretary CHERTOFF. On the issue of the checkpoints, I don't know as we sit here what the plans are with respect to the checkpoint in Vermont. I can tell you generally—

Senator LEAHY. But you've got a \$4 million—

Secretary CHERTOFF. For the northern border—

Senator LEAHY [continuing]. Request for—

Secretary CHERTOFF [continuing]. Checkpoints.

Senator LEAHY [continuing]. The Vermont checkpoints. And this is in the so-called Swanton sector, which is the northwest part of our State. The other one is in the northeastern part of the State. Actually, they're getting down to the southern part of the State.

Secretary CHERTOFF. Yeah.

Senator LEAHY. Are we going to have permanent checkpoints or not?

Secretary CHERTOFF. In terms of the specific plan for Vermont, I can't tell you as I sit here. I can tell you in general what our view on checkpoints is, and to be honest, I'm probably most familiar with it in the southern border, but the concept is the same.

Checkpoints do serve a valuable function in intersecting—

Senator LEAHY. Well, wait a minute. The concept is the same? Are you saying that the situation on crossing our northern border is the same as our southern border?

Secretary CHERTOFF. No. I'm saying that concept—

Senator LEAHY. I know you've got that—

Secretary CHERTOFF. No. I'm—

Senator LEAHY [continuing]. Millions of dollars being spent on a virtual fence that doesn't work on the southern border—

Secretary CHERTOFF. I'm saying—

Senator LEAHY [continuing]. But are we doing the same thing here on the northern border?

Secretary CHERTOFF. No. I'm saying the concept of using a checkpoint that is not at the border is basically the same concept. It's the recognition that there will be people who will get through the border that you can stop secondarily at a checkpoint.

Senator LEAHY. Well, of course you can, but when you've got this thing sitting out there, and you've got a whole lot of roads that go around, and we are not talking about a border where there's that much of a need to come across it. I mean, the Canadians, their dollar—because our dollar has slipped so badly, their economy is booming, they've got their dollar's worth, some days, more than ours.

They're not rushing across to get jobs. It's not the—

Secretary CHERTOFF. I don't think it—I agree. It's not illegal—the issue in the Canadian border is not a big flow of illegal migrants. I—

Senator LEAHY. Well, the reason I ask is you got border—Derby Line that stands at Quebec. This is a town that—it's two different names, but—

Secretary CHERTOFF. Yeah.

Senator LEAHY [continuing]. It's one town. Half is in the province of Quebec, but half is in Vermont. They want to put barriers up so that if the person in Vermont wants to ask the high school kid who lives across the street to come and baby sit for 3 hours, they can't do it. We don't—and we're told that we don't have the Border Patrol—enough people to do that.

And we're going to start sticking people 100 miles away?

Secretary CHERTOFF. Well, let me just make it clear. The purpose of having the checkpoints in the northern border isn't that we think there's a large flow of illegal migrants. It's other kinds of smuggling that we worry about, drug smuggling and things of that sort.

I mean, I've asked the Border Patrol about this. Their experience is—and I have to credit their experience, because they have the years on the ground—is that the checkpoint serves as an additional layer of protection against smuggling. Now, I agree with you, we need to—

Senator LEAHY. Okay. You get an occasional smuggler. You get an occasional—some kid with pot in his car. And that's great. And you're stopping all these law-abiding people going back and forth. I mean, I mentioned the thing with—where I'm told by an officer pointing to his gun, "That's all the authority I need."

Secretary CHERTOFF. Yeah. And that's improper. So, I mean, certainly I don't—I'm not going to condone an officer saying that to anyone.

Senator LEAHY. I understand. But I mean—and that's fine. I can—when the superior officer walked up and saw me there, he—I don't pretend to be a lip-reader, but I'm certain of what I could understand when they saw the situation.

But it should be the same if it was Patrick Jones.

Secretary CHERTOFF. Oh, sure. Absolutely. It's completely—

Senator LEAHY. I mean, it's just—it—

Secretary CHERTOFF. Let me be really—

Senator LEAHY. You get the impression sometimes, and I hear this from foreign visitors all the time, that we treat everybody as an enemy, and we start treating our own people as an enemy. Mr. Secretary, if I had any hair, I'd be tearing it out. I'm sure that's something you can appreciate.

But, I mean, this is crazy.

Secretary CHERTOFF. Well, let me say this. First, let me say that on the checkpoint, I gather we have not completed a site selection assessment for the permanent checkpoint yet. So that still hasn't been decided.

On the border issue you raised, I'm in violent agreement with you. I periodically hear complaints, at the airport or whatever it is, about people who have been treated rudely or mistreated by somebody in the Government. You know, I have—

Senator LEAHY. I've seen it done. I've seen it.

Secretary CHERTOFF. Right. I have 208,000 employees in this Department. The people at the ports of entry process millions of people a year. I have no doubt, statistically, that some small number are rude and inconsiderate. I wish I could root it out.

I've spoken to the head of Customs and Border Protection. They are working hard to send a message that courtesy is an important element of the job. My experience with human nature, including a lot of years—and you were a prosecutor, too—is that you will always get some small number of people who when you give them a badge and a gun will take it as a license to be discourteous and rude.

All I can tell you is, to the very best of our abilities, our policy is to send a message that everybody, whether they're a foreigner or an American citizen, ought to be treated politely at port of entry or during any interaction.

And to the extent that people violate that stricture, I regret it and I apologize for it. You know, I wish I could make everybody be courteous. I haven't yet found the magic key to doing that, but we'll continue to try.

CBP CUSTOMS OFFICER LAW ENFORCEMENT OFFICER (LEO) STATUS

Senator LEAHY. And I will submit for the record a question on whether you're going to bring into effect the Custom and Border



Protection agents LEO, the CVP, which is supposed to go in effect on July 6, 2008, and this is one I'm not asking you to comment on. But we'll submit it for the record.

But it is granting Federal law enforcement status to Customs and Border Protection agents, something we put in to try to stem the number who are retiring. And you and I should chat about these checkpoints.

Secretary CHERTOFF. All right.

#### CHECKPOINTS

Senator LEAHY. Maybe come up and take a ride with me in Vermont, and I'll show how to—how easy it is to just avoid that.

Secretary CHERTOFF. I'm happy to chat with you about it, but I mean, we've got the same argument that was presented to us in Arizona. But I have to tell you, it shouldn't just be me. I should bring—

Senator LEAHY. Those are different situations. We don't suddenly—we don't have thousands of Canadians rushing down here—

Secretary CHERTOFF. Senator—

Senator LEAHY [continuing]. Because they like our healthcare system or our economy better than theirs.

Secretary CHERTOFF. I should bring—if we're going to do that, I'll bring the Border Patrol up with me, so they can tell you what their own experience is. I mean, I've—

Senator LEAHY. Yes.

Secretary CHERTOFF [continuing]. I have not been a border agent, but I've talked to them and—

Senator LEAHY. I have, too.

Secretary CHERTOFF [continuing]. And they have—

Senator LEAHY. I have, too.

Secretary CHERTOFF. It's not—I don't have a—I'm not—I don't have a kind of—I'm not wedded to it in any particular place. I'm open-minded. But I do—I am wedded to the idea that if the Chief of the Border Patrol looks me in the eye and says, "I need this," I'm inclined to defer to him.

But I'm happy to pursue the discussion with you.

Senator LEAHY. Thank you. Thank you, Mr. Chairman.

Senator INOUE. Thank you very much. Senator Craig.

#### SECURE BORDERS

Senator CRAIG. Mr. Chairman, thank you very much. Secretary Chertoff, let me join with Senator Specter in thanking you once again, along with Secretary Gutierrez, as we spent a lot of quality time together last year. And I must tell this committee, in the 28 years I've been here, I don't know of any other two Secretaries who spent as much time on the Hill, trying to effectively design and work with us in the design of a comprehensive immigration bill.

We failed. One of the reasons we failed is in part because of America's concern about secure borders. There's no doubt about that. It's a total package of issues out there, as we now understand it probably a little better than we did a year ago. And there are a combination of factors that cause people to react, as it relates to the security of our borders and illegals, and the immigration issue.

And as we struggle to get it all right, our borders are going to be critical in being able to say to the American public, "Now that we've got this corrected, will you work with us in building the second boundary, if you will, and that's good law that denies illegals access to the labor market in our country."

#### NATIONAL GUARD AT SOUTHERN BORDER

Having said that, I was one of the early advocates of taking our National Guard to our southern border, or southwestern border, to supplement and do all of that as it related to just these phenomenal distances that we border States. Senator Leahy is one, obviously. Senator Murray is another border State. I'm a border State.

My question of you, Mr. Secretary, how much longer do you envision us needing to have the National Guard at our southern boundary?

Secretary CHERTOFF. I think the plan—first of all, Senator, thank you for your comments, and it was a pleasure working with you and the other Members of the Senate on the bill, which I do think, even though it didn't pass, I think it's a very constructive—

Senator CRAIG. We all learned a lot.

Secretary CHERTOFF. I think we did.

Senator CRAIG. Didn't we?

Secretary CHERTOFF. And I think people will return to it.

Senator CRAIG. Yes.

Secretary CHERTOFF. On the issue of the National Guard, I think the plan is this summer to have them all back to their original missions. We have always traditionally had some National Guard training at the border, even prior to this operation, but we will draw down to the traditional level this summer, because we have now added a lot of Border Patrol.

Senator CRAIG. Okay. I know you're doing that. You're hiring out in our area, and I've also been an advocate. And I think I have told you that once you put Guard on the border, one of your natural points to go recruit, the people have already had experience and some training, is right there.

Young men and women who served their time in the Guard that might find life as a Border Patrol as an extension of their presence, so I hope your recruitment goes well.

#### WESTERN HEMISPHERE TRAVEL INITIATIVE

Western Hemisphere Travel Initiative, Homeland Security, you're steadily moving toward full implementation of the Western Hemisphere Travel Initiative. However, as has been mentioned, Congress mandated that full implementation cannot take place until DHS certifies that it is ready to handle implementation or the June 2009, whichever comes first.

As of now, is DHS planning on taking until June 2009 before full implementation? Or do you believe that you will be ready to certify to Congress at an earlier date? What is your timeline?

Secretary CHERTOFF. I think we would be ready to certify at an earlier date. This is a fight I lost. I think we're obliged to wait until

June 2009 for full implementation under the law, although I would have liked to have seen us be able to implement it earlier.

But in the meantime, we'll make use of the additional time. The State of Washington is now issuing enhanced driver's licenses that will satisfy the requirement. New York is going to be doing it. Arizona is going to be doing it. I think Michigan has just agreed to do it, or is close to agreeing.

So we'll use the time to achieve market saturation in terms of these different kinds of documentation, which will make it easier. But as far as I can tell, we will be ready at the earliest legally authorized date to make it fully implemented.

Senator CRAIG. Okay. Certainly Western Hemisphere Travel Initiative was designed to secure our borders and allow us to know who is coming across our borders. However, both our northern and our southern borders are simply so very vast, it is, in my opinion, impossible to line them with people. And we've all had the frustration about physical structures, and how much should you build and can you build.

#### BORDER SECURITY TECHNOLOGY

And I applaud the other effort that's utilizing technologies, like UAVs and other emerging technologies. While I recognize that the virtual border fence or Project 28 has received some negative reporting from GAO, what does the future look like for this type of virtual monitoring and inspection for use along our northern borders?

Also, what other steps are being done right now to ensure that we are able to track people coming across the border by foot, ATVs, and other means, whereby they can avoid—and I think some of that conversation went on between you and Senator Leahy—checkpoint concepts and all of that? And in all of that, a sense of friendship and positive relation?

Secretary CHERTOFF. At the northern border, obviously, there's going to be a somewhere different lay down of infrastructure than at the southern border. I don't envision we're going to do a lot of fencing in the northern border. Obviously, we've talked—there's been some discussion of some barriers in a couple of locations, but we're really looking at technology.

One of the unmanned aerial systems that I talked about is going to go up to the northern border. It's going to be available to do surveying there. What we currently have is a combination of infrared and seismic sensors, which are underground, remote mobile video surveillance systems, and then, of course, at the ports of entry, we have radiation monitoring devices.

The flow between the ports of entry, particularly out west, has been only a very small fraction of what we see at the—

Senator CRAIG. Yeah.

Secretary CHERTOFF [continuing]. Southern port of entry.

Senator CRAIG. Oh, yeah.

Secretary CHERTOFF. But we do—you know, we are mindful of drug smuggling, to be honest. We had a big operation out in Washington about a year or 2 ago, where there was a lot of drugs being flown in. So we are going to have technology at the northern bor-

der, but it's going to be a different array than we have at the southern border. But we will move a UAV up there pretty soon.

Senator CRAIG. Okay. Thank you, Mr. Chairman.

Senator INOUE. Thank you very much. Senator Murray.

#### DISASTER AID FOR WASHINGTON STATE

Senator MURRAY. Thank you very much, Mr. Chairman. Mr. Secretary, thank you for being here. Before I ask my questions, I wanted to extend a word of thanks to many people who work in your Department.

As you may remember in December, we had some very serious flood and winds out of my State. Six people died, thousands of people moved out of their homes, and really millions of dollars in economic and property loss, and I have toured the vast area many times, and over and over, people are thanking me for the Coast Guard plucking people off of their roofs in the middle of the night, and for our FEMA officials who you sent out there, who've been on the ground, and have really spent hundreds of hours working with people who have been very devastated.

And I think, oftentimes, we forget those soldiers out on the ground that have just done a tremendous job. And I wanted to extend a word to you, and to those people, as well, and thank you very much for that.

#### 2010 OLYMPICS PREPARATION

The first question I had that I wanted to bring up today was the 2010 Olympics and the Department's planning for that. You're well aware the Winter Olympic Games are going to be held in Vancouver, British Columbia, just over the border from Washington State. We've got 7,000 athletes and 80 countries coming, 10,000 reporters, it's going to be obviously very huge, and it is going to have a significant impact on Washington State and our border counties.

Washington State is going to be providing key transportation access for millions of people who are—or thousands of people who are flying in, and we have been working closely with DHS on this, the Department, your representatives, Customs and Border, Immigration and Customs, Secret Service, FEMA, they've all been working with our State and local officials on planning for this.

I think you know that the Committee has identified some key needs for that. An Olympics Coordination Center, interoperable communications, training, and exercises.

What is disconcerting to me is that the President's budget has zero funding for any of that, and I wanted to ask you since that 2010 Olympic Planning Committee has identified \$16 million in direct 2010-related needs, what strategy DHS has for actually providing those funds that are going to be required?

Secretary CHERTOFF. Well, of course, for the fiscal year 2009 budget, we do have in the CBP budget money that the CBP anticipates spending current resources from its base budget to cover some of its expenditures in connection with the planning and the run up to the Olympics.

We also have a Federal Coordinator who has been designated, who's going to be working more closely with State officials. I would also envision that because we will have Homeland Security grant

funds made available in 2009, some of those may be available and attributable for security-related measures, as it relates to this particular Olympics.

So I think there will be a number of sources of funds, even though there's not a specific line item that's dedicated to the Olympics as a grant program or something else, but there will be sources of funds within the Department.

Obviously, when the 2010 budget is proposed, and we get into the actual period of time—

Senator MURRAY. But actually, the 2009 budget—

Secretary CHERTOFF. Well, 2009 will take you into, I guess, the—I guess it'll take you over into winter of 2009/2010. I guess as we get closer, if there are some specific needs that can't be funded out of the particular budget, you know, monies that we have in the individual components, we can address those later. But I think at this point, we expect that the Federal share of this will be taken care of by monies already allocated to the relevant components, and I think the exact needs in terms of the Coordination Center, what the cost would be, is something that's a work in progress.

Senator MURRAY. Well, can you tell me exactly who's in charge for this? Because it's my understanding that the DHS Operations Coordinator is going to be the lead entity, but—

Secretary CHERTOFF. Correct.

Senator MURRAY [continuing]. We have also heard that they are only in a supporting role for Customs and Border Protection. Can you clarify that?

Secretary CHERTOFF. Yes. Mark Beaty is the Federal Coordinator. He's from CBP. CBP is the lead component in the Federal agencies.

Senator MURRAY. So the Coordinator will be working underneath CBP?

Secretary CHERTOFF. Well, he's a CBP person. He will be the person who is responsible on the ground. And generally, when we have a coordinator working on a multiagency issue, that person will communicate directly with our DHS Operations Coordination Center, and through them, directly to the Secretary.

#### PACIFIC NORTHWEST NATIONAL LABORATORY

Senator MURRAY. Okay. Thank you. I also wanted to ask you, because I think you're aware that Pacific Northwest National Laboratory, PNNL, is in my home State, and they have a sizable portfolio of research at PNNL, your Department does, that touches on every aspect of the Department's priorities, from cargo import security to border security.

They're doing radiation portal monitors, high explosives research, support DNDO Radiation Test Center in Port of Tacoma—a lot of work going on there, and we're very concerned about the impact on that as we build and modify the facilities at the 300 area at Hanford.

In recognition of that, DHS and S&T signed a memorandum of understanding, I'm sure you're well aware, with DOE and National Nuclear Security Administration. Last year, your Agency was obligated to pay \$25 million under that MOA, but the President's budget contained nothing.

Now, working with our chairman and ranking member, we got \$15 million of that to cover that, so there wouldn't be any delays. Last December, I met with Jay Cohen, who's the Director of DHS Science and Technology, so we could avoid a similar budget crisis this year, and he assured me that DHS would live up to its obligation.

But this year, according to the MOU, DHS is supposed to budget \$15 million, but the President's budget only included 10.

Secretary CHERTOFF. Right.

Senator MURRAY. So I need to know what your agency is going to do under that MOA, or we are going to lose the critical infrastructure that your agency is relying on.

Secretary CHERTOFF. As you know, obviously, our Department typically funds two-thirds of this. All I can tell you, Senator, is this, I mean, this is—when we sat down and did the budget, there were a whole host of things that had to be—even with an increased budget—had to be traded off and pruned in order to fit within the budget—

Senator MURRAY. Well, because of that, other agencies are having to fill in what your Agency isn't doing, and there's a lot of discontent about that.

Secretary CHERTOFF. I think it's—I understand it's a very tough budget circumstance all around, particularly because there being—obviously, with the subprime mortgage issue and the money that was put into that, there have been some perhaps unanticipated budgetary impacts from a total budget standpoint.

Senator MURRAY. Will support additional funding from this committee to fulfill the obligation—

Secretary CHERTOFF. I would need—

Senator MURRAY [continuing]. Of DHS?

Secretary CHERTOFF. Yes. If someone were to come to me and say, "Put \$5 million into this," I would have to take it from something. And as I sit here now, I cannot tell you what I would take it from. I would have to take it from something else. Something else wouldn't get \$5 million. Maybe a grant program wouldn't get \$5 million.

So I can go back and look at it again, and if someone comes to me and says, "Well, we really want the \$5 million for this," I will have to cut someone else's \$5 million. I can't tell you as I sit here who that would—who would suffer that loss.

Senator MURRAY. Mr. Chairman, my time is up. I do have a number of other questions, and I would like to continue that conversation with you. These are critical infrastructure pieces, and this committee is going to have to come up with a way to fund it, and we'll need your support to do that.

Thank you, Mr. Chairman.

#### PASSENGER VESSEL SERVICES ACT (PVSA) RULE

Senator INOUE. Thank you very much. Mr. Secretary, in order to clarify an exchange that we had, for the record, on the Passenger Vessel Services Act, PVSA, I do not support withdrawing or repealing or cancelling out the rule, but I am in favor of modifying the rule so that it applies to the Hawaii Cruise Ship Vessel Program.

## ADDITIONAL COMMITTEE QUESTIONS

Secretary CHERTOFF. I think—I appreciate that. I think I was aware from prior conversations that that’s—was your position, and I’m well aware of the issue. It is—the points made have been taken onboard. I can’t say more than that. I will press the bureaucracy to issue forth with its final resolution of this as quickly as possible.

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

## QUESTIONS SUBMITTED BY SENATOR ROBERT C. BYRD

## DEPARTMENTAL MANAGEMENT AND OPERATIONS

*Management Efficiencies*

*Question.* The request proposes to cut \$378 million in critical homeland security dollars in what is termed as “management efficiencies.” The budget does not identify specific initiatives nor quantify exact savings associated with these cuts. Provide specific examples of how the Department will achieve \$378 million in savings in fiscal year 2009. If specific examples cannot be identified, please inform the subcommittee of how many fewer border patrol agents will be hired, or how many fewer Coast Guard personnel will be available to secure our ports and enforce our immigration laws?

*Answer.* The expectation is that all DHS components should continually review how they execute their programs and look for ways to achieve savings for the U.S. taxpayer. We believe these savings can be achieved without adversely impacting our ability to achieve the Department’s mission. Examples of these efficiencies include such things as re-competing contracts and reducing dependence on contractor support by hiring additional Federal staff where it is cost effective to do so.

*Financial Management*

*Question.* The Inspector General reported that the majority of the department’s material weaknesses in internal control are attributable to conditions existing at the Coast Guard. The Commandant recently testified that corrective action plans are in place to remedy ongoing material weaknesses. Are the Coast Guard’s plans adequate to improve these weaknesses and if not, what further action should the Coast Guard be taking?

*Answer.* The Department’s Chief Financial Officer (CFO) requested the Inspector General conduct performance audits aimed at assessing the Department’s and U.S. Coast Guard’s (USCG) corrective action efforts. These audits have proved invaluable in ensuring the Department’s corrective action efforts will be effective. The performance audits noted areas where USCG’s corrective action plans could be improved and the DHS CFO will continue to support the USCG in strengthening their corrective action plans.

Progress on remediating USCG’s financial weaknesses represents a long term challenge, highly dependent on financial management systems improvements and strengthening the USCG control environment. To support the USCG, the Department’s CFO conducts monthly corrective action meetings with Senior Management and weekly working group meetings with Senior Staff. During fiscal year 2008 DHS and USCG will develop:

- An audit readiness strategy for USCG that paints a clear picture of the critical path to a clean audit opinion.
- A strategy to accelerate the remediation of the posting logic and other gaps in the USCG’s Core Accounting System (which prevent USCG from supporting assertions for transactions that flow through the current USCG financial systems).

*Headquarters Consolidation*

*Question.* DHS is requesting \$120 million in fiscal year 2009 for its Consolidated DHS Headquarters project. What is the schedule for key construction milestones, DHS’s progress on meeting these milestones, and how these impact the budget request?

*Answer.* The current schedule for fiscal year 2008 and fiscal year 2009 key construction milestones is included in the chart below and is based on Congressional approval of the President’s fiscal year 2009 Budget Request. The lack of funding in fiscal year 2007 and fiscal year 2008 has had an adverse impact on the schedule

because it removes from General Services Administration (GSA) and DHS a legitimate argument for an urgent and compelling need to complete consultations with the planning and preservation community and to expeditiously complete the National Historic Preservation Act (NHPA), National Environmental Policy Act (NEPA) and Master Planning processes.

Fiscal year 2008—2009 Estimated Construction Milestones (subject to appropriations):

*Transition*

*Question.* What is DHS's overall strategy for transition regarding order of succession, cross government collaboration and transition guidance?

*Answer.* DHS is engaged in activities at five levels to ensure operational continuity of Homeland Security responsibilities in view of the January 2009 administration change.



| DHS |  | DHS HEADQUARTERS CONSOLIDATION<br>Milestones Schedule (2008-2009) |    |    |      |    |     |      |    |       |      |     |    | WORKING DRAFT |           |
|-----|--|---|----|----|------|----|-----|------|----|-------|------|-----|----|---------------|-----------|
| ID  | NAME   | 2007  |    |    | 2008 |    |     | 2009 |    |       | 2010 |     |    |               |           |
|     |  | Q1  | Q2 | Q3 | Q4   | Q1 | Q2  | Q3   | Q4 | Q1    | Q2   | Q3  | Q4 | Q1            | Q2        |
| 44  | PHASE 1 - USCG                                   |   |    |    |      |    |     |      |    |       |      |     |    |               |           |
| 64  | Develop Phase 1 Construction Procurement Package |   |    |    |      |    | 3/5 |      |    |       |      |     |    |               |           |
| 85  | Begin Phase 1 Building Construction Procurement  |   |    |    |      |    |     |      |    | 12/22 |      |     |    |               |           |
| 93  | Phase 1 Notice to Proceed                        |   |    |    |      |    |     |      |    |       | 6/15 |     |    |               |           |
| 97  | PHASE 2 - DHS (Group 1)                          |   |    |    |      |    |     |      |    |       |      |     |    |               |           |
| 106 | Begin Phase 2 DHS Design Procurement             |   |    |    |      |    |     |      |    | 10/31 |      |     |    |               |           |
| 110 | Phase 2 Design Notice to Proceed                 |   |    |    |      |    |     |      |    |       |      | 8/4 |    |               |           |
|     |  |   |    |    |      |    |     |      |    |       |      |     |    | Task          | Milestone |

Project: St. Elizabeths West Campus Development  
 Print Date: Wed 3/5/08  
 File: Milestones Schedule for DHS Headquarters Consolidation Rev 21 -02-07-2

Operational continuity is addressed first through robust succession planning. An August 2007 White House Executive Order specifies the order of succession for the Secretary of the Department of Homeland Security. Furthermore, Delegations of Authority, including orders of succession, signed by the Secretary in October 2007 specify the succession order for DHS Component Leader positions. Second, the Department's internal succession planning efforts identify positions critical to Homeland Security and mitigate their succession risk. Additionally, DHS has engaged the National Academy of Public Administration to conduct a study of DHS senior staffing and provide recommendations. Third, a DHS-focused inter-agency collaboration approach centers on structured, deliberate processes that engage key groups and individuals to build relationships. The plan is to deliver table top exercises before, during and after the transition period for career senior officials and incoming appointees. This effort will build DHS employees' knowledge of national security protocols and interfaces with other departments as well as State and local governments and ensure preparedness of DHS employees should a crisis arise, whether natural or man-made. Fourth, the overall transition effort includes seeking recommendations from bodies such as the Homeland Security Advisory Council, which formed an Administration Transition Task Force. The Task Force's report, delivered in January 2008, identifies transition best practices. Fifth, the Department is developing transition guidance to address the "nuts and bolts" of the Department's operations. Furthermore, the Department is providing improved processes to equip new appointees with the tools they need and the information and relationships required to be effective in their jobs.

To further elaborate on the third area of transition preparation, in addition to the table top exercises mentioned above, the Department is conducting briefings and exercises to prepare its senior career officials and appointees for the Presidential administration transition.

From February 19–21, 2008, DHS hosted a two-and-a-half-day conference that brought together the Department's top career and non-career leadership from all components, including field-based employees. The attendees participated in a Federal Emergency Management Agency exercise, as well as briefings on the Department's major initiatives, with a focus on execution in the field.

From May 13–15, 2008, the Department will host another training and exercise event at the Federal Law Enforcement Training Center in Georgia. This training will engage senior career employees from all DHS components in a series of briefings, scenarios and response exercises to reinforce integrated operational preparedness and execution throughout the Department.

*Question.* Is DHS planning an Operations Coordination and Planning group to better coordinate the department's operational components in the event of a major incident? Have DHS components expressed concern that this group could have command and control responsibilities? What is the status of this initiative and under what office will this group be located?

*Answer.* Yes. This construct, tentatively described as the Operations Coordination and Planning Group (OCPG), is similar to that used by the Joint Staff to coordinate operations and planning across the service branches of the military. To support this effort, an OCPG working group has been created to develop recommendations regarding the implementation and integration of this capability across DHS.

The efforts of the OCPG working group support the ongoing efforts to improve current capabilities to coordinate operations and plan for emergent, non-routine situations that may require multi-component action, in order to enhance senior-level decision-making and an integrated DHS response. This working group is comprised of representatives from operational components within the Department who provide the expertise necessary to ensure that the requirements of the stakeholders are accounted for in the examination. The efforts of the OCPG working group are still under development and have not yet been reported to departmental leadership.

The Department has made significant efforts to strengthen the joint coordination of operations and planning within the Department of Homeland Security (DHS). This effort is intended to enhance the current capability that supports internal operational decision-making by departmental leadership. This construct, tentatively described as the Operations Coordination and Planning Group (OCPG), is similar to that used by the Joint Staff to coordinate operations and planning across the service branches of the military. To support this effort, an OCPG working group has been created to develop recommendations regarding the implementation and integration of this capability across DHS.

The efforts of the OCPG Working Group support the ongoing efforts to improve current capabilities to coordinate operations and plan for emergent, non-routine situations that may require multi-component action, in order to enhance senior-level decision-making and an integrated DHS response. This working group is comprised

of representatives from operational components within the Department who provide the expertise necessary to ensure that the requirements of the stakeholders are accounted for in the examination. The efforts of the OCPG Working Group are still under development and have not been reported to departmental leadership. I will be happy to provide you with an update once the working group has presented its recommendations.

The OCPG, located under the office of Operations Coordination, is still under development. The OCPG working group, established to develop recommendations regarding the implementation and integration of the capability across the Department, has not yet presented its findings to departmental leadership. I will be happy to provide you with an update once the working group has presented its recommendations.

*Question.* What will be the role of the Operations Coordination and Planning group vis-à-vis command and control responsibilities?

*Answer.* Thank you for the opportunity to update you on the efforts to strengthen the joint coordination of operations and planning within the Department of Homeland Security (DHS). This effort is intended to enhance the current capability that supports internal operational decision-making by departmental leadership. This construct, tentatively described as the Operations Coordination and Planning Group (OCPG), is similar to that used by the Joint Staff to coordinate operations and planning across the service branches of the military. To support this effort, an OCPG working group has been created to develop recommendations regarding the implementation and integration of this capability across DHS.

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*Working Capital Fund (WCF)*

*Question.* Over \$47 million for headquarters procurement operations is proposed to be funded through the WCF. Other than highlighting how much each component pays for procurement services, what benefits or efficiencies are gained from this funding mechanism compared to a direct appropriation to the DHS Chief Procurement Office?

*Answer.* Funding the procurement operations through the WCF promotes the management of total cost visibility and full cost recovery of support services. The WCF provides goods and services in exchange for a set price/rate. In support of this, the WCF cost allocation methodology is designed to recover the costs by billing customers/components for the provision of goods and services. The WCF components/customers' charges are equal to the cost of providing the service and are based on the component's demand or level of service.

*Question.* The request includes a general provision to modify the WCF. With regard to carryover authority, what is a reasonable operating reserve? How is the corpus remaining from DHS start-up funds used to maintain liquidity in WCF operations? The general provision would allow for transfer authority between WCF programs, projects, and activities (PPAs). Provide a list of all PPAs in the WCF.

*Answer.* We have not determined a reasonable operating reserve threshold for the Working Capital Fund (WCF). We are researching other Federal agencies' rationale and determination of reasonable operating reserves to assess the DHS WCF financial and management reserve requirements.

Although the remaining corpus is available for obligation, these resources are generally not obligated, but utilized to allow flexibility for the WCF to continue to maintain a positive balance. This practice ensures that obligations do not exceed resources in order to remain solvent and allow for continued operations.

The key WCF activities are organized under the five activity categories

—*Fee for Service Activity*

—This type of activity earns income from the provision of services and has characteristics typical of a business enterprise. The costs for operating the "business" are recovered by billing customers for the provision of goods and services, through pre-approved rates designed to recover its operating costs.

—GSA RENT

—Consolidated Subscriptions (Library of Congress)

- Financial Management (Finance & Acctg. Shared Services)
- Financial Statement Audit
- Financial Management DOB
- Bankcard Program
- TIER
- Internal Control Audit
- NFC Payroll Services & Reporting
- HQ Human Capital Services
- (HCBS) Payroll Service Ops
- DHS EXEC. LEAD. (SES CDP, Sec Conf)
- HQ Executive Lead. Dev (TEI, SES Forum, Gen. Workforce Training)
- Employee Assistance Program
- CIO/DHS Infrastructure Transfer Program
- NCR Infrastructure Operations
- Software Enterprise Licenses—Microsoft
- Flexible Spending Plan
- Procurement Operations
- Tri-Bureau Service Activity*
- The WCF Tri-Bureau Service activity supports selected administrative services provided by Customs and Border Protection (CBP) and the Department of Justice (DoJ). These services include human resources, services provided by CBP, and IT services supplied by DoJ to a limited number of customers.
- Tri-Bureau Human Resources Shared Services
- Data Center Services from DOJ
- Government-Wide Mandated Service Activity*
- Government-Wide Mandated Service Activity accounts consist of accounts that are established by Congress in benefiting the Government agencies and the public in consolidating services or web-sights. These activity costs and pricing policies/algorithms are usually determined by OMB. These costs are billed through the WCF to facilitate the administration of the Government-Wide Mandated Activities.
- Interagency Council Funding
- Recruitment One-Stop
- e-Training
- Enterprise HR Integration (EHRI)
- Business Gateway
- e-Rulemaking
- e-Travel
- Case Management Line of Business
- e-Grants.gov
- e-Authentication
- Human Resources Line of Business
- e-govBenefits
- Financial Management Line of Business
- Geospatial Line of Business
- IT Infrastructure Line of Business
- Budget Formulation and Execution Line of Business
- e-gov. Integrated Acquisition Environment
- e-gov. Disaster Management (DisasterHelp.gov)
- DHS Crosscutting Activity*
- The DHS Crosscutting Activity accounts are those accounts that provide a benefit in whole or in part to DHS and approved by the Secretary in accordance with Public Law 108–90. These accounts capture actual costs of the service provided and redistribute the cost based on the discretionary budget, staffing or some other fair and equitable basis to each DHS organizational element.
- Capital Planning and Investment
- Ready Campaign (Ready.gov)
- Strategic Sourcing
- CPO Shared Reporting
- Working Capital Fund (WCF) Management Activity*
- The WCF operation provides policy, procedures, budget formulation, execution and customer resolution services in managing the WCF. Services are provided to the activity managers as well as customers across DHS.

#### *DHS Acquisitions*

*Question.* The request includes another installment of acquisition interns to help retain an appropriate workforce of acquisition professionals. In light of the job market shortage of experienced contracting professionals, what other initiatives, such as

hiring retired annuitants, is DHS pursuing to establish an appropriate acquisitions workforce?

Answer. The Office of the Chief Procurement Officer (OCPO) is moving out in several areas to ensure a good strategic succession plan for the acquisition workforce. The first step we have taken is to establish a baseline, using parametric measuring tools (in addition to our "cost-to-spend" model) to help us identify what DHS' long term personnel numbers should be. DHS is also making full use of the re-established direct hire authority and successfully implementing the recently granted re-employed annuitant program. OCPO is also working to identify and effectively implement all flexibilities offered, such as student loan repayment, recruitment and retention bonuses, time off awards and recognition awards, etc. Establishing and executing a DHS centralized acquisition training program is another initiative the Department is pursuing that will aid the acquisition professionals in reaching their full potential.

*Question.* The department's investment review process has been under revision for several years; in your view what is the appropriate role for department level oversight of its major investments and why have previous efforts not provided sufficient oversight? How do you plan to address this issue before the next administration?

Answer. The appropriate role for Department-level review of major investments is to ensure that Department leadership is provided with the following:

- Investment requirements that support the Department's strategic objectives in parallel with being executable by DHS program-contractor teams;
- Timely periodic assessment/review of program development/production/fielding/life cycle support execution, using standard, practical metrics, including (but not be limited to) financial, systems engineering, earned value (where applicable) and testing metrics;
- Sufficient reaction time for Department leadership, as a result of program assessments, to successfully mitigate program risks or successfully leverage program opportunities

Previous oversight has been limited by the lack of standard Department-wide processes for requirements development/approval, and wide variance across DHS in program assessment/review processes. Both of these areas are actively being strengthened by cross-Department teams led by the Deputy Assistant Secretary for the Office of Strategic Plans in the Office of the Assistant Secretary for Policy for requirements, and by the Office of the Chief Procurement Officer for program assessment and review. While much progress has been ongoing during the Department's maturation, we continue to improve and integrate our existing processes. Currently, the Department is developing and piloting an integrated requirements planning process. This process will provide a predictable and enduring way of identifying key Departmental requirements and ensuring they are appropriately prioritized and resourced. It will inform the Department's Annual Integrated Planning Guidance document, which will guide future decisions on major DHS investments. The process will be an integral part of the Department's way of doing business.

In the requirements area, a team lead by the Assistant Secretary for Policy is developing a requirements process which will be piloted this summer on several program groups. Based on the pilot results, modifications to the process will be made to resolve any issues identified, and the process will begin implementation across DHS later this year.

In the program assessment/review area, a team led by the Office of the Chief Procurement Officer, and collaborating with other DHS senior leadership and DHS program owners, is developing an Investment Review process to replace the current MD 1,400 process. Currently, implementation of this replacement process is planned to start in the fourth quarter of fiscal year 2008.

*Question.* Given longstanding concerns about the Department's Investment Review Process and issues with major acquisitions such as Deepwater and SBInet, what have you done to ensure that department's acquisitions stay within cost, on schedule, and perform as intended?

Answer. In order to ensure that the Department's acquisitions stay within cost, remain on schedule, and perform as intended, DHS has taken the following actions:

- Establishment of a Senior Executive Service-level Acquisition Program Management Directorate to provide oversight and support for DHS acquisition programs (August 2007).
- Development of a periodic reporting metric-based system to proactively monitor and track program performance.
- Implementation of a new process that will strengthen each program's Acquisition Program Baseline (APB).

- The APB is the execution contract between the program, its component, and Departmental leadership.
- Re-engineering of the Department’s Investment and Acquisition Management Review Process.
- This process is planned for implementation in the fourth quarter of 2008.

*Question.* Given DHS’s extensive reliance on contractors, what do you believe is the appropriate role for contractors in supporting major acquisitions, and how do you plan to ensure they are used properly in these roles?

*Answer.* Across the board, contractors bring a wealth of information, experience, technical and management skills with them to cost-effectively meet specific Homeland Security requirements. This is as true in the use of contractors to perform mission or mission support requirements as it is in the preparation, review and administration of the often highly technical contracts themselves. Within DHS, we are very careful not to allow private sector contractors to perform inherently governmental contract administrative functions while building our internal capabilities, nor have we allowed contractors to determine contract requirements. At DHS, for example, all warranted Contracting Officers and all Contracting Officers Technical Representatives (COTRs) are considered inherently governmental. These capabilities are then supplemented by qualified contractors that have been cleared of potential conflicts-of-interest and may provide limited performance and technical inspection services, data and financial management support services.

An example provided is the U.S. Customs and Border Protection. The organization was not fully staffed in the program or procurement offices, when the requirement to develop the SBInet acquisition was being planned. Examples of some areas where contractor support was used follows:

- Program management
- Systems engineering, requirements, and other research/documentation for the investment review process
- Logistics support to assist with the “Due Diligence” process
- Professional and administrative support in assembling, maintaining and scheduling access to the on-line and physical “Due Diligence” libraries
- Receiving and coordinating classified solicitations
- Use of other Government agencies, such as the Defense Contract Audit Agency to conduct audits to use in cost and price analyses of the proposals
- Support for “Industry Day” to record the presentations and assemble the continuous streaming
- Contractor support from companies with auditing backgrounds to document the cost analyses, questions and answers, supporting documentation and recordation of such actions

The Mitigation Division of the Federal Emergency Management Agency (FEMA) requires contractor support for business process management, workforce realignment, and performance-based management as applied to national government programs. The contractor may be tasked to provide assistance to FEMA program management teams in program management and planning activities such as: (1) strategic, acquisition and program planning; (2) recommending and reviewing performance concepts and metrics, including Earned Value analyses; (3) assisting in the development and tracking of the balanced scorecard; (4) recommending and reviewing concepts of operations; (5) working with the regions to assist in implementing the program management procedures established by Headquarters; (6) training staff; (7) providing financial management analyses; (8) documentation management; (9) assisting with implementing the governance structure; (10) providing performance management support; (11) communication management; (12) assisting with HAZUS Integration; and (13) Support to the Map Mod COTR. The contractor may also be tasked to provide support to assist with the development and maintenance of capital planning control documents i.e. OMB Exhibit 300 business case and related assessments in accordance with OMB Circular A–11, Preparation, Submission and Execution of the Budget, and related regulations and guidelines.

DHS Component Heads of Contracting Activity have been advised of an increased expectation for monitoring the nature and manner of contractor personnel activity in our blended workforce. It is more important than ever for DHS contracting officers to be vigilant in avoiding the inclusion of “inherently governmental” functions in performance work statements and, absent specific authority, establishing personal services contracts. It is also very important to direct special management attention to contracts that have a pronounced potential for influencing the authority and accountability of Government officers.

When the Government uses a contractor, Organizational Conflict of Interest is addressed in the respective contract. The individual contractor does not work with his/her home office on any potential contracts in which that company may plan to bid

or participate either as the prime or as a subcontractor. In those cases, the issue is addressed at a level necessary and acceptable to the contracting and legal community. Contractors designate a supervisor who handles all personnel matters. The contractor staffs sign non-disclosures. Contractor personnel also recuse themselves from participating in acquisitions involving their employer or subsidiaries and their competitors. Also, the contractor staffs do not sign any binding documents or represent themselves as an agent of the government. Further, the contractor does not work on Government holidays or outside business hours.

DHS Component Heads of Contracting Activity have been advised of an increased expectation for monitoring the nature and manner of contractor personnel activity in our blended workforce. With the growth of the “blended” or “multi-sector” workforce, it is more important than ever for DHS contracting officers to be vigilant in avoiding the inclusion of “inherently governmental” functions in performance work statements and, absent specific authority, establishing personal services contracts. It is also very important to direct special management attention to contracts that have a pronounced potential for influencing the authority and accountability of government officers. DHS contracting officers shoulder a heavy responsibility for avoiding, neutralizing or mitigating any occurrences of organizational conflicts of interest that may occur due to increased contractor participation in agency operations. In a memorandum distributed by the Chief Procurement Officer in July 2007 regarding performance-based acquisition requirements, the Component Heads of Contracting Activity were advised that requirements for services must be clearly defined with appropriate performance standards and, to the maximum extent practicable, structured as performance-based. This applies also to contracts for services that involve the “blended workforce.” Components should avoid using an acquisition strategy involving time and material or labor hours for service-type requirements where less risk-prone contract types are more appropriate.

#### *Unvouchered Funds*

*Question.* Describe in detail the use of unvouchered funds for accounts displayed in the Office of Management and Budget’s December 22, 2007, unvouchered expenditures report. (if necessary in classified form). Accounts identified: Office of Inspector General, Salaries and Expenses; Coast Guard, Operating Expenses; Immigration and Customs Enforcement, Office of Investigations Operating Expenses; and U.S. Customs and Border Protection, Salaries and Expenses.

*Answer.* Law Enforcement Sensitive. A response will be forthcoming under separate cover.

#### *Congressional Justification Discrepancies for the Analysis and Operations (A&O) and the Under Secretary for Management (USM) Budget Requests*

*Question.* The fiscal year 2009 budget appendix does not match the congressional justification tables. The budget appendix, which is the official request, is \$1.635 million below the amounts referenced in the congressional justifications. There is a \$1.376 million difference in USM and a \$259,000 difference in A&O. If the congressional justifications are correct, please send a budget amendment for the additional amounts. If the congressional justifications are incorrect, please send replacement pages with a justification for the decrease.

*Answer.* Law Enforcement Sensitive. A response will be forthcoming under separate cover.

#### CHIEF INFORMATION OFFICER

*Question.* Given the current rate of transition, when will the current build-outs of the Stennis and EDS data centers be fully utilized?

*Answer.* Funding permitting, Stennis and EDS data centers will be fully utilized by second quarter of fiscal year 2011. The following migration schedule supports this utilization plan.

TABLE 1.—DATA CENTER MIGRATION SCHEDULE

| DHS DATA CENTER MIGRATION SCHEDULE                       | Stennis<br>EDS | FY 2007 |    |    |    | FY 2008 |    |    |    | FY 2009 |    |    |    | FY 2010 |    |    |    | FY 2011 |    |    |    |
|--|----------------|---------|----|----|----|---------|----|----|----|---------|----|----|----|---------|----|----|----|---------|----|----|----|
|  |                | Q1      | Q2 | Q3 | Q4 | Q1      | Q2 | Q3 | Q4 | Q1      | Q2 | Q3 | Q4 | Q1      | Q2 | Q3 | Q4 | Q1      | Q2 | Q3 | Q4 |
| <b>Customs and Border Protection (CBP)</b>               |                |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| National Data Center (Springfield, VA)                   | EDS            |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| Disaster Recovery Facility (Undisclosed)                 | Stennis        |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| ACE (Tyson's Corner, VA)                                 | Stennis        |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| <b>DHS Headquarters (DHS HQ)</b>                         |                |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| DHS CIO (Blauemont, VA)                                  | Stennis        |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| DHS Ashburn Data Center (Ashburn, VA)                    | Stennis        |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| DHS HSDN Fair Lakes (Fairfax, VA)                        | EDS            |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| DHS Stafford Data Center (Garrisonville, VA)             | Stennis        |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| <b>Immigrations and Customs Enforcement (ICE-DOJ)</b>    |                |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| ICE-DOJ (Rockville, MD)                                  | EDS            |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| ICE-DOJ (Dallas, TX)                                     | EDS            |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| <b>USCIS</b>   |                |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| USCIS-DOJ (Rockville, MD)                                | EDS            |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| USCIS-DOJ (Dallas, TX)                                   | EDS            |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| USCIS Verisign-DOJ (Manassas, VA)                        | EDS            |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| <b>US-VISIT(DOJ)</b>                                     |                |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| US-VISIT-DOJ (Rockville, MD)                             | EDS            |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| US-VISIT-DOJ (DOJ Dallas, TX)                            | EDS            |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| <b>Federal Emergency Management Agency (FEMA)</b>        |                |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| Information Technology Services Center (Blauemont, VA)   | EDS            |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| FEMA IT-EO-DQ-TX (Denton, TX)                            | Stennis        |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| <b>Transportation Security Administration (TSA)</b>      |                |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| IBM St. Louis Hosting Center (Hazelwood, MO)             | EDS            |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| TSA Headquarters (Arlington, VA)                         | EDS            |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| Annapolis Junction Data Center (Annapolis, MD)           | Stennis        |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| Colorado Springs Data Center (Colorado Springs, CO)      | Stennis        |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| Atlantic City Data Center (Atlantic City, NJ)            | Stennis        |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| <b>U.S. Coast Guard (USCG)</b>                           |                |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| Aircraft Repair and Supply Center (Elizabeth City, NC)   | EDS            |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| Coast Guard Finance Center (Chesapeake, VA)              | EDS            |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| OIT Data Center (Kearneyville, WV) - Continuity Solution | Stennis        |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| <b>U.S. Secret Service (USSS)</b>                        |                |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| U.S. Secret Service (H Street, Washington, DC)           | Stennis        |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| U.S. Secret Service (Undisclosed)                        | EDS            |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |

*Question.* Would it make sense to use the Working Capital Fund to provide resources to move and consolidate centers?

*Answer.* Yes, using the Working Capital Fund (WCF) as a partial funding resource to provide funds to move and consolidate the data centers makes sense. In fact, DHS has sought, and the fiscal year 2009 President's Budget Request includes, provisions for new WCF authorities (retaining unused funds and reprogramming authorities) which are intended to facilitate much more efficient collections of these funds from components through the WCF to provide the DHS Chief Information Officer with access to the resources needed to migrate systems to Stennis and EDS over the next 3 to 4 years. Information Technology development, operations, and maintenance funding, some of which would be directed to data centers, is embedded in appropriations to the DHS components for program growth and new hiring. Leveraging a WCF will provide components with the oversight they need to ensure requirements are being fulfilled while at the same time enabling the Department to deploy and oversee the data centers more efficiently.

*Question.* Is information/cyber security within DHS a top priority or mid-level priority? If it's a top priority, what are the bench marks, goals and budget enhancements for achieving those goals? When will you be able to report that DHS information systems are secure?

*Answer.* Information security and cyber security are top priorities for the Department of Homeland Security. Since its inception, the Department has been working to implement the President's National Strategy to Secure Cyberspace, strengthen situational awareness and monitoring of Federal and Critical Infrastructure systems, and enhance the Government's cyber operational response capabilities. The Department established a number of programs and initiatives to coordinate efforts with other Federal departments and agencies and critical infrastructure owners and operators to improve cyber security. These programs focus on enhancing situational awareness, increasing collaboration across Federal, State, local, private sector, and international operational security teams, mitigating cyber incidents, and coordinating response activities during a cyber event. Most recently, the Department has been involved in an interagency Cyber Initiative. To underscore the Department's efforts in this area, Secretary Michael Chertoff identified cyber security as one of the top priorities for the Department for 2008.<sup>1</sup> The President's fiscal year 2009 budget request for DHS includes an increase over the fiscal year 2008 enacted level

<sup>1</sup> Link to "Remarks by Homeland Security Secretary Michael Chertoff on 2007 Achievements and 2008 Priorities": [http://www.dhs.gov/xnews/speeches/sp\\_1197513975365.shtm](http://www.dhs.gov/xnews/speeches/sp_1197513975365.shtm).



to continue funding necessary investments in the Department's information/cyber security priorities.

One of the Department's top priorities is to protect critical infrastructure and key resources, essential government operations, public health and welfare, and the Nation's economic and national security interests. Robust cyber security programs are essential to address these priorities, and the Department is driving a number of programs and initiatives to coordinate efforts with Federal departments and agencies to improve cyber security. Programs such as the Trusted Internet Connections (TIC) initiative and the Einstein program reflect the Department's interest in taking deliberate action to reinforce and build on those efforts.

The TIC initiative is a multifaceted plan to improve the Federal Government's security posture by significantly reducing the number of Federal network external gateways, including Internet points of presence. Currently, there are several thousand Federal external connections. The existence of such a large number inhibits the Federal Government's ability to implement standardized security measures effectively. The TIC initiative aims to reduce and consolidate the number of external connections to create a more clearly defined "cyber border." Fewer external connections will enable more efficient management and implementation of security measures and reduce avenues for malicious attacks. Once fully implemented, the TIC initiative will facilitate security standardization for access points across the Federal Government.

The Office of Management and Budget (OMB) announced<sup>2</sup> the TIC initiative to the heads of Federal Government departments and agencies in November 2007, subsequently outlining the specific steps departments and agencies should take as part of the initiative, including compiling a comprehensive inventory of each department and agency's existing network infrastructure. Each department and agency is required to develop a Plan of Actions and Milestones (POA&M) to reduce and consolidate the number of external connections with a target completion date of June 2008. The National Cyber Security Division (NCSA) is in the process of reviewing initial POA&Ms submitted to NCSA, via the Information Systems Security Line of Business (ISS LOB), for review to ensure completeness and alignment with the goals and objectives of the TIC initiative. In addition, US-CERT and the ISS LOB created an interagency technical working group to establish, for OMB's approval, a list of requirements and standards for the implementation of each TIC. Once approved, these requirements will be passed to each agency for implementation.

NCSA has identified activities and milestones necessary for completion of the TIC initiative, and progress is being measured by execution of the following activities and milestones:

- OMB approves TIC technical requirements; target completion date is March 2008.
- OMB releases a list of TIC providers; target completion date is April 2008.
- Departments and agencies develop a Plan of Actions and Milestones (POA&M) to reduce and consolidate the number of external connections; target completion date is June 2008.
- External connections are reduced and consolidated; target completion date is June 2008.

The Einstein program is another important element in our efforts to increase cyber security across Federal departments and agencies. Einstein is a collaborative information-sharing program that was developed in response to increasingly common network attacks on and disruptions to Federal systems. The program was initially established to help departments and agencies more effectively protect their systems and networks and to generate and report necessary IT-related information to the United States Computer Emergency Readiness Team (US-CERT). Einstein enhances situational awareness of the Federal Government's portion of cyberspace, allowing US-CERT and cyber security personnel to identify anomalies and respond to potential problems quickly. Einstein is currently deployed at 15 Federal agencies, including the Department of Homeland Security, and US-CERT is in the process of deploying Einstein across all Federal departments and agencies. In the last year NCSA deployed an additional 39 Einstein sensors, increasing overall deployment by 243 percent. With the TIC initiative providing a reduced number of external connections, Einstein will be able to monitor activity across Federal Government networks more effectively.

Additional funding has been requested in fiscal year 2009 to deploy our Einstein system further on Federal networks to protect against cyber threats and intrusions. This includes additional funding for enhancing the US-CERT's ability to analyze

<sup>2</sup>The TIC was announced in OMB Memorandum 08-05.

and reduce cyber threats and vulnerabilities, disseminate warning information, and coordinate incident response.

NSCD has identified milestones for the Einstein implementation. Progress will be measured by US-CERT deployment of 50 Einstein sensors, with a target completion date by the end of 2008.

By deploying the TIC and Einstein Government-wide, the Department is helping to enable strategic, cross-agency assessments of irregular or abnormal Internet activity that could indicate a vulnerability or problem in the system. These programs enhance Federal Government cyber security by providing more robust security monitoring capabilities to facilitate the identification and response to cyber threats and attacks. They contribute to the improvement of network security, increasing the resilience of critical electronically delivered government services and enhancing the survivability of the Internet.

The Department's IT infrastructure supports a user population of more than 208,000 Federal employees and contractors and consists of approximately 610 major operational systems, both unclassified and classified. Additionally, the DHS infrastructure extends to a number of contractor-operated systems and to systems operated by other Federal agencies under service level agreements.

The Department has several major IT initiatives underway to consolidate and streamline enterprise functions across the Department. We have standardized on a single, integrated email system including enterprise directory services, and we are also in the process of migrating multiple, redundant wide-area networks (WAN) into a single, robust core capability. As part of the WAN consolidation effort, we are also realigning a large number of Internet connections into a few enterprise connections. These enterprise connections are fully aligned with the Federal Trusted Internet Connection (TIC) initiative, and the DHS TICs have been architected specifically to enhance security capabilities based on current threats. Additionally, we are relocating numerous mission and support applications that currently reside in different locations, to two major data-centers. In this way we are significantly enhancing systems' availability for key applications systems supporting various missions of the Department.

The Department is also improving our security operations capability, by implementing a common framework for incident response across the Department. We are aggressively growing our analytical capability for assessing threats, to include those posed from counter-intelligence activities.

Due to the complexity of our infrastructure, the persistent evolution of threats, and the proliferation of "bad actors," including well-funded organizations and nation-states, it is impossible to state with absolute certainty that any large IT infrastructure is completely secure. For this reason, the Federal Information Security Management Act of 2002 takes a risk-based approach for securing information technology systems, and the National Institute of Standards and Technology (NIST) "FISMA Implementation Project" implements this approach with mandatory standards and guidance, including a comprehensive set of security controls. In DHS, our primary goal is to provide a secure computing environment in support of mission operations, including information sharing. This primary goal is also balanced around accessibility to DHS systems by Federal, State Local, Tribal and public entities. To this end, securing the infrastructure is a continual process involving information security professionals, system owners, and senior executives making informed risk management decisions, and we continue to take an aggressive approach toward implementing the NIST risk-based framework for all IT systems in use in the Department. Specifically we have instituted:

- Strong information security policies—DHS 4300 series of policy directives govern the information security implementation, operation, and user responsibilities related to all DHS and affiliated IT systems
- A comprehensive Certification & Accreditation process—provides for system owners to identify and mitigate risks within operational systems
- A defense-in-depth strategy—incorporates multiple layers of security throughout system design, implementation, and operation
- Risk-based metrics—provides monthly reports to key leaders across the Department concerning status of compliance. Metrics are updated annually, and the most recent update is outlined in the DHS Fiscal Year 2008 Performance Plan
- Security architecture reviews in support of the Enterprise Architecture Board (EAB)—ensures that systems comply with security architecture standards and protocols
- Acquisition reviews in support of the mandated IT Acquisition Review (ITAR) process—ensures that the government has clear authority to oversee and monitor contractor security compliance

—Continuous monitoring—DHS Security Operation’s Center (SOC) and affiliated Component SOCs provide 24-hour monitoring of the DHS IT infrastructure, and regularly report incidents to the United States Computer Emergency Response Team (US-CERT) and coordinate mitigation activities to ensure effective remediation

*Question.* I was surprised to learn that the Health and Human Services Office of Emergency Preparedness has no access to the Homeland Secure Data Network. Why is that?

*Answer.* The Homeland Secure Data Network (HSDN) was established as a fee for service program. Core operating costs are funded by appropriation, but additions to the network are funded by the organizations with the mission requirements. Mission owners must contact the HSDN Program Office at DHS to request and fund HSDN services.

The HSDN Program Office was contacted by Office of Preparedness and Response at the Department of Health and Human Services (HHS) on January 24, 2008.

HSDN systems engineers coordinated HHS’s requirements with Mr. Murad Raheem, Chief of Electronics and Communications Branch at HHS. The HSDN Program Office provided HHS with the estimated cost to satisfy those requirements on February 22, 2008.

Department of Health and Human Services has not yet responded or funded the installation of the HSDN network at HHS Headquarters. Once a response is provided, it will be memorialized by a Memorandum of Understanding between DHS and HHS.

The HSDN deployment team is continuing to plan and prepare for the HHS installation while funding is pending. Once the funds are released and technical direction is issued to execute the installation, the deployment will take approximately 45 days.

#### ANALYSIS AND OPERATIONS

##### *Intelligence Sharing*

*Question.* Your testimony highlights, “greater information sharing” as a key accomplishment of the Department. Yet, according to the February 26, 2008 edition of the Wall Street Journal, an internal DHS report concluded that the Department is not providing State and local officials with useful or timely intelligence information. DHS has spent \$69 million over the last 5 years on the Homeland Security Information Network (HSIN) to share sensitive intelligence information with emergency responders, police, and the private sector. Your budget indicates that 62 percent of HSIN users don’t even access the system for information.

Information sharing is a core homeland security responsibility. I fear that the \$69 million investment has been wasted.

What steps are you putting in place to improve the quality and accessibility of information shared with State, local, and private sector partners?

*Answer.* We recognize the shortfall in the quality and accessibility of shared information. The HSIN technology and associated software for information sharing and collaboration does not provide the level of trust and security required by some communities, such as Intel, Critical Sectors, and Law Enforcement. These communities have a large number of persons from the State, local, and private sector. We have implemented an aggressive plan to remedy this shortfall.

The steps that follow have been taken to implement the plan:

—We have engaged the HSIN Advisory Council (HSIN AC) for advice and recommendations to aid us in reaching the State, local, and private sectors. The HSIN AC met for 2 days in February on this very topic. They produced several recommendations that will assist us in this outreach effort.

—We have engaged the HSIN Mission Coordination Council (HMCC) as an instrument in gathering the requirements from HSIN communities to ensure that we can upgrade HSIN effectively to meet missions. The HMCC members were instructed to reach back to their community membership. For example, Critical Sectors submitted approximately 1,000 requirements after engaging the membership of their 17 Sectors. These requirements were consolidated and incorporated into the HSIN upgrade, known as Next Generation. Intel was another community that has been actively engaged in the requirements determination.

—An aspect of information sharing that is needed is a vastly improved data access process. HSIN Next Generation will have a robust data management capability. It will have much stronger HSIN user identification and authentication processes along with multi-level security access by roles. The Intel community and others require this capability. In large part their low usage is due to the lack of depth of this capability in current HSIN.

—We have moved up our acquisition schedule to award HSIN Next Generation May 15, 2008. Our previous schedule was late summer to early fall. The Request for Proposal has been prepared and the DHS Procurement Office will soon be releasing the final RFP. Representatives from across our HSIN communities will be engaged in the selection process. Due to sensitivity of the acquisition information, I am unable to expound upon this statement.

We have made tremendous effort to address the quality and accessibility of information shared with State, local, and private sector partners. HSIN Next Generation will give us that capability.

#### *Implementing the 9/11 Act*

*Question.* The Under Secretary for Intelligence, Charlie Allen, recently testified that “the DHS intelligence program be adequately resourced to fulfill the laudable objectives of the 9/11 Act.” The subcommittee has asked on several occasions for a status of intelligence requirements in the 9/11 Act and how they are being resourced. However, IA never responded to these requests. Provide a list of all 9/11 Act requirements for IA, the amount necessary to fund each requirement, the amount of base funding dedicated for each requirement, and additional amounts necessary to fulfill each requirement. The table should highlight if the fiscal year 2009 budget includes additional resources to address unfunded requirements.

*Answer.* Classified. The answer to this question is classified and will be forthcoming under separate cover.

#### *Principal Federal Officials*

*Question.* For fiscal year 2009, the Operations Directorate requests an increase of \$1.8 million for PFO program management, training, and integration of PFOs into regional activities. What is the base budget for these supporting functions and why is the increase necessary? What is current size of the PFO cadre? How many are active? How many additional PFOs does the Operations Directorate project will be designated in fiscal year 2008? Provide projections for fiscal year 2009. For active and planned PFO’s what specifically are their responsibilities and for what types of disasters? How do they coordinate with other components responsibilities? Does the Department plan to designate PFO’s for no-notice events [such as terrorism or a man-made disaster] in fiscal year 2008? If so, provide a legal interpretation of why this is not in violation of section 541 of Public Law 110–161, since the disaster is likely to be a President-declared disaster in accordance with the Stafford Act?

*Answer.* For fiscal year 2008, DHS is seeking Congressional approval for a \$1.2 million reprogramming within OPS’ Management and Administration PPA to fund the PFO as a new start. The \$1.2 million requested would fund an 8 month level of effort for PFO program management support, PFO Cadre training, equipment refreshment and maintenance support, and other deployment-related travel expenses for OPS personnel. Funding for the reprogramming request would derive from one-time OPS savings resulting from internal budget restrictions implemented during the Continuing Resolution on FTE hiring levels, new starts, travel, supplies, and training.

There is no available fiscal year 2009 base funding for the PFO program as it would be funded with one-time non-reoccurring savings in fiscal year 2008. The \$1.8 million requested in fiscal year 2009 would fund a 1 year level of effort for PFO program management support, PFO Cadre training, equipment refreshment and maintenance support, and other deployment-related travel expenses for OPS personnel.

When PFO program management responsibilities transferred from DHS/NPPD to DHS/OPS on October 1, 2007, OPS inherited a cadre of approximately 90 PFOs. OPS has since conducted an administrative audit of the PFO cadre, resulting in the reduction of 15 PFOs, putting the current size of the cadre at approximately 75 active PFOs. OPS’ ultimate goal is to streamline the PFO cadre to a smaller number that will allow us to continue to conduct the PFO’s all-hazards mission.

For fiscal year 2008, there have been 19 PFOs designated by the Secretary (17 for Pandemic Influenza (PI) who remain active and 2 for State of the Union (SOTU)). In fiscal year 2008, OPS projects that the Secretary will designate 18 additional PFOs (12 All-hazards Incident Management who may be designated for no-notice event including terrorism/man-made disasters, 2 for the Democratic National Convention, 2 for the Republican National Convention, and 2 for the United Nations General Assembly (UNGA)). Since the PFO is a collateral duty position and all PFOs have other full-time responsibilities with their agencies, OPS uses the remaining 38 non-designated PFOs to maintain a cadre of trained PFOs to step into the role of any of the PFOs previously identified if their normal responsibilities preclude

them from continuing as active PFOs. In addition, OPS coordinates PFO assignments with each PFO's parent agency.

For fiscal year 2009, OPS projects that approximately 75 PFOs will be supported by the \$1.8 million request for PFO program management, training, and integration of PFOs into regional activities. In fiscal year 2009, OPS projects that 37 PFOs will be designated by the Secretary (17 for PI, 12 for All-Hazards Incident Management who may be designated for no-notice events including terrorism/man-made disasters, plus 2 PFOs each for Inauguration, Super Bowl, SOTU, and UNGA).

Through Homeland Security Presidential Directive-5 (HSPD-5), the President designated the Secretary of Homeland Security as the principal Federal official for domestic incident management. The Secretary may delegate this authority to a PFO who is responsible for coordinating Federal operations in order to prevent, protect, respond, and recover from terrorist attacks, man-made or natural disasters. This designation recognizes the fact that certain incidents involving Federal activities across the range of mission areas—including prevention, protection, response and recovery—require additional coordination measures to ensure unity of effort by Federal departments and agencies in meeting the needs of State, local, territorial and tribal governments. The term “incident management” is not defined in statute or by HSPD-5. The National Response Framework provides that incident management “refers to how incidents are managed across all homeland security activities, including prevention, protection, and response and recovery.” Similarly, DHS defines “incident management” as the management and coordination of prevention, protection, and emergency management activities associated with a specific threat, or an actual occurrence.

Consistent with General Provision 541 of Public Law 110-161; the PFO will serve as the lead Federal official for non-Stafford Act disasters, including non-Stafford Act responses that may include a Stafford Act component, acting on the Secretary's behalf to execute the HSPD-5 authorities in order to maximize the effectiveness of the Federal incident management.

The PFO does not direct or replace the incident command structure at the incident. Nor does the PFO have directive authority over a Federal Coordinating Officer (FCO) or other members of a unified command group. Rather, the PFO promotes collaboration among and between entities that have specific statutory authority, to include the FCO, for large scale catastrophic incidents and, if necessary, resolves any Federal interagency conflict that may arise.

#### OFFICE OF THE FEDERAL COORDINATOR FOR GULF COAST REBUILDING

*Question.* When can the subcommittee expect the OFCGCR expenditure plan as required in the fiscal year 2008 Homeland Security Act Joint Explanatory Statement? Does the OFCGCR anticipate requesting a reprogramming for additional funding as outlined in the statement? Is there any reconsideration of the President Budget request which proposed to close the Office? If so, will a budget amendment be submitted? If not, what measurable accomplishments can the Department provide that proves the Gulf Coast area no longer needs rebuilding coordination?

*Answer.* The Office of the Federal Coordinator for Gulf Coast Rebuilding (OFCGCR) submitted an initial fiscal year 2008 expenditure plan to the Committees on Appropriations on March 14, 2008. At this time, OFCGCR does not anticipate a need for additional funds in fiscal year 2008.

OFCGCR was established by Executive Order 13390 (dated November 1, 2005), which will terminate 3 years from the date of the order. The White House has announced an intention to extend the Executive Order through the remainder of the administration. Provisions for funding the Office have not yet been determined.

#### INSPECTOR GENERAL

*Question.* What are the effects, impact and consequences of the President's budget request (roughly \$8 million reduction) on the Office of Inspector General's activities?

*Answer.* We are in the process of determining the impact and consequences of the reduction in the OIG budget. We will report back to the Committee once we have completed our assessment.

*Question.* Program Integrity: What is the most effective number of people to be allocated to CBP, ICE, TSA and CIS to look at integrity issues within these component agencies given the significant hiring increase and mission creep over the past couple of years? What is the appropriate number of OIG people to look at these issues?

*Answer.* We have not studied this issue and believe it would not be appropriate to speculate. We believe each component is in the best position to respond to this question.

*Question.* Describe the impact of the \$124 million request.

*Answer.* A breakdown of the \$124 million is as follows:

(in millions of dollars)

|                                      | Amount |
|--------------------------------------|--------|
| Fiscal year 2008 appropriation ..... | 92.7   |
| Disaster Relief Fund transfer .....  | 16.0   |
| Carryover .....                      | 11.0   |
| Cost of living increases .....       | 4.0    |
| Total appropriation .....            | 123.7  |

## SECURITY, ENFORCEMENT, AND INVESTIGATIONS

### U.S. CUSTOMS AND BORDER PROTECTION

#### *Border Security*

*Question.* For several years, I have raised a concern that as we secure our land border, illegal aliens and drug runners will try to get into the country via our coastal borders. Recently, there have been reports of stranded or captured submarines and submersibles near the border. What funds are requested in the fiscal year 2009 budgets for Border Patrol and the Coast Guard to deter illegal immigration and drug running on or under the water?

*Answer.* Funding for enforcement of immigration and drug laws “on or under the water” is part of the budget for Customs and Border Protection’s (CBP’s) Office of Border Patrol and Office of Air and Marine Interdiction. The cost of Border Patrol and Air and Marine staffing and operations with a water nexus is not tracked separately; however the President’s fiscal year 2009 Budget request contains four specific items, both aircraft and vessels, that are essential if CBP is to effectively counter the threats posed by terrorist activity, drug running, and illegal immigration. The P-3 maritime patrol aircraft is currently the only long-range capability available to detect, track, and coordinate the interception of contraband and illegal immigration along the Caribbean and eastern Pacific transit zones leading to our shores. CBP has 4 of its 16 P-3 aircraft operating against surface and sub-surface craft engaged in illegal activities. CBP Air and Marine (A&M) has initiated a service life extension program (SLEP) that will eventually provide the CBP P-3s with an additional 15,000 flight hours (roughly 18–20 years of continued service). To date, Congress has fully supported the P-3 SLEP and the President’s Budget requests an additional \$56.0 million in fiscal year 2009 to continue this critical A&M program.

To enhance long duration patrol operations in the Caribbean and eastern Pacific, CBP A&M is conducting a demonstration of a maritime version of the Predator B unmanned aircraft system (UAS) from Tyndall AFB, FL, from March 17–28. Based on the results of the demonstration, a joint CBP/U.S. Coast Guard UAS Program Office will be formed for the purpose of developing the requirements for a maritime variant of the Predator B. With the Predator’s 3,000 mile range and 30 hour operating time, it will greatly enhance the Department’s capability to detect, track, and intercept suspect vessels transiting to U.S. waters. The President’s request includes \$29.6 million for the development of the Predator B maritime variant, enhancements to its software integration laboratory, and logistic support.

CBP A&M seeks to replace its aging C-12 patrol aircraft, and fill the gap left by the closure of the DHC-8 patrol aircraft production line, by introducing a new multi-role enforcement aircraft (MEA) during the later part of fiscal year 2008. This aircraft is expected to be truly multi-role and have capabilities to operate over land and water. It will operate over the Great Lakes and will augment Caribbean and Pacific Ocean operations in littoral waters off the United States and off the shores of our international partners. The fiscal year 2009 request contains \$35.6 million for two of these aircraft.

The fiscal year 2009 request also contains \$10.1 million for additional marine vessels. Chief among these will be a new class of coastal interceptors, capable of outpacing the fastest drug vessels and arrayed with greatly enhanced sensors and communications equipment. CBP A&M plans to acquire a prototype interceptor in fiscal year 2008 for test and evaluation. Based on its evaluation of the prototype, A&M would use the funding requested for fiscal year 2009 to begin purchasing the new interceptors and to start retiring CBPs aging and less capable Midnight Express vessels.

Combined with the \$6.7 million Congress provided in the fiscal year 2008 Appropriation for airborne sensors, the investments described above will give CBP the ca-

pabilities it needs to accomplish its vital maritime surveillance and interdiction mission, and to partner with the U.S. Coast Guard for the greatest benefit to the public's security.

*CBP Law Enforcement Retirement Benefit*

*Question.* At a Senate Homeland Security and Governmental Affairs Committee hearing last month, you responded to a Senator's inquiry as to why the President is seeking to repeal the new retirement program for Customs and Border Protection (CBP) officers by saying that it is purely a budget issue and that this program is not a budget priority for the Department.

Contrary to the President's position, the Government Accountability Office (GAO) has testified before Congress and stated that "CBP data shows that, on average, 52 CBP Officers left the agency each 2-week pay period in fiscal 2007 . . . CBP Officers are leaving the agency to take positions at other DHS components and other Federal agencies to obtain law enforcement officer benefits not authorized to them at CBP." (See GAO-08-219, page 34.)

Since the Omnibus Appropriations law containing this law enforcement retirement benefit for CBP Officers was enacted, there been reports of CBP Officers pulling their retirement and transfer papers and of law enforcement officers from other Federal agencies seeking to transfer to open CBP Officer positions. Funding priorities need to be addressed and maintaining a strong presence at the ports of entry is a priority of Congress. This law benefits our national security.

There have been reports that forms needed to implement this program have been embargoed by OMB. Is this correct? Is DHS moving forward with implementation of Section 535 so that it is in effect for all CBP officers on July 6, 2008 as authorized by Congress? CBP shall inform the subcommittee of any delays in approving the forms or other steps necessary to effectively execute the law.

*Answer.* To the contrary, CBP is currently working with the Office of Personnel Management to roll-out the implementation of this statute; this includes the preparation and dissemination of materials and election forms.

CBP is moving forward to implement Section 535 so that it is in effect for all eligible CBP Officers on July 6, 2008. To date, CBP has completed significant work in that respect; and will continue to do so.

We have not experienced any delays in getting forms approved; in fact, the forms have been vetted and approved by the Office of Personnel Management.

*CBP Officer Staffing*

*Question.* Despite CBP's own staffing allocation models and a GAO report (GAO-08-219 ) that on page 31 States that CBP needs "up to several thousand additional CBP Officers and Agricultural Specialists at its ports of entry" (POEs), the President's budget includes funding for only 234 additional CBP positions at land border POEs and 295 positions for Radiation Portal Monitoring staffing. The staffing increase requested would essentially add fewer than two new CBP Officers at each air, land and seaport.

What steps does the Department plan to address the CBP Officer staffing shortages outlined in CBP's port-by-port staffing allocation models? When does CBP expect to have full staffing of the 326 official U.S. Ports of Entry as specified in its staffing allocation models?

*Answer.* The Department of Homeland Security (DHS) and Customs and Border Protection (CBP) must balance CBP's staffing needs against the agency's ability to hire, train and deploy CBPOs in a timely manner. Staffing needs at the ports of entry are determined based on workload volume, training capacity at the Federal Law Enforcement Training Center (FLETC), the constraints of the current facilities and infrastructure, the current number of terminals or lanes at the port of entry, and threat assessment.

The President's fiscal year 2009 Budget requests funding for 539 U.S. Customs and Border Protection Officers (CBPOs). In addition, Congress funded an additional 1,195 CBPOs in the fiscal year 2007 Supplemental and the fiscal year 2008 Consolidated Appropriation Act.

CBP continues to do everything in its capacity to hire, train and deploy the 1,195 CBPOs funded with the supplemental and annual appropriation. Throughout the country, CBP has rolled out aggressive recruitment and hiring campaign to attract qualified candidates to apply for the CBPO position. CBP has also worked to streamline the hiring process by initiating the medical examination and background investigation for tentatively selected individuals, while they wait for openings. For those selected for the position, the Federal Law Enforcement Training Center (FLETC) has utilized, at times, moved a 6-day training schedule, to accommodate staffing increases. However, current facility constraints at CBP's ports of entry con-

strain how many CBPOs can be brought onboard and placed on-duty at our ports of entry.

The Department of Homeland Security (DHS) and Customs and Border Protection (CBP) must balance CBP's staffing needs against the agency's ability to hire, train and deploy CBPOs in a timely manner. Staffing needs at the ports of entry are determined based on workload volume, training capacity at the Federal Law Enforcement Training Center (FLETC), the constraints of the current facilities and infrastructure, the current number of terminals or lanes at the port of entry, and threat assessment.

The President's fiscal year 2009 Budget Request includes funding for 539 U.S. Customs and Border Protection Officers (CBPOs) (including 205 CBPOs for the Western Hemisphere Travel Initiative). In addition, Congress funded an additional 1,195 CBPOs in the fiscal year 2007 Supplemental and the fiscal year 2008 Omnibus Appropriation Act.

CBP continues to do everything in its capacity to hire, train and deploy the 1,195 CBPOs funded with the supplemental and annual appropriation. Throughout the country, CBP has rolled out aggressive recruitment and hiring campaign to attract qualified candidates to apply for the CBPO position. CBP has also worked to streamline the hiring process by initiating the medical examination and background investigation for tentatively selected individuals, while they wait for openings. For those selected for the position, the Federal Law Enforcement Training Center (FLETC) has utilized, at times, moved a 6-day training schedule, to accommodate staffing increases. However, current facility constraints at CBP's ports of entry constrain how many CBPOs can be brought onboard and placed on-duty at our ports of entry.

#### *Secure Border Initiative*

*Question.* I am one of the strongest supporters in the Congress of efforts to secure our borders and prevent entry of terrorists and illegal aliens. In fact, I led the bipartisan effort 3 years ago with my colleagues Senators Judd Gregg and Larry Craig, to add funds to the fiscal year 2005 Supplemental Appropriations Act to hire more Border Patrol Agents and build fencing and other necessary border security infrastructure. I have consistently urged this administration and your Department to move as aggressively as possible to achieve our shared goal of a secure border.

Therefore, I was deeply troubled to learn that the Office of Management and Budget had unilaterally decided to withhold \$225 million in additional border security funding for "future fiscal years," when the clear intent of the Congress was to use these funds to expedite border security activities, including fencing, tactical infrastructure, and communications equipment.

I am sure that it is no coincidence that the \$225 million that OMB deferred is the amount that Congress added to the President's request. DHS personnel believe that the full \$1.2 billion appropriation can effectively be obligated for deploying fencing, vehicle barriers, and other assets on the border. When you submit the expenditure plan, will it include a plan for obligating the full \$1.2 billion this fiscal year?

*Answer.* The 2008 SBI BSFIT Expenditure Plan includes plans for obligating the full \$1.2 billion this fiscal year.

#### *CBP—Tactical Communications*

*Question.* It is my understanding that CBP is upgrading its wireless communications in the various Border Patrol sectors and the ports of entry under the umbrella of the Secure Border Initiative. I am told that this upgrade will provide better coverage and will also allow for better agent safety because the new radios will be fully encrypted and will allow agents to be located via GPS.

How quickly can you accelerate this upgrade so that all sectors will be covered and at what cost?

*Answer.* The CBP OIT Enterprise Networks and Technology Support (ENTS) Tactical Communications Modernization Project was established to modernize tactical communications infrastructure and subscriber units for the Office of Border Patrol (OBP), Office of Field Operations (OFO), and CBP Air and Marine in 20 sectors nationwide. The modernization will replace legacy land mobile radio (LMR) systems with state-of-the-art Project 25 (P25) digital LMR systems with advanced encryption standard (AES) encryption and improved coverage, interoperability capabilities, and GPS data.

As such, the project directly supports two goals from the 2005–2010 CBP Strategic Business Plan:



- CBP Strategic Goal 2.2.*—Maximize Border Security along the northern, southern, and coastal borders through an appropriate balance of personnel, equipment, technology, communications capabilities, and tactical infrastructure.
- CBP Strategic Goal 6.4.*—Maintain a reliable, stable, and secure IT infrastructure and an array of technical support services, including laboratory and scientific services, tactical radio communications, field equipment/maintenance, and 24/7 customer service.

Project management is working with OIT, OBP, OFO, Air and Marine, and SBInet to develop a long-term funding strategy to complete the nationwide upgrade.

The Tactical Communications Modernization Project faces several key external dependencies that would have to be overcome were the schedule to be accelerated further:

- Receipt of approval on frequency applications from the National Telecommunications and Information Administration (NTIA). This is currently a lengthy and cyclical process.
- Creation of radio frequency site leasing agreements (or agreement on modifications to existing leases) pose a significant schedule risk due to the potential difficulty negotiating with site owners or obtaining local permits for upgrade work; potential requirement for a NEPA analysis or structural analysis on the tower; and the potential re-negotiation of Memoranda of Understanding (MOU) or Inter-Government Agreements (IGA) with other site users.
- Site access on the Northern Border is restricted between October and March due to weather conditions. This hinders the ability to conduct RF site preparation and equipment installation during approximately half of each year.

#### *CBP—Interoperable Communications Border Pilots*

*Question.* Section 302 of the Improving America's Security Act of 2007 (Public Law 110–53) authorizes six international border community interoperability communications demonstration projects. What steps is the Department taking to conduct these pilots, at which locations, and using what funds?

*Answer.* This question appears to refer to section 302(a) of the Implementing Recommendations of the 9/11 Commission Act of 2007, (Public Law 110–53), which calls for the creation of an International Border Community Interoperable Communications Demonstration Project. DHS's Office of Emergency Communications (OEC), NPPD, in coordination with the Federal Communications Commission and the Secretary of State, has the responsibility for implementation of this requirement.

Although CBP is not engaged in that particular undertaking, CBP continues to engage in efforts to address interoperability along both the Northern and Southern borders to best support the needs of CBP agents and officers, and their jurisdictional partners, in the field. Specifically, OIT ENTs Enterprise Wireless Program (EWP) is currently supporting the following projects:

#### *Northern Border Technology Demonstration project—IBET*

In an effort to address interoperability along the Northern Border, OIT ENTs EWP is currently collaborating with the Royal Canadian Mounted Police (RCMP). OIT, OFO, OBP and RCMP representatives met in March 2008 to discuss partnership opportunities in initiating a Cross-Border interoperability pilot project.

The year long pilot project at the Sweetgrass, Montana port of entry, expected to begin in August 2008, will enable CBP–RCMP Cross-Border communications. The RCMP will be leading and funding the pilot effort, however CBP will provide the IP circuit connectivity that will establish the communications link between the two agencies. This IP link currently exists and will not require additional costs to be incurred by CBP. Additionally, CBP is working closely with the RCMP to help identify requirements, develop standard operating procedures, and identify the associated risks for this pilot. Finally, OIT has fully committed to provide any engineering and operations support needed to initiate this Cross-Border communications pilot.

#### *Southern Cross Border Communications—Microwave*

The OEC has initiated the Cross Border Microwave Project, which intends to provide interoperable communications between the Office of Border Patrol (OBP) and Mexican law enforcement in situations that require cross-border coordination. The current proposed solution is a series of microwave shots at six locations along the border: Nogales, McAllen, El Paso, San Luis, Laredo, and San Diego. ENTs is contributing technical and domain knowledge regarding the technical feasibility.

#### *Border Funding*

*Question.* In response to a question during staff briefings on the fiscal year 2009 CBP budget request, your staff replied in part with this:

In a joint statement by Secretary Chertoff and Secretary Gutierrez on August 10, 2007, the administration noted that in addition to being committed to the following they would also work to ensure that 1,700 more Border Patrol Agents and an additional UAV are added in 2009.

- 18,300 Border Patrol agents
- 370 miles of fencing
- 300 miles of vehicle barriers
- 105 camera and radar towers
- Three additional UAVs

*Question.* Does the Department's fiscal year 2009 budget request fully fund these activities? Please indicate the amount requested for each item.

*Answer.* Funding requested in the fiscal year 2009 President's Budget, as well as funding provided in prior years, will allow for a border patrol agent staffing of 20,019, completing 370 miles of fencing and 300 miles of vehicle fence (barriers), additional camera and radar towers, and four additional UAS systems.

The fiscal year 2009 President's budget requests \$3.440 billion for Border Security and Control between the ports of entry which includes funding to support 20,019 border patrol agents.

Fiscal year 2008 funding received for Border Security Fencing, Infrastructure and Technology will be used to complete the 370 miles of fencing and 300 miles of vehicle fence (barriers). Funds received in fiscal year 2007, and prior years, were also used for constructing the fencing and vehicle barriers.

The fiscal year 2009 President budget contains \$29 million for the UAS program. With the Development and Deployment funding requested for Border Security Fencing, Infrastructure and Technology in the fiscal year 2009 President's budget, the focus will be on providing tactical infrastructure, technology and surveillance packages to additional southwest border sectors.

#### *CBP—Replacement of Non-intrusive Inspection Equipment (NII)*

*Question.* CBP has been procuring NII for use at the borders and ports of entry for many years. Why have these purchases been treated as one-time events rather than building replacement of this equipment into your base budget?

*Answer.* CBP recognizes that NII imaging systems at port of entry are reaching the end of their life cycle, and will require replacement in the coming years. The fiscal year 2009 President's budget includes an additional \$4 million for maintenance of the existing large-scale systems and \$6 million for replacement of small-scale systems. CBP will continue to monitor the service life of its existing systems and will include funding in future budgets to replace equipment that has reached the end of its life cycle.

#### *CBP—Container Examinations*

*Question.* In the chart on "National Container Examinations" provided in response to an inquiry during staff budget briefings, it shows that total "vessel containers full and empty examined" declined from 5.5 percent in fiscal year 2003 to only 3.8 percent in fiscal year 2007. What accounts for the decrease in examinations?

*Answer.* To meet the priority mission of preventing terrorists and terrorist weapons from entering the United States, U.S. Customs and Border Protection (CBP) has developed a multi-layered process to target high-risk shipments while simultaneously facilitating legitimate trade and travel. People, technology, automation, electronic information and partnerships are concepts that underpin CBP port security and anti-terrorism initiatives. These concepts expand our borders and reinforce the components of CBP's layered defense. Using its layered enforcement process, it is the goal of CBP to thoroughly screen and ultimately examine 100 percent of the shipments that pose a security risk to our country.

In April 2007, CBP made the decision to refine its targeting methodology, as part of our efforts, to focus on and increase the effectiveness of anti-terrorism selectivity process while also facilitating the flow of legitimate trade. This decision was made based on our operational experience and knowledge of our anti-terrorism selectivity process and the need to better focus our resources. One of the consequences of this focus was that there were fewer selectivity-based examinations conducted than in previous years.

This does not mean that our Officers have not been conducting other anti-terrorism activity. Our Officers have been conducting significant enforcement actions relative to protecting our borders.

CBP has spent much time and effort to ensure that a large percentage of all arriving sea-borne containerized cargo/conveyances are scanned for illicit radiological and nuclear materials. Fiscal year 2006 began and concluded with our CBP Officers scanning 21 percent and leading up to 77 percent of all arriving sea-borne container-

ized cargo with radiation portal monitors. (Note: Approximately 65 percent of these radiation portal monitor deployments occurred in the third and fourth quarter of fiscal year 2006). Fiscal year 2007 began and concluded with our CBP Officers at our seaports scanning 77 percent and close to 98 percent of all arriving sea-borne containerized cargo with radiation portal monitors.

Beginning February 2004 (when CBP deployed its first seaport radiation portal monitor) through September 2007, our CBP Officers had scanned over 27.2 million sea-borne containers exiting our seaports with radiation portal monitors and resolved over 774,000 radiation alarms. During fiscal year 2007, our CBP Officers had scanned approximately 13.4 million scans sea-borne containers and resolved over 391,000 radiation alarms—accounting for nearly half of all alarms since the program's inception; while in fiscal year 2006, CBP Officers had scanned only 9.37 million sea-borne containers and resolved over 274,000 radiation alarms.

*CBP—Land Ports of Entry*

*Question.* For the first time since the creation of the Department in 2003, funds are being requested in your budget to begin assessing the future repair and construction requirements of the 43 CBP-owned facilities. Why was this activity not begun earlier?

*Answer.* CBP has been maintaining the facilities it owns since the creation of the agency in fiscal year 2004, allowing for current operations to be sustained. However, because the need for renovation of these facilities has arisen, in fiscal year 2009 CBP plans to deploy targeted proto-type modernization solutions that will allow CBP to determine how to best proceed with improvements at the remaining locations.

*CBP—Ports of Entry*

*Question.* Similar to the priority listing you have provided for the top 20 GSA-owned or leased facilities requiring funding, what are the highest priority CBP-owned ports of entry in need of renovation/reconstruction?

*Answer.* Of the 43 CBP-owned ports, the highest priority locations in need of renovation and/or reconstruction are the following (in priority order):

- Antelope Wells, NM
- Frontier, WA
- Scobey, MT
- Boundary, WA
- Los Ebanos, TX
- Sarles, ND
- Morses Line, VT
- Forest City, ME
- Cannons Corner, NY
- Churubusco, NY
- Pinnacle Road, VT
- Hansboro, ND
- Pittsburg, NH
- Hannah, ND
- Hamlin, ME
- Morgan, MT
- Bridgewater, ME
- Easton, ME
- Whitetail, MT
- Monticello, ME

*CBP—Highest Priority Needs for GSA-owned Ports of Entry*

*Question.* In response to a question raised during staff briefings on the fiscal year 2009 budget request, you provided a list of the top 20 facilities owned or leased by the General Services Administration (GSA) which require funding for renovation or reconstruction. Have evaluations and surveys been conducted on these facilities to determine the funding requirements? What discussions with GSA have you had in regard to starting to address and, if possible, accelerate these requirements?

*Answer.* As a critical step in the Capital Improvement Process (CIP), CBP conducted the Strategic Resource Assessment (SRA), which is a needs assessment process that incorporates internal and external stakeholders input, a review of existing facility conditions, workload and personnel forecasts, space capacity analyses, and recommended options to meet current and future space needs. From these SRAs, a national list identifying and prioritizing capital projects for the 163 land port of entry inspection facilities was developed, including an estimated funding requirement based upon the U.S. General Services Administration's (GSA) cost-benchmarking process. More refined cost estimates are available on a facility by fa-

cility basis depending on their position in GSA's design or construction prospectus submission process.

Beginning in late 2006, CBP partnered with GSA to work together to fully recapitalize the current inventory of inspection facilities.

*CBP—Officer Integrity*

*Question.* You have stated that since October 1, 2004, 22 CBP officers and 22 Border Patrol agents have been charged with corruption. What percent of the total number of employees for these two categories does this represent? How does this percentage compare with corruption charges of other Federal law enforcement agencies? Have the number of corruption cases increased significantly during the past fiscal year?

*Answer.* As of March 12, 2008, 25 CBP Officers and 23 Border Patrol Agents have been charged with corruption during the time period since October 1, 2004. With a current on board strength of approximately 15,500 Border Patrol Agents and approximately 19,000 CBP Officers, this represents .13 percent of CBP Officers and .15 percent of Border Patrol Agents.

Relating to corruption charges of other Federal law enforcement agencies, that information is considered sensitive, and although we have attempted to obtain it, it has not been made available to us by the other Federal law enforcement agencies.

The number of corruption cases has not increased significantly during the past fiscal year. In fiscal year 2007, 8 CBP Officers and Border Patrol Agents were charged with corruption. As of the second quarter of fiscal year 2008, 5 CBP Officers and Border Patrol Agents have been charged with corruption.

U.S. IMMIGRATION AND CUSTOMS ENFORCEMENT

*ICE—Detention Beds*

*Question.* In testimony before the House Homeland Security Appropriations Subcommittee, Assistant Secretary Meyers stated that 33,000 detention beds—the fiscal year 2009 request—will be sufficient (“it’s not an issue”) given the increase in Customs and Border Protection and Border Patrol hiring and the increased participation in the 287(g) program by States and localities. Do you support this assertion?

*Answer.* Answer. Yes, the fiscal year 2009 request is sufficient to maintain the end of catch and release at our nation’s borders. As Assistant Secretary Myers shared with the House Appropriations Committee, Subcommittee on Homeland Security, the referrals from CBP to ICE have dropped from 180,000 in fiscal year 2005 to less than 50,000 in fiscal year 2007. This demonstrates the substantial deterrent value of our efforts not only at the border, but also in the interior of the United States.

*ICE—Federal Protective Service*

*Question.* On April 19, 1995, the Federal building in Oklahoma City, Oklahoma was bombed. In that tragic event, 168 people—Federal employees, ordinary citizens, even children at the day care center—were killed. On September, 11, 2001, nearly 3,000 people, including many Federal employees, were killed when the World Trade Center was attacked. Federal buildings clearly are targets of terrorist attacks.

On any given day, the Federal Protective Service is responsible for protecting nearly 9,000 Federal facilities and over 1.5 million people. In testimony last month before a subcommittee of the House Committee on Transportation, the Government Accountability Office stated that, “The Federal Protective Service is experiencing difficulties in fully meeting its facility protection mission and that, these difficulties may expose Federal facilities to a greater risk of crime or terrorist attack.”

Mr. Secretary, for several years, the administration has been downsizing the Federal Protective Service. This policy was not a result of any reduction in the threat to Federal employees. Nor was it a result of a careful review of the FPS mission and resources. Instead, the decision to reduce the number of personnel protecting Federal personnel and property was the result of a failure by the Office of Management and Budget to understand the true cost of the mission when it was transferred to the new Department 5 years ago. Apparently for OMB, meeting their erroneous budget calculation was more important than protecting Federal employees.

In response, the fiscal year 2008 Homeland Security Appropriations Act, signed into law by the President on December 26, 2007, requires you and the Director of the Office of Management and Budget to certify to the Committee that FPS receives sufficient resources from Federal agencies to support a staff of 1,200 employees, including at least 900 Police Officers, Special Agents, and others. It also requires you to adjust security fees charged by FPS as necessary to meet this mandate.

On February 28, 2008, 2 months after the law was signed, Secretary Chertoff wrote the subcommittee expressing his intent to meet the requirements of the law.

Yet, 2 months after the President signed the law, no additional security personnel have been hired, and you have not issued a letter to agency heads directing them to provide the additional resources necessary to hire the personnel.

Mr. Secretary, the increase in agency fees required in the law is not voluntary. Do you have a commitment from the OMB Director that the security fees will be adjusted? Can you commit to me today that you will collect those fees, publish the job notices, and start the hiring and training process right away?

Answer. The security fee increases identified in my February 28, 2008, letter to the Appropriations Committees have been reviewed by the Office of Management and Budget. On March 12, 2008, the Chief Financial Officer (CFO) of U.S. Immigration and Customs Enforcement sent notification letters to the Chief Financial Officers of all agencies receiving security services from FPS (Executive, Legislative, and Judicial Branches) advising them of the security fee increases in fiscal year 2008 and fiscal year 2009 required to hire the additional FPS law enforcement officers mandated by Congress.

My commitment to collecting those fees, publishing the job notices, and starting the hiring and training process is outlined in my February 28, 2008, letter to the Appropriations Committee regarding the funding of the Federal Protective Service under the Consolidated Appropriations Act of 2008.

#### *ICE—Modernizing the Criminal Alien Program*

*Question.* The Criminal Alien Program identifies illegal aliens currently incarcerated in Federal, State, and local prisons and begins removal proceedings so that when the alien's prison term ends, he or she can be immediately taken and removed from this country, instead of disappearing back into society. In 2006, your Inspector General estimated that over 600,000 aliens were incarcerated, but few of them were deported when released from prison. There is no excuse for allowing people who are in this country illegally and found guilty of a crime, including violent crimes, to remain in this country after they are released from prison.

In the fiscal year 2008 Homeland Security Appropriations Act, Congress added \$200 million to the Immigration and Customs Enforcement budget to modernize the Criminal Alien Program. I understand that work is progressing on developing this new program. I want to see it succeed.

However, there are some in Congress who think that this program should be the only tool for identifying and removing illegal aliens. I think it should be one of many tools and activities that your officers and agents use to apprehend and remove illegal aliens.

Mr. Secretary, as this new Criminal Alien Program is developed—I want your commitment that you will continue to pay attention to other effective programs, such as worksite enforcement and fugitive operations teams.

In fiscal year 2002, there were only 25 criminal arrests and 485 administrative arrests in worksite enforcement actions. Last year, with your leadership, those numbers jumped to 863 criminal arrests and 4,077 administrative arrests. And, with the increase in the number of fugitive operations teams, there has been a 41 percent increase in fugitive arrests since the beginning of fiscal year 2006. That is real progress. However, much of the resources for these increased enforcement efforts were not requested by the President and were added by Congress. The President's fiscal year 2009 budget is essentially flat for worksite enforcement.

Do I have your commitment that for the remainder of the administration you will continue the progress made over the last 2 years in worksite enforcement and fugitive operations?

Answer. While the Department of Homeland Security (DHS) as a whole has committed significant resources to preventing aliens from illegally entering the United States, significant resources have also been committed to arresting immigration law violators within the interior. Our immigration enforcement cannot begin and end at our borders and ports of entry. Effective immigration policing must also include robust interior law enforcement efforts to help ensure the safety and security of all Americans. You have my commitment that we will continue the progress made over the last 2 years not only in worksite enforcement and fugitive operations, but also in critical program areas to continue to keep our Nation safe and secure.

#### *ICE—FPS Performance Metrics for Federal Buildings*

*Question.* In response to an inquiry raised during staff briefings on the fiscal year 2009 budget request, you provided a spreadsheet detailing what are considered performance metrics for incidents at Federal buildings. In fiscal year 2004, there were a total of 63,473 "Offences/Incidents." That number decreased each year and in fiscal year 2007, 38,453 of these events were reported. What accounts for this signifi-

cant decrease? Is this a result of a decrease in Federal Protective Service staff able to respond to and investigate these offenses?

Answer. Crime statistics, with the exception of narcotics related offenses, have similarly decreased collectively across the nation. The GSA inventory of owned and leased buildings varies slightly from year to year as do the tenants. Due to the activities of some tenants and the volume of that activity, there is a proportional increase or decrease in incidents.

Increases and or decreases in reportable incidents may be attributed to many factors. Prioritization of certain crimes or predetermined surges to aggressively address a certain type of incident or location may also have a quantifiable effect. An example may be a targeted enforcement against illegal drug use in a park or abandoned building. FPS is unable to determine a correlation between reportable incidents and staffing at this time.

*ICE—New Bedford Worksite Enforcement Action*

*Question.* On March 6, 2007, a worksite enforcement action resulted in the apprehension of 361 illegal aliens. To date, how many of those aliens have been removed from the United States? Of those that remain in the United States, please detail why there are still here and what impediments you are experiencing in removing them.

Answer. There is a pending criminal case before District Judge Douglas P. Woodlock. On March 20, 2008, Judge Woodlock issued an order preventing the parties from discussing this case any further. In order to comply with Judge Woodlock’s order, I cannot answer your questions on this matter at this time.

*Treasury Enforcement Communication System/Homeland Security Communication System (TECS/HECS)*

*Question.* Provide an agency-by-agency breakout of the fiscal year 2009 budget requests/contributions to the modernization of TECS/HECS.

Answer. As per OCIO the breakouts are as follows:

[In millions of dollars]

|                              | Amount |
|------------------------------|--------|
| ICE .....                    | 15.7   |
| CBP .....                    | 49.876 |
| Total fiscal year 2009 ..... | 71.176 |

*ICE—Special Interest Alien Arrests*

*Question.* In fiscal year 2007, CBP arrested 122 people determined to be from “special interest” countries at the Northern border and 297 at the Southern border. What happened to them? Were they detained, immediately returned to their home countries, or what?

Answer. For any person taken into Border Patrol custody from a Special Interest Country, at a minimum, the following actions are taken:

- Sector Communications is contacted for the initial record checks.
- The National Targeting Center is contacted for additional record checks.
- The Joint Terrorism Task Force is contacted for follow up interviews.
- The Station and Sector Intelligence Units are contacted for follow up interviews.
- Any “pocket trash” is copied or scanned for possible intelligence value.
- A Significant Incident Report is generated and submitted to the U.S. Customs and Border Protection Situation Room.
- If any intelligence is developed, complete and forward an Intelligence Report through proper channels.
- Enroll all aliens who are amendable to Removal Proceedings into the ENFORCE, IDENT and IAFIS computer database systems.

After sufficient interviewing, intelligence gathering, and processing procedures, Special Interest Aliens will be processed for Removal Proceedings and deported from the United States.

*ICE—Overstays Identified by US-VISIT*

*Question.* On average, US-VISIT says that it turns over to ICE for follow-up action, information on 250 “overstays.” What happens when this information comes to ICE? How many are found? How many are detained, prosecuted, and/or removed from the country on average? What percentage of ICE’s monthly removals is a result of this information being provided by US-VISIT?

Answer. Law Enforcement Sensitive. Responses to how many are found, detained, prosecuted, and or removed will follow under separate cover. Approximately 3 percent of the cases that US-VISIT refers to ICE are ultimately placed into removal proceedings. Not all of these are ultimately ordered removed, however, if all were ordered removed, these cases would represent less than 1 percent of ICE's total monthly removals.

TRANSPORTATION SECURITY ADMINISTRATION

*Proposal to Increase Air Passenger Fees*

*Question.* The President has proposed to significantly increase the amount of mandatory spending for explosives detection systems at airports through a 20 percent hike in security fees passengers pay for airline tickets. The proposal is estimated to generate an additional \$426 million in revenue.

Similar proposals have been presented to Congress in prior years, but the Congress rejected them.

The fiscal year 2009 request includes only \$154 million in discretionary spending (excluding fee increase proposal) for EDS procurement and installation, 48 percent below the enacted level of \$294 million.

A recent baggage screening investment report, in which TSA participated, concluded that airports need \$4 billion for explosives detection screening systems.

If the fee proposal is not enacted, will the President submit a budget amendment to address the shortfall?

Answer. The President does not intend to submit a budget amendment for Explosives Detection System (EDS) procurement and installation. The targeted, temporary surcharge is markedly different from the air passenger fee proposals in prior years. With the support of Congress, the fee will generate more than \$1.7 billion over 4 years and fully fund optimal EDS systems. This represents a 6 year project acceleration and substantial savings as noted.

The increase of \$104 million to the President's Request in fiscal year 2008 and \$285 million in supplemental funds in fiscal year 2007, when combined with \$404 million requested in fiscal year 2009, provide a substantial increase to the \$440 million planning factor assumed in the EDS Strategic Plan.

*EDS Procurement and Installation*

*Question.* What is the total cost to achieve optimal screening solutions at the top 250 commercial airports?

Answer. The Transportation Security Administration's (TSA) Electronic Baggage Screening Program Strategic Plan contained an estimate of slightly over \$3.5 billion to deploy optimal screening solutions to 250 airports. TSA currently plans to include all 277 Cat X through Cat III airports in the deployment schedule.

*Question.* How many years will it take TSA to complete these projects at levels proposed in the budget (with fee increase)?

Answer. The surcharge would allow the Transportation Security Administration to accelerate the funding for in-line systems by up to 6 years. This acceleration will not take place without the proposed surcharge. The proposed passenger security fee surcharge will generate sufficient funding to complete optimal systems as soon as 2012 dependent on readiness of construction designs.

*Question.* How many years will it take TSA to complete these projects if the fiscal year 2008 level of \$544 million is continued in fiscal year 2009?

Answer. The Transportation Security Administration (TSA) has not modeled the deployment of optimal systems at the \$544 million funding level. However, this funding level is approximately \$100 million above the program baseline established in the Electronic Baggage Screening Program Strategic Plan. The most recent analysis of the baseline funding, published in the Baggage Screening Investment Study Report, indicated program completion in 2024. TSA estimates increasing the baseline to \$544 million would reduce the timeline by 2 years. However, please note that this estimate can vary based on the assumptions used.

*Question.* How many years will it take TSA to complete these projects if the request level of \$404 million (minus fee increase) is provided in fiscal year 2009?

Answer. The Transportation Security Administration (TSA) has not modeled the deployment of optimal systems at the \$404 million funding level. However, this funding level is approximately \$30 million below the program baseline established in the Electronic Baggage Screening Program Strategic Plan. The most recent analysis of the baseline funding, published in the Baggage Screening Investment Study Report, indicated program completion in 2024. With the supplemental funds provided in fiscal year 2008, TSA estimates a similar timeframe based on assumptions

in the BSIS Report. However, please note that this estimate can vary based on the assumptions used.

*Question.* How many “in-line” projects does \$829.92 million (including fee increase) support? How many will \$544 million support? How many will \$404 million support?

*Answer.* The Transportation Security Administration estimates approximately 22 in-line projects are funded at the fiscal year 2009 requested funding level of \$830 million; approximately 16 in-line systems could be supported at the \$544 million level; and approximately 13 in-line projects could be supported at the \$404 million level. However, please note that these estimates can vary based on the assumptions used.

#### *Unspent Supplemental Funding for Aviation Security*

*Question.* The fiscal year 2007 emergency supplemental included \$365 million for the Transportation Security Administration to ramp up the purchase and installation of explosives detection systems at airports, hire air cargo inspectors, and deploy bomb detecting canine teams. Today, more than 9 months after those funds were appropriated, \$346 million remains unobligated. For air cargo security, none of the 170 new bomb sniffing dog teams funded have been deployed, and only 70 of the 150 new air cargo inspectors funded are on-board today.

Why have these critical funds been delayed?

*Answer.* The Transportation Security Administration (TSA) is aggressively pursuing the execution of the supplemental funding. Delays in execution resulted from spend plan development, security partner negotiations for some programs, and the development and execution of hiring and training plans to fully implement the programs. Progress made thus far includes:

—*Checkpoint.*—Of the \$25 million appropriated, nearly \$21 million has been obligated or committed.

—*Explosives Detection Systems (EDS).*—Congress should expect to see a revision of the EDS funds allocation in the near future; however, it will include alternate airports previously submitted that TSA is moving forward with.

—*Air Cargo.*—TSA has developed hiring plans to fill all of the canine handler and inspector positions this spring to meet the goal of having the entire workforce onboard by the end of summer 2008. The National Explosives Detection Canine Training Program is in the process of expending training capacity.

*Question.* The aviation sector has been operating under high alert since August of 2006.

These funds were appropriated to enhance security, not sit in the Treasury. This is not a good record. I would like you to update the subcommittee in 1 month on progress made to obligate these funds.

*Answer.* The Transportation Security Administration will provide an update on progress as requested.

#### *Airport Screening*

*Question.* The Secretary testified that he has directed TSA to review current screening procedures at airports and requested recommendations within 30 to 45 days. Please update the Committee with recommendations on any changes TSA proposes. In the Intelligence Reform and Terrorism Prevention Act of 2004, as well as subsequent legislation, TSA has been directed to submit to Congress a strategic plan for checkpoint technologies. TSA has not submitted such a plan. Why has TSA not been able to develop and submit a strategic plan for checkpoint screening technologies, and when does the agency expect to submit it?

*Answer.* This recently announced review is currently underway. The Transportation Security Administration will update the Committee with recommendations when the final review has been completed.

A report entitled “Report to Congress: Detection Equipment at Airport Screening Checkpoints” was provided to Congress on August 9, 2005 to satisfy the requirements of the Intelligence Reform and Terrorism Prevention Act of 2004. In September 2007, the Transportation Security Administration (TSA) submitted to Congress a report entitled “Development of a Passenger Checkpoint Strategic Plan.” In compliance with direction provided by Congress in the fiscal year 2008 Consolidated Appropriations Act, TSA intends to deliver a final strategic plan to Congress during summer 2008.

*Question.* How many machines have been deployed to date that can effectively detect liquid explosives? How many are planned for fiscal year 2008? Fiscal year 2009? What percent of airport screening checkpoint lanes are covered by such technology today? Planned for fiscal year 2009?



Answer. To date, 200 Bottled Liquid Scanner units have been deployed to airports. A total of 700 Bottled Liquids Scanner units are expected to be procured and deployed in fiscal year 2008. This amount includes 200 already purchased and deployed from fiscal year 2007 Supplemental funds and an additional 500 not yet purchased. One hundred Bottled Liquid Scanner units are planned for procurement in fiscal year 2009.

Bottled Liquids Scanners (BLS) were not deployed on a per lane basis. Instead, consideration of the overall checkpoint utilization rates and passenger throughput were used to determine allocations. The 72 airports where 200 BLS units were deployed contain a total of 1,416 lanes, which corresponds to 28 percent coverage on a per lane basis.

*Question.* TSA's budget includes over \$320 million for Behavioral Detection Officers, Bomb Appraisal Officers, the Aviation Direct Access Screening Program, and Visible Intermodal Protection and Response Teams. How is TSA determining the effectiveness of these initiatives?

Answer. The Behavioral Detection Officers (BDO) program, the Aviation Direct Access Screening Program (ADASP), and the Visible Intermodal Protection and Response Teams (VIPR) all provide the Transportation Security Administration (TSA) with critically needed layers of security in aviation security and, in the case of VIPR teams, in surface transportation security as well. TSA appreciates the strong support the Committee has provided to these important programs.

The BDO program provides a means to identify potentially high-risk individuals based on involuntary physical and physiological reactions. For the BDO program, each airport conducting the Screening Passengers by Observation Techniques (SPOT) inputs daily referrals into a web-based SPOT database that provides important information to leadership and allows us to perform metrics and trend analysis. Additionally, the SPOT Program conducts annual standardization visits at each airport to evaluate procedures, methodology, reporting, training, and effectiveness,

Data to date shows that the program at 63 airports has resulted in over 100,000 referrals to referral screening, with over 90 percent of those resolved by BDOs. Of the 10 percent referred to law enforcement, about 1 percent resulted in some type of an arrest.

The Bomb Appraisal Officer (BAO) program supplies highly skilled individuals who have undergone training in the detection and disposal of explosive ordnance. BAOs interact with and train Transportation Security Officers (TSOs) to increase their ability to recognize Improvised Explosive Devices (IEDs) and IED components. The program has developed three metrics: BAO response to perform advanced alarm resolution procedures; the delivery of IED-related training to TSOs; and the delivery of IED-related training to airport first responders. During calendar year (CY) 2007 BAOs responded to 1,156 calls for advanced alarm resolution of suspected threat items at 90 airports, thereby preventing over 1,103 hours of potential terminal disruptions. BAOs provided 19,030 hours of IED-related training to over 66,696 TSOs and provided similar training to over 1,790 other personnel (law enforcement officers, other agencies, among others).

For CY 2008, as of March 1, 2008, BAOs have responded to 356 calls for advanced alarm resolution of suspected threat items, thereby preventing 420 hours of potential terminal disruptions. BAOs have provided 970 hours of IED-related training to 6,467 TSOs and 386 hours to other personnel.

The ADASP allows TSA to randomly screen more airport and airline employees, thus closing a critical security gap. The ADASP has been successful in identifying security threats at access points to secure areas of the airport, including airport employees carrying weapons and other prohibited items, employees with expired access badges, and items identified through specific intelligence information. A critical indication of the success of ADASP is the initiative's value as a deterrent to behavior that creates security vulnerabilities.

The Visible Intermodal Prevention and Response (VIPR) initiative is inherently a deterrent effort that is accomplished through the deployment of TSA personnel and equipment, in a highly visible posture, with the goal of deterring, detecting, disrupting, and defeating potential terrorist or criminal actions taken against the Nation's transportation system. TSA created the Joint Coordination Center (JCC) to act as the TSA Assistant Secretary's focal point for VIPR deployment. The JCC takes into account a number of factors when deciding what locations will conduct VIPR operations, such as trend analysis, randomness, specific and non-specific intelligence, and locally generated VIPR operations. In addition, After Action Reports are generated at the completion of every VIPR deployment. These reports are examined for best practices and lessons learned and then incorporated into future planning and execution protocols.

*Question.* The budget maintains level funding for 297 Bomb Appraisal Officers (BAO's) in fiscal year 2009. Provide a BAO deployment chart by airport. What are the benefits of this program? Is 297 the end state for BAO's? If not, provide an optimal number for BAO's.

*Answer.* The information requested in this Question for the Record cannot be provided in this public setting as the response has been deemed to include Sensitive Security Information. The Transportation Security Administration can certainly provide the Committee with this information via a briefing or other non-public forum.

The Transportation Security Administration is in the process of hiring to the level of 297 Bomb Appraisal Officers and has not made a determination of the requirement, if any, beyond that level.

*Question.* The fiscal year 2008 Consolidated Appropriations Act included half-year funding for TSA to hire 660 behavior detection officers and 1,028 full-time/part-time TSO's for the Aviation Direct Access Screening Program (ADASP). Provide current on-board data for these new positions and projected hires by the end of fiscal year 2008. Positions filled by an existing TSO should not count as a new on-board position.

*Answer.* The Transportation Security Administration (TSA) currently has approximately 1,300 Behavior Detection Officers (BDOs) onboard and will continue to hire BDOs to reach a level of 2,400 by the summer. Similarly, TSA is on pace to hire the Transportation Security Officers needed to add 375 Aviation Direct Access Screening Program Full-Time Equivalents (FTE) to the current workforce allocation of 904 FTE.

#### *Air Cargo*

*Question.* The Government Accounting Office recently testified that TSA "has not developed an inspection plan that included performance goals and measures to determine whether air carriers transporting cargo into the United States were complying with security requirements." Is TSA developing such a plan? What is the timeline for implementation? Identify necessary resources to complete and implement the plan.

*Answer.* Yes, the Transportation Security Administration formed an International Cargo Working Group to develop inspection prompts in the Performance and Results Information System. These prompts will serve as the performance goals against which compliance can be measured.

Following the Government Accountability Office's (GAO's) March, 2007, recommendation that the Transportation Security Administration (TSA) "[d]evelop and implement an inspection plan that includes performance goals and measures to evaluate foreign and domestic air carrier compliance with inbound air cargo security requirements," TSA developed inspection prompts in the Performance and Results Information System (PARIS) to guide International Cargo Transportation Security Inspectors (I-CTSI) in their inspections of the various air cargo operations. The data that is entered into PARIS enables TSA to evaluate both foreign and U.S. air cargo operators departing from foreign locations to the United States to determine whether the cargo operators are in compliance with TSA security requirements and to determine any station or systematic vulnerabilities for immediate corrective action. TSA implemented the PARIS inspection prompts relating to inbound air cargo in February 2008.

Ten International Cargo Transportation Security Inspectors are based out of four field offices for international matters in Los Angeles, Dallas Fort Worth, Miami, and Frankfurt, Germany. These inspectors will examine cargo operations at last points of departure to the United States using inspection prompts in the Performance and Results Information System to serve as the performance goals against which compliance can be measured.

*Question.* The request reduces the air cargo base by \$17.2 million in fiscal year 2009 for non-recurring funds? What are these non-recurring funds?

*Answer.* The Consolidated Appropriations Act, 2008, (Public Law 110-161) provided \$17 million above the President's request for the air cargo program. These funds are not requested to recur in fiscal year 2009 and will be used for one-time infrastructure investments.

*Question.* Of the \$80 million provided in the fiscal year 2007 supplemental for air cargo security, \$25 million was identified by TSA to deploy technologies appropriate for screening air cargo. Why doesn't TSA continue or request funds for the purchase of technology to screen air cargo?

*Answer.* The Transportation Security Administration (TSA) is establishing the Certified Cargo Screening Program to push the screening of air cargo throughout the supply chain. TSA is working with indirect air carriers and other security partners on a pilot basis to identify the most effective processes and technologies to

screen air cargo. TSA will also identify approved technologies for industry screening of air cargo as it moves through the supply chain. Therefore, TSA has not identified a requirement to invest in technology to screen air cargo.

*Question.* What is the status of TSA-S&T efforts to develop and pilot test various technologies that may have applicability to screening air cargo? What technologies have shown promise, if any? Could any technologies be used for air cargo screening in the near future?

*Answer.* The Transportation Security Administration (TSA) is supporting air cargo security goals and objectives by testing, evaluating, and qualifying technology to detect explosives and stowaways, as well as ensure the integrity of the supply chain. TSA plans to both optimize currently available technologies and provide cargo specific screening procedures coupled with protocols to support these technologies in the operational environment.

The Department of Homeland Security Office of Science and Technology (S&T) is about to conclude the congressionally directed Air Cargo Explosives Detection Pilot Program and will soon begin an analysis of the results of that pilot. TSA will be conducting an operational test at some airports, domestic and international, to develop requirements, specifications, and testing protocols to qualify a Carbon Dioxide (CO<sub>2</sub>) monitor. The CO<sub>2</sub> monitor is expected to be qualified in fiscal year 2009. S&T concluded Heartbeat Monitors are susceptible to environmental factors at the airports. S&T will address this issue in future research efforts before these are qualified by TSA for use by the cargo freighters. TSA has deployed certified checked baggage screening technologies into actual air cargo screening operations, at about twelve different sites, to determine all the integration, training, and operational issues. TSA has also initiated pilot tests to study ways to integrate counter-to-counter air cargo into the existing airport checked baggage screening infrastructure using Explosives Detection Systems and Explosives Trace Detection screening equipment.

The technologies showing promise in the near-term are existing or slightly modified explosives detection screening technologies such as Explosives Detection Systems (EDS), Cargo Optimized EDS, Explosives Trace Detection, and dual energy, multi-view Advanced Technology X-ray technologies. Carbon dioxide monitors for detecting stowaways also showed promise during pilot programs.

The Transportation Security Administration (TSA) will work with industry to pilot screening technologies in the near term, although they will not yet be certified in the air cargo environment. This will continue our efforts with the Department of Homeland Security Science & Technology directorate to evaluate existing and emerging screening technologies to determine effectiveness in detecting threats in air cargo. TSA has piloted, or is planning to pilot, several technologies such as Explosives Detection Systems (EDS), Cargo Optimized EDS, Explosives Trace Detection, and dual energy, multi-view Advanced Technology X-ray technologies. Carbon dioxide monitors are also being considered for detecting stowaways. TSA will determine whether these screening technologies, along with other promising technologies, will be certified for use in the air cargo environment once they are fully evaluated.

#### *Secure Flight*

*Question.* The Government Accountability Office recently criticized TSA's life-cycle cost estimates for Secure Flight, concluding that "TSA has not fully followed best practices for developing a reliable and valid life-cycle cost estimate." In light of the fact that the fiscal year 2009 request includes a 64 percent increase for the Secure Flight program, what steps are being taken by TSA to address these issues?

*Answer.* The Secure Flight life cycle cost estimate was developed using Department of Homeland Security best practices. The Transportation Security Administration (TSA) believes that the life cycle cost estimate is accurate for the current scope and requirements of the program. TSA is currently analyzing the 12-step process outlined in the Cost Assessment Guide recently provided by the Government Accountability Office and will work to demonstrate the program's alignment with best practices detailed in the guide.

#### *Law Enforcement*

*Question.* Has there been a decrease in the aviation threat to warrant a reduction for critical flight coverage by Federal Air Marshals in fiscal year 2009?

*Answer.* The threat to aviation remains a primary target for terrorists and is expected to continue. The U.S. threat level remains High, or Orange, for all domestic and international flights. However, TSA as a whole employs twenty layers of security creating a much stronger, formidable system of security that ensures the security of the traveling public and the Nation's transportation system.

*Question.* What is the status of the Advanced Route Evaluation System being developed by the FAMS?

Answer. The Advanced Route Evaluation System (ARES) is currently in development. The Department of Homeland Security's Office of Science & Technology (S&T) funded the development of ARES to determine a means for the Transportation Security Administration (TSA) to incorporate overflights of critical infrastructure into the TSA risk-based approach to scheduling. TSA expects delivery of an initial ARES capability this summer for testing. Test results are expected in the September 2008 timeframe.

*Question.* What is TSA doing to develop a biometric system to track law enforcement travel? The 9/11 Act mandated such a system be in place by January 2009. Such a system is necessary to accurately identify law enforcement officers flying aboard commercial aircraft and to verify their authorization to carry weapons aboard an aircraft. What is the timeline for developing such a system? Does the fiscal year 2009 budget include funds for such a system? If so, how much?

Answer. The Transportation Security Administration (TSA) has formed a team comprised of subject matter experts from the Office of Transportation Threat Assessment and Credentialing (TTAC) and the Office of Law Enforcement/Federal Air Marshal Service (OLE/FAMS) to develop a concept of operations for a National registered armed Law Enforcement Officer (LEO) program which will help determine program goals and resource requirements. In March 2008, OLE/FAMS hosted a meeting of Federal, State, local, and tribal law enforcement agencies from around the country to better understand their respective credentialing systems and duty requirements, as well as discuss procedural and operational challenges associated with the integration of a common credential for this population, which TSA estimates at a potential pool of over 800,000 sworn law enforcement officers nationwide. This meeting provided valuable information in advancing TSA developmental goals.

Concurrently, TSA will be initiating an E-LEO pilot program at Washington Dulles International Airport which will provide Transportation Security Officers a more suitable environment to verify the identity and improve the tracking of LEOs seeking to fly armed through the use of a dedicated checkpoint lane. Operating in conjunction with the Transportation Security Operations Center, the pilot program will allow TSA to more readily react to emergencies in the air or on the ground by identifying whether a flight has an armed law enforcement officer other than a Federal Air Marshal.

Although the Transportation Security Administration (TSA) intends to leverage prior experience with other credentialing initiatives, the size and nature of this population necessitates rigorous planning to ensure the security objectives of Section 1615 of the Implementing Recommendations of the 9/11 Commission Act of 2007 are met. The implementation of a national registered armed Law Enforcement Officer program is a significant undertaking which will require extensive consultation with thousands of Federal, State, local, and tribal law enforcement agencies which issue credentials to an even larger population of law enforcement officers. The national law enforcement officer population exceeds 800,000 sworn law enforcement officers representing over 18,000 different law enforcement agencies at the Federal, State, tribal, and local level. It is, therefore, premature to estimate a timeline for rule-making and any acquisition related activities at this time.

The President's fiscal year 2009 budget does not include specific funds for this system.

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*Question.* What are the fiscal year 2007/2008 levels for international programs—both funding and FTE. Provide FTE summary by function areas, i.e. TSA Representatives (TSAR's) and International Principal Security Inspectors (IPSI's) and International Aviation Security Inspectors (IASI's)? How many foreign airport assessments were conducted in fiscal year 2007 and fiscal year 2008? How many will be covered in fiscal year 2009? Provide the same data for foreign airport inspections. What is the rationale for inspecting foreign carriers up to two times annually and assessments once every 3 years? How many airports worldwide have air carriers that fly to the United States? What is the total number of air carrier stations worldwide that service the United States? How many are inspected by TSA on an annual basis?

*Answer.* The funding level for the Transportation Security Administration's (TSA) International Programs in fiscal year 2007 was approximately \$29 million. The funding level in fiscal year 2008 is approximately \$29.4 million.

The fiscal year 2007 Full-Time Equivalent (FTE) levels were as follows:

|   | FTE        |
|---|------------|
| Transportation Security Administration Representatives (TSARs) .....  | 22         |
| International Aviation Security Inspectors (IASIs) .....  | 46         |
| International Principal Security Inspectors (IPSIs) .....   | 16         |
| International Air Cargo Inspectors .....  | 10         |
| Foreign Repair Station (FRS) Employees .....  | 15         |
| Capacity Development Training Team members .....  | 8          |
| Employees supporting TSA's international mission located at various locations including headquarters, overseas and domestic locations. .... | 36         |
| <b>Total .....</b>  | <b>143</b> |

The fiscal year 2008 FTE levels were increased slightly due to the reorganization of TSA's international programs which now comprise TSA's Office of Global Strategies. The fiscal year 2008 FTE levels are as follows:

|   | FTE        |
|---|------------|
| TSARs .....   | 22         |
| Transportation Security Specialists (TSSs), formerly IASIs .....  | 46         |
| International Industry Representatives (IIRs), formerly IPSIs .....   | 6          |
| International Air Cargo Inspectors .....  | 10         |
| FRS Employees .....   | 15         |
| Capacity Development Training Team members .....  | 8          |
| Employees supporting TSA's international mission located at various locations including headquarters, overseas and domestic locations. .... | 39         |
| <b>Total .....</b>  | <b>146</b> |

The Transportation Security Administration conducted 125 foreign airport assessments in fiscal year 2007 and 25 to date in fiscal year 2008. TSA plans to conduct 118 foreign airport assessments in fiscal year 2009.

TSA conducts both foreign airport assessments and foreign air carrier inspections, but not foreign airport inspections. TSA conducted 221 foreign air carrier inspections in fiscal year 2007. To date, TSA has conducted 111 foreign air carrier inspections in fiscal year 2008 and anticipates completing an additional 156, for a total

of 267, by the end of fiscal year 2008. TSA forecasts that it will conduct approximately 300 foreign air carrier inspections in fiscal year 2009.

Foreign airport assessment and foreign air carrier inspection scheduling is governed by a risk-based methodology that determines the frequency of visits. Currently, all air carriers are inspected once annually unless they have a high "Airport Vulnerability" rating. This rating is used to determine the frequency of assessment and inspection planning based on the outcome of threat, vulnerability, and consequence analysis. This methodology allows the Transportation Security Administration to efficiently utilize its workforce by visiting airports with a higher likelihood of being a target for criminal or terrorist acts, while taking into account analysis of the protective measures in place and the potential impact for loss.

The number of international airports that service the United States is determined by the active last point of departure. Currently, the total number of active last point of departure airports worldwide is 268. An international airport may have several air carrier operations offering service to the United States, but because they all depart from the same airport, it only counts as one point of departure. As an example, Munich, Germany International airport has various destinations to the United States and currently has five air carrier station operations: United Airlines, Inc.; Delta Airlines, Inc.; US Airways; Deutsche Lufthansa AG; and Lufttransport Unternehmen GmbH. Although Munich serves various destinations to the United States, the airport was counted as only one point of departure operation to the United States. Three of these carrier operations service the United States. Each air carrier station counts as an independent operation.

The total number of air carrier stations worldwide that operate to the United States is 810. An international airport may have multiple independent air carrier stations operations providing service to the United States. Each of these stations counts as a single operation. The Transportation Security Administration conducted 748 air carrier station inspections in fiscal year 2007 and anticipates conducting 952 in fiscal year 2008.

#### *Attrition Rates*

*Question.* TSA attrition rates continue to be high compared to the government-wide average. Total attrition actually increased from 20.9 percent in fiscal year 2006 to 21.2 percent in fiscal year 2007. What is the status of TSA's pilot program to provide full-time health benefits to part-time workers? Since the April 20, 2007, report to the Committee on efforts to reduce attrition rates, provide information on the success of those efforts.

*Answer.* TSA continues to make progress in reducing both full-time and part-time attrition. In fact, when viewed separately, the rates for both full-time and part-time have declined for the third straight year. Full-time attrition declined from 16.5 percent in fiscal year 2006 to 14.4 percent in fiscal year 2007; part-time attrition declined from 45.8 percent in fiscal year 2006 to 44.6 percent in fiscal year 2007.

The increase in total attrition is due to the fact that this combined rate includes an increased percentage of part-time Transportation Security Officers (TSOs) who have a higher attrition rate than full-time TSOs.

In an effort to increase retention of part-time workers, the Part Time TSO Federal Employees Health Benefits (FEHB) program was implemented in September 2006 at six pilot airports. Due to TSA's success in reducing attrition, the pilot program was expanded nationwide in October 2007 and full-time TSO health benefits coverage (with reduced premium costs) was extended to all part-time TSOs.

The successful initiatives that TSA has introduced in the past year include:

- Recruitment, Relocation, and Retention Incentives instituted at hard-to-staff/high cost-of-living airports;
- TSO Pay for Performance system—Performance Accountability and Standards System (PASS);
- TSO incentives for conversion from full-time to part-time employment, for service, and for retention;
- TSO career progression and the creation of the E band position (resulted in over 20,000 TSO promotions);
- Expanded opportunities for new training and skill sets involving additional job duties and specialized security functions;
- Enhanced minimum and maximum of TSA pay bands (affects all non-Senior Executive (TSES) employees);
- TSO work schedule optimization (includes greater use of full-time split-shift employment and development of a new form of premium pay—the split-shift differential);
- Reduced health insurance premiums for all part-time TSOs;

- Job Swap (allows employees, primarily TSOs, to swap positions and working locations); and
- Development of a TSO referral program.

#### *Privatized Screening*

*Question.* The screening partnership program budget anticipates a \$2 million need for future federalizations. The amount reserved in fiscal year 2008 was substantially higher at \$6.5 million. Why is there such a dramatic decrease?

*Answer.* The \$6.5 million referenced above was an estimate for the use of projected Screener Partnership Program (SPP) program carryover into fiscal year 2008. In fiscal year 2008, that carryover will be used to fund airports that transitioned into the SPP in fiscal year 2007—Key West International Airport, Charles Schultz Sonoma Airport, Gallup Municipal Airport, and Roswell Industrial Airport. It will also be used for the continued fiscal year 2008 implementation of new security programs, including the Aviation Direct Access Screening Program and Screening Passengers by Observation Techniques, as well as the travel document checking responsibilities assumed from airline contractors in June 2007. Base resources were realigned in fiscal year 2009 to account for these airports that recently joined the SPP, and for the new security programs and responsibilities, such that \$2 million of anticipated carryover into fiscal year 2009 should be adequate to meet the needs of future federalizations.

#### *General Aviation*

*Question.* The fiscal year 2008 Consolidated Appropriations Act included \$14 million for the development of technical and information infrastructure required to determine risk of pilots and crews operating in the general aviation domain. The fiscal year 2009 budget does not continue funding for this effort. Why? The fiscal year 2008 budget assumption assumed funding for an additional 10 FTE's. What is the status of this effort? From what account and funding allocation are the 10 FTE paid for in fiscal year 2009?

*Answer.* The \$14 million is 2-year funding and will be split between fiscal year 2008 and fiscal year 2009 to support ongoing, and commence new, general aviation security initiatives that align with the agency's multi-layered approach to security. Approximately \$8 million will be obligated in fiscal year 2008 and the remaining \$6 million in fiscal year 2009.

TSA is currently developing a program to assist the agency in continuing its threat based, risk management approach to security. The 10 positions provided in the fiscal year 2008 budget will be funded over the next 2 years, thereby eliminating the need for additional funding in the fiscal year 2009 budget. Once implemented, the program will support TSA's layered approach to security by enhancing security measures and providing improved situational awareness of the general aviation security environment.

In fiscal year 2009, 10 Full-Time Equivalents will be funded from the Aviation Regulation and Enforcement Program, Project, Activity in the Aviation Security Appropriation using planned carry forward from the fiscal year 2008 appropriation.

*Question.* When the proposed transfer of VIPR and canine teams is backed out, the number of aviation inspectors is lower than budgeted in fiscal year 2006. Why is TSA reducing the number of ASI's when responsibilities have increased?

*Answer.* The Aviation Security Inspector (ASI) workforce was budgeted for 681 positions in fiscal year 2006. The fiscal year 2006 appropriation was insufficient to sustain this level, however, so the workforce was reduced to 657 in fiscal year 2007. The Transportation Security Administration (TSA) has maintained this position level since fiscal year 2007 and TSA's fiscal year 2009 budget request includes funding for 657 ASI positions (not counting Visible Intermodal Protection Response and canine teams).

#### *Risk-Based Security*

*Question.* TSA trumpets the 19 different security layers in place to protect the traveling public. Has there been an independent (non-DHS) assessment of these security layers to determine if they are adequate and that resources are properly distributed among them? If not, does TSA plan to undertake such an assessment?

*Answer.* The Transportation Security Administration (TSA) has had a host of independent analyses of the security layers and associated resources. In particular, the Government Accountability Office's analyses over the years were most recently summarized and provided on February 28, 2008, in testimony before the Subcommittee on Homeland Security, Committee on Appropriations, House of Representatives. TSA has not arranged any additional independent assessments.

## COAST GUARD

*Staffing*

*Question.* The Coast Guard Commandant recently stated that, “there is a limit to what the Coast Guard can do with a workforce that has not changed in 50 years, except to be reduced on occasion.”

Coast Guard responsibilities have exploded since 9/11, but a constrained workforce has limited its ability to fully accomplish its mission.

- Over the last 10 years, the number of Coast Guard marine inspectors decreased by 1 percent while foreign vessel arrivals increased by 61 percent.
- The Coast Guard fails to make required checks on critical infrastructure 33 percent of the time due to a shortfall of boats, crew, and training.
- The Coast Guard fails to make required escorts of high capacity passenger vessels 42 percent of the time due to a shortfall of boats, crew, and training.
- The Coast Guard’s capital budget has grown three-fold since 1998 to \$1.2 billion with almost no increase in acquisition staffing.
- Nearly 20 percent of the Coast Guard workforce is unable to use accumulated leave due to workload demands.

The fiscal year 2009 request would grow the Coast Guard’s workforce by less than 1 percent—just 344 new positions. Provide recommendations to increase staffing and necessary resources (by functional area) in fiscal year 2009 to ensure that all Coast Guard sectors have the personnel and resources to secure our ports, while enforcing our immigration, drug and environmental laws, and responding to emergencies. Provide a multi-year plan to address this staffing shortage.

*Answer.* Effective growth of the Coast Guard requires a managed approach. We are currently evaluating the number and characteristics (e.g., military vice civilian) of a right-sized force. The 2009 Budget provides for well-defined needs and does not constrain future human resource solutions.

Relating to a multi-year plan to address this staffing shortage, the Coast Guard has not yet completed the necessary human resource requirements analysis to enable projections at this time.

*Security of Dangerous Cargo*

*Question.* Last year, the Government Accountability Office concluded (GAO–08–141) that the Coast Guard lacks the necessary resources to meet requirements for protecting vessels and waterside facilities that contain hazardous substances, like Liquefied Natural Gas. In fiscal year 2008, Congress added \$29.4 million for additional staff and small boats to address this shortfall. GAO concluded that the Coast Guard is stretched too thin “to meet its own self-imposed security standards, such as escorting ships carrying dangerous cargo.”

Are you confident that all Coast Guard sectors have the necessary personnel and resources to secure dangerous cargoes as they enter our ports? Does the fiscal year 2009 request allow the Coast Guard to meet its own self-imposed security standards for vessels carrying dangerous cargo?

*Answer.* Not every Coast Guard Sector has all of the resources required to meet Coast Guard’s certain dangerous cargo (CDC) vessel security requirements, or all other critical infrastructure protection requirements under the Maritime Transportation Security Act; although resources are allocated through risk-based decision-making and the Coast Guard did meet its primary performance measure for its Ports, Waterways and Coastal Security mission. Funding provided in the Consolidated Appropriations Act of 2008 will help mitigate some of these resource gaps, but projected increases in the number of CDC vessels entering U.S. ports will increase the importance of risk management as Sectors struggle to meet increasing CDC vessel security demands.

The funding provided in the Consolidated Appropriations Act of 2008 and Fiscal year 2009 request would allow the Coast Guard to maintain its current level of certain dangerous cargo (CDC) vessel security capabilities.

During recent testimony, the Commandant said there are alternatives other than the Coast Guard to protect vessels containing dangerous cargo entering U.S. ports. Is the Coast Guard required by law, executive order, or another mandate to protect these vessels? Provide details on alternatives for protection. What is the Department’s position on this matter? Is the Department considering a shift in responsibility to local governments or contracted security?

*Answer.* The Coast Guard is not required by law to protect any specific vessel or class of vessel. Coast Guard efforts to provide security escorts for certain dangerous cargo (CDC) vessels are self-imposed requirements, put in place in the wake of the 9/11 attacks. CDC vessel security remains a shared responsibility with industry and



under 33 CFR 6.19–1, the primary responsibility for CDC vessel and facility security belongs to vessel masters, owners, operators, and agents.

There is both potential and precedent for non-Coast Guard protection of vessels containing dangerous cargoes both during the vessels' transit and pier side at certain dangerous cargo (CDC) facilities. Escorts of CDC vessels during port transits are often provided by the Coast Guard, from other Federal, State, or local agencies, or a combination of available governmental assets.

When a vessel is moored at a facility, protection at the terminal need not always be in the form of waterborne patrols and DHS believes shoreside forces should provide protection. Depending on the location and geographic constraints of the facility, protection may conceivably be provided through a combination of boat barriers (to demark a limited access area and prevent attack via Waterborne Improvised Explosive Device), cameras (for monitoring), and/or armed vessel response, provided by an appropriate combination of either government or private security forces.

Further examination and implementation of protocols and regulations would be required to ensure the proper use-of-force authority is established and there is a thorough de-confliction between Coast Guard and non-Coast Guard forces conducting security operations in close proximity to the port. We are commencing a dialogue with industry and other stakeholders to inform future national approaches to CDC security.

The Department's position is in accordance with 33 CFR 6.19–1, industry retains primary responsibility for the protection and security of such vessels or waterfront facilities. This position is supported by the Maritime Transportation Security Act of 2002, which requires vessel and facility owner/operators to prepare and submit security plans for deterring Transportation Security Incidents. While the Coast Guard and/or other government agencies have a role in protecting certain dangerous cargo (CDC) vessels, it is not the government's exclusive responsibility, and private industry must carry out their security responsibilities in accordance with 33 CFR 6.19–1.

The Department intends to continue to work with local governments and industry to maintain shared responsibility for certain dangerous cargo vessel security. We are committed to generating a national dialogue on the issue and believe the Coast Guard is best suited to coordinate development of recommendations for the way ahead.

#### *Port Security Operational Requirements*

*Question.* Provide a list of ports not meeting specific security requirements set forth in Operation Neptune Shield (such as harbor patrols and vessel escorts).

*Answer.* Operation Neptune Shield (ONS) requires the Coast Guard Sector Commander in each of the 55 ports to report on the degree to which ONS standards are met in up to 17 different types of operational activities (e.g., patrols, boardings, escorts, military outload support, as applicable to each port). In order to reach this perfect attainment level, support from other government agencies was required in six out of the seven ports. ONS is revised regularly. The most recent change to ONS allows the Operational Commander to focus on activities which mitigate the greatest risk.

Based on Operation Neptune Shield Scorecard data from CY 2007, seven of the 55 militarily and economically strategic ports reported 100 percent attainment for every ONS activity. The following 48 out of the 55 ports were not able to meet all ONS requirements:

|                    |                            |
|--------------------|----------------------------|
| Anchorage, AK      | Lake Charles, LA           |
| Apra Harbor, Guam  | Los Angeles/Long Beach, CA |
| Baton Rouge, LA    | Louisville, KY             |
| Boston, MA         | Memphis, TN                |
| Buffalo, NY        | Miami, FL                  |
| Charleston, SC     | Mobile, AL                 |
| Chicago, IL        | Morehead City, NC          |
| Cincinnati, OH     | Morgan City, LA            |
| Cleveland, OH      | New Haven, CT              |
| Corpus Christi, TX | New London, CT             |
| Detroit, MI        | New Orleans, LA            |
| Duluth, MN         | New York/New Jersey        |
| Galveston, TX      | Norfolk, VA                |
| Honolulu, HI       | Panama City, FL            |
| Houston, TX        | Pascagoula, MS             |
| Huntington, WV     | Pensacola, FL              |
| Jacksonville, FL   | Philadelphia, PA           |

Pittsburgh, PA  
 Port Arthur, TX  
 Port Canaveral, FL  
 Portland, OR  
 Providence, RI  
 San Francisco, CA  
 San Juan, PR

Savannah, GA  
 Seattle/Tacoma, WA  
 St. Louis, MO  
 Tampa, FL  
 Toledo, IL  
 West Palm Beach, FL  
 Wilmington, DE

#### *Alternatives Analysis*

*Question.* What are the Coast Guard's plans for examining recommendations contained in the Integrated Deepwater Systems Alternatives Analysis (AA), which was completed in February 2008? The AA made specific recommendations pertaining to the NSC, OPC, FRC, MRS, VUAV, and C4ISR.

*Answer.* The Coast Guard has examined the recommendations provided in the AA and has developed a Balanced Plan of Action (BPOA) to manage cost, schedule and performance risk. All three alternatives recommended (i.e., Baseline, Modified Baseline, and Managed Risk) support continuing current Coast Guard plans for the National Security Cutter (NSC), Offshore Patrol Cutter (OPC), Fast Response Cutter (FRC), and Medium Range Surveillance (MRS). The Coast Guard will therefore continue ongoing procurements of the NSC, FRC (contract selection ongoing) and MRS. Requirements for the OPC are being refined, with design work and analysis for this ship planned to begin in fiscal year 2009. The Coast Guard will also, as recommended, review the performance of the FRC-B and procure additional FRC-Bs once their actual capabilities are fully developed.

The Managed Risk Alternative recommended elimination of the Vertical Unmanned Aerial Vehicle (VUAV) to reduce cost while also recognizing a significant decrease in system performance. The Coast Guard will continue an ongoing study of VUAV/UAS (Unmanned Aircraft System) alternatives to determine the best approach to meet the VUAV maritime surveillance requirements. The Coast Guard considers the VUAV/UAS essential for optimum mission performance, and concurs with the AA that the Navy's Fire Scout VUAV project may be applicable to its needs.

The AA also recognized a range of Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance (C4ISR) alternatives. The Coast Guard Acquisition Directorate, as it assumes more of the lead systems integrator responsibilities, is working to identify the most efficient and effective path forward in terms of interoperable land, sea and air C4ISR systems. The Coast Guard agrees with the AA in that both near-term and long-term strategies are needed (in C4ISR and logistics) to integrate both legacy and new Coast Guard assets.

#### *Deepwater Budget*

*Question.* In the Consolidated Appropriations Act for fiscal year 2008, the Coast Guard received \$783 million for the Deepwater program, and in the fiscal year 2009 budget the Coast Guard requested an additional \$990 million for Deepwater. What assurances do we have that the Coast Guard can properly manage that large increase in requested fiscal year 2009 funds given the management challenges Deepwater has faced?

*Answer.* The Coast Guard is confident it is on the right course and positioned to manage the increase in funding for the Deepwater program. Deepwater is making significant progress in program execution through use of approximately \$1.2 billion obligated in fiscal year 2007.

Last summer, the Commandant enacted a reorganization of the Coast Guard's major acquisitions, which involved standing up the new Acquisition Directorate. This important initiative coupled with the implementation of program and oversight management reforms recommended by the Defense Acquisition University (as codified in the Coast Guard Blueprint for Acquisition Reform) are moving the Coast Guard forward in achieving real improvements in acquisition management. Working closely with the DHS Undersecretary of Management and Chief Procurement Officer, the Coast Guard is hiring top-notch professionals and improving training and certification.

The Coast Guard is applying its Major Systems Acquisition Manual guidelines to all projects falling under the Deepwater program and is seeing tangible results. Over the past year and a half, these acquisition program changes have resulted in the following significant accomplishments:

- The USCGC BERTHOLF (WMSL 750), the first of eight NSC's to be built, has successfully completed machinery and builders trials leading to delivery this spring. The Commandant states this will be the most capable cutter the Coast Guard will have ever commissioned. USCGC WAESCHE (WMSL 751) is nearly

50 percent complete, and the Coast Guard will cut steel for the third ship, USCGC HAMILTON (WMSL 752), this summer.

- The Coast Guard will be completing (note the date of this hearing is before the acceptance on 10 MAR 2008) Developmental Test and Evaluation (DT&E) of the Mission System Pallet for the first fully-missionized HC-144 Ocean Sentry maritime patrol aircraft this month and has five more under construction to add to the three already delivered. The Coast Guard has nearly upgraded the entire fleet of HH-65C helicopters with more powerful engines, and in January 2008, replaced the prior HITRON helicopters with these new assets equipped with airborne use of force (AUF) capability.
- The Coast Guard added new sensors and communication systems aboard 35 of the legacy medium endurance cutters last year and will do the same to five more if they receive the fiscal year 2009 request. The mission effectiveness project to sustain and refurbish their legacy fleet of 110-foot patrol boats and both classes of medium endurance cutters is on schedule, and they have actually reduced the time to complete each patrol boat at the Coast Guard Yard by approximately 3 months. The first of six newly-missionized C130J long range surveillance aircraft just successfully completed DT&E last week, and will enhance capabilities once it completes operational testing this year.

The Department has every confidence in Admiral Allen and his Chief Acquisition Officer, Rear Admiral Gary Blore, and their staff. The addition of three SES's to the Coast Guard's acquisition corps, the majority of whom come from the Department of Defense with years of experience, has helped them move leaps and bounds in the right direction. As I said earlier, the best indicators are the Deepwater assets serving in the Coast Guard air and sea fleets today. The contract awards of NSC #4 Long Lead Time material, additional HC-144A, and the Fast Response Cutter B will be very public and visible evidence of continued progress this summer.

Additionally, we're measuring progress in improving the Deepwater program through several strategies:

- Receiving the Deepwater Alternatives Analysis report, an example of a third-party review of a major acquisition program, that confirms that their basic procurement strategy remains valid for meeting mission requirements;
- Use of Earned Value Management (EVM) policies documented in the Coast Guard Major Systems Acquisition Manual (MSAM) for monthly analysis and reporting for oversight; internal review of financial data tracking to ensure data is accurate, complete, timely, and reliable; and
- Converting the Deepwater Performance Management System (DPMS) to the Acquisition Performance Management System (APMS), and the integration of the three USCG accounting systems into a complete Acquisition, Construction, and Improvement (AC&I) data set.

The Coast Guard's fiscal year 2009 budget was made with the awareness of what they can properly manage and obligate, moving Deepwater forward and continuing to provide the Coast Guard men and women with the assets they need to perform their critical missions.

The Department expects that continued progress will be made in Coast Guard acquisition management and I want to reiterate that we are confident the Coast Guard will appropriately, effectively and efficiently manage funding received.

#### *Marine Safety Program*

*Question.* Last year, the Coast Guard announced significant improvements to the Marine Safety Program. With regard to resources necessary to implement the enhancements, the Coast stated that it is currently developing the associated resource strategy. The budget includes a \$20 million increase for marine inspectors. What is the base budget for marine safety? What are the long-term needs for staffing and resources to fully address the Coast Guard's shortfall in this area?

*Answer.* The Coast Guard uses a tool known as the Mission Cost Model (MCM) to estimate budget authority allocations by mission program. The Coast Guard estimates approximately 8.7 percent or \$501.8 million of actual Operating Expense appropriation expenditures supported the Marine Safety mission in fiscal year 2007. This is the most accurate available estimate of program cost.

This amount does not include the Coast Guard's Marine Environmental Protection and Aids to Navigation missions.

The Coast Guard has developed a strategy that provides a vision and roadmap for improving the effectiveness, consistency, and responsiveness of the Coast Guard Marine Safety program to promote safe, secure, and environmentally sound maritime commerce. The Coast Guard will reinvigorate industry partnerships, improve mariner credentialing services, bolster inspector and investigator capacity, improve

technical competencies, and expand rulemaking capability to ensure that we meet current and future industry needs. Budgeted resources will be directed to:

- Improve the Coast Guard’s Marine Safety Capacity and Performance
  - Increase marine inspector and investigator capacity.
  - Strengthen marine inspection and investigation consistency through addition of civilian positions.
  - Increase accessions from U.S. Merchant Marine Academy and maritime institutions.
  - Strengthen Marine Safety career paths.
  - Expand professional Marine Safety training and education.
  - Expand opportunities for maritime industry training.
  - Enhance engineering capacity for plan review, policy and standards development.
  - Enhance Service Delivery to Mariners and Industry Customers
  - Establish Centers of Excellence.
  - Improve information technology systems.
  - Increase rulemaking capacity to meet regulatory implementation.
  - Improve credentialing through greater efficiency, transparency and capacity.
  - Expand Outreach and Advisory Mechanisms for Industry and Communities.
  - Establish Assistant Commandant for Marine Safety, Security, and Stewardship.
  - Establish a national council of maritime advisors for the Commandant.
  - Exercise leadership at international, national, regional, State, and local safety, security, and environmental committees.

*Foreign Port Inspections*

*Question.* According to recent GAO testimony, Coast Guard officials said they don’t have the resources or authority to directly assist countries with more in-depth training or technical assistance to improve security. Please describe resource shortfalls. What is the Coast Guard doing to address this problem?

*Answer.* Section 70109(b) of title 46, United States Code, directs the Secretary of the department in which the Coast Guard is operating, in cooperation with the Secretary of State, to provide a port security training program in foreign countries that are found under 46 U.S.C. § 70108 to lack effective anti-terrorism measures.

Based on the first round of the assessments, the Coast Guard is authorized to provide training to seven countries that were found to have ineffective anti-terrorism measures. A finding on effective antiterrorism measures is pending for seven additional countries. Presently, the Coast Guard has both adequate personnel and authority to provide such training in all foreign countries that are found under 46 U.S.C. § 70108 to lack effective anti-terrorism measures.

*Interagency Operational Centers*

*Question.* The SAFE Port Act called for the creation of interagency operational centers (IOCs) at high-priority ports. The fiscal year 2008 Consolidated Appropriations Act included \$60 million to begin the process of establishing these centers. The Coast Guard has estimated the full cost of these centers Coast Guard wide to be \$260 million. Why doesn’t the budget include funds for IOCs in fiscal year 2009 or in the capital out-years budget?

*Answer.* The President’s Request for fiscal year 2009 seeks funding for Command 21, the Coast Guard acquisition program to establish Interagency Operations Centers (IOC) capability at Coast Guard Sector Command Centers in “high priority” ports.

Additionally, the fiscal year 2009–13 Capital Investment Plan for Acquisition, Construction, & Improvement, included in the fiscal year 2009 President’s Request, reflects the following outyear funding estimates for Command 21:

[In millions of dollars]

| Command 21     | Fiscal year |      |      |      |      | Total            | Complete         |
|----------------|-------------|------|------|------|------|------------------|------------------|
|                | 2009        | 2010 | 2011 | 2012 | 2013 |                  |                  |
| AC&I CIP ..... | 1           | 9    | 10   | 10   | 10   | ( <sup>1</sup> ) | ( <sup>1</sup> ) |

<sup>1</sup>Total Acquisition Cost and Estimated Completion is under development with our Acquisition Program Baseline and will be provided as soon as approved by DHS.

The Coast Guard intends to administer Command 21 and Interagency Operations Centers as a consolidated acquisition project in future years.

### *Small Vessel Security*

*Question.* According to the budget, the Coast Guard and DNDO are in the early stages of deploying preventive radiation/nuclear detection (PRND) capabilities in the ports of Seattle and San Diego to detect radiation on small vessels. Provide more details on how these pilot projects will work. How much funding is being dedicated to these pilots from DNDO and Coast Guard? In what fiscal year were the funds for these pilots appropriated? When does DHS expect results from these pilots? Are there plans to expand these capabilities to other ports? If so, provide a schedule and port locations. Does the fiscal year 2009 budget include funds to continue or expand these pilots?

*Answer.* The pilot program is a 3-year effort to design, field and evaluate a radiation detection architecture that reduces the risk of radiological and nuclear threats that could be illicitly transported on recreational craft or small commercial vessels. The pilot is being organized and coordinated through each port's Area Maritime Security Committee (AMSC), in close coordination with the U.S. Coast Guard (USCG), Customs and Border Protection (CBP) and the Domestic Nuclear Detection Office (DNDO).

The pilot program explores the installation of advanced fixed-position sensors as well as methods of deploying human-portable and boat-mounted radiation and nuclear detection equipment with public safety forces during routine public safety and enforcement operations.

There are four phases to the pilot project:

- Initial Architecture Analysis
- Engineering Design
- Delivery of Capability/Initial Training and workshops,
- Assess & Document Lessons Learned

We can provide a briefing if further information is requested.

The pilots are funded by DNDO as follows:

- Fiscal year 2007—\$1.1 million
- Fiscal year 2008—\$4.1 million (estimated)
- Fiscal year 2009—\$11.4 million (requested)

Initial funds were provided to DNDO through the "Research, Development and Operations" appropriation in fiscal year 2007.

There are four phases to this pilot project in each port, and the pilot is currently in the Engineering Design phase in Puget Sound and Initial Analysis phase in San Diego. The fourth phase, Assess & Document Lessons Learned, will culminate in fiscal year 2010; however workshops and exercises will be conducted intermittently throughout the project.

There is one particular lesson readily apparent from the efforts that are underway in both Puget Sound and San Diego. There needs to be greater awareness about the potential threat of a small vessel smuggling weapons of mass destruction, and the vulnerability of these ports to radiation/nuclear smuggling or a direct attack. This pilot project, along with other Department of Homeland Security Small Vessel Security initiatives, is an important step in expanding the education of, and communication and coordination with, the small vessel community and local public safety officials.

There is currently no intention to conduct additional pilot projects beyond the existing scope of Puget Sound and San Diego. The fiscal year 2009 President's Budget Request for DNDO includes \$11.412 million to continue these pilots.

### *Financial Management*

*Question.* The Inspector General reported that the majority of the department's material weaknesses in internal control are attributable to conditions existing at the Coast Guard. The Commandant recently testified that corrective action plans are in place to remedy ongoing material weaknesses. What steps are being taken by the Coast Guard's to improve these weaknesses?

*Answer.* The Coast Guard's plan to achieve financial statement audit readiness, per Admiral Allen's testimony on March 5, 2008, will be delivered to the appropriations committee in April 2008.

### *Polar Icebreakers*

*Question.* In a speech to the Surface Navy Association's annual conference on January 16, 2008, Coast Guard Commandant Thad Allen called for a national dialogue on U.S. national security interests in the Arctic. Two of the three Coast Guard icebreakers are well beyond their expected mission life. The POLAR STAR is in caretaker status and the POLAR SEA has approximately 7–10 years of service life remaining. The budget includes no funding to bring the POLAR STAR out of caretaker status nor does it request funds to build a new icebreaker. Given that it would

take approximately 10 years to build a new icebreaker, what is the President's policy for replacing or maintaining the Coast Guard's aging icebreakers?

Answer. The administration is currently conducting a review of our national Arctic policy. A national policy must precede a mission needs statement and any investment in existing or new icebreakers. POLAR SEA's recent overhaul is expected to extend her service life through 2014. POLAR STAR remains available for reactivation from caretaker status.

UNITED STATES SECRET SERVICE

*Question.* The Secret Service has developed respectable competencies with regard to cyber crime and security. It is surprising that no additional funding was requested for Secret Service efforts, given the current threat. Why were no additional resources requested?

Answer. The fiscal year 2009 budget also allows the Secret Service to continue to vigorously pursue criminals who engage in counterfeiting and financial and electronic crimes. The Agency will maximize the use of the agency's resources, particularly during the presidential campaign and post-election activities, and continue to investigate cases that have a significant impact on our communities and on those that pose the greatest risk to our Nation's critical financial infrastructure. Over the years, the Secret Service has established a national network of 24 Electronic Crimes Task Forces and 29 Financial Crimes Task Forces in major metropolitan areas across the United States. These task forces leverage the combined resources of our Federal, State, and local law enforcement partners, as well as technical experts from academia and private industry, in an organized effort to combat threats and effectively investigate crimes directed at our critical infrastructure. Collaboration between law enforcement and the private sector is critical to the Secret Service's preventative approach to financial and electronic crimes. The Secret Service also builds partnerships with academia to ensure that the agency's workforce is on the cutting edge of technology by leveraging the research and development capabilities of teaching institutions.

To provide its special agents with the advanced skills needed to identify and address cyber vulnerabilities, the Secret Service established the Electronic Crimes Special Agent Program (ECSAP) in 1987. Agents trained through ECSAP are computer specialists, qualified to conduct network intrusion investigations and forensic examinations of various types of electronic evidence, including computers, personal data assistants (PDAs), telecommunications devices, electronic organizers, and other electronic media. As of the end of fiscal year 2007, the Secret Service had approximately 770 ECSAP-trained agents assigned to more than 85 offices worldwide.

Recognizing the value of this program, the Secret Service expects to have over 1,000 ECSAP-trained agents by the end of fiscal year 2008. Further, the Secret Service will have a key role in the implementation of the administration's cybersecurity initiatives, as outlined in the recent Presidential directive addressing the administration's cybersecurity policy.

*Question.* Secret Service has encountered cyber criminals who have assembled vast databases of credit card numbers and other financial information. Are you concerned that terrorists or hostile nations could leverage this criminal activity to attempt to destabilize our banking system?

Answer. The Secret Service is currently conducting numerous undercover cyber investigations based in Eastern Europe that target suspects involved in various illegal activities to include the manufacturing, purchase, sale, and exploitation of various financial instruments and personnel identification information. Eastern European hackers currently pose the biggest threat to the U.S. banking system and financial infrastructure. To date, these hackers have been content to steal information at a pace which does not destabilize our banking industry; however, these hackers can cause significant financial damage to thousands of individuals in a short amount to time.

In mid-2007, one such Secret Service investigation resulted in the identification and arrest of a foreign national who was a large-scale trafficker of stolen identities and financial account information. This individual routinely conducted sales of hundreds of thousands of stolen account numbers. Through this investigation, another foreign national was identified as a primary co-conspirator and supplier of stolen information and account numbers. Evidence indicated that this second foreign national was actively involved in multiple data breaches involving millions of credit card accounts.

Based on this information, and through ongoing Secret Service investigations, indictments were issued for the second target. Recently, this second individual was arrested with the cooperation of international law enforcement authorities. Extra-

dition proceedings have commenced for this individual who has been linked to intrusions resulting in losses exceeding \$100 million.

On a larger scale, though not for financial gain, Russia-based hackers used a worldwide botnet of approximately 1 million hijacked computers to flood Estonian private industry and government websites and e-mail systems with hits and messages. The cumulative effect of this malicious botnet, which was launched to make a political statement, was an information overload and temporary shutdown of Estonia's computer networks.

As these examples show, it is possible that Eastern European hackers could unite and attempt a coordinated attack on the U.S. banking system. This attack could have severe short-term consequences such as the disruption of financial services and a drop in consumer confidence in the security of financial transactions.

While Asian-based hackers have been targeting U.S. government computer networks for years, the Secret Service has also seen interest from these hackers in infiltrating the U.S. banking system. This potential threat should be closely monitored and a swift response should be taken if evidence shows that these hackers start to aggressively target any part of the U.S. financial infrastructure.

*Question.* What agency is/would be responsible for studying and mitigating such a potential threat? What percentage of credit card activity is estimated to be fraudulent? What percentage of debit card activity is estimated to be fraudulent?

*Answer.* The Secret Service has taken a lead role in investigating and dismantling international networks of online cyber criminals with a focus on its core jurisdictions of investigating financial crimes, to include access device fraud, computer fraud, and identity theft.

The Secret Service has adapted its traditional investigative techniques into the virtual world of cyber space, which has no international boundaries or time constraints. The Secret Service protects the financial infrastructure of the United States by investigating offenses involving identity theft (18 USC 1028), access device fraud (18 USC 1029) and computer crimes (18 USC 1030).

In areas of concurrent investigative jurisdiction with the Federal Bureau of Investigation (FBI) (e.g., access device fraud, identity fraud, computer crime), the Secret Service and the FBI abide by a Memorandum of Understanding (MOU). As stated in the purpose section of the MOU, "The intention of this agreement is to promote efficiency of operation, prevent the overlapping and duplication of investigative responsibilities and to avoid confusion . . . concerning the appropriate agency to contact regarding possible violations of respective statutes." Secret Service investigators work in partnership with State and local law enforcement agencies. While a mutual interest and benefit exists for all agencies involved, the work is not duplicative because the Secret Service and State and local agencies consult with one another to investigate a case once, instead of multiple agencies investigating the same case(s) simultaneously.

Due to the complexity and reluctance of reporting internal fraud losses that are sustained by financial institutions, credit card companies, and retail corporations that issue credit cards, ascertaining an accurate percentage of fraudulent credit card activity has proven to be difficult. As a result, a reportable percentage is not available.

In fiscal year 2007, the Secret Service arrested over 4,300 suspects for financial and electronic crimes violations. These suspects were responsible for approximately \$690 million in actual fraud loss to individuals and financial institutions, with an estimated potential fraud loss of \$4.35 billion.

For debit cards and for the same reasons discussed in the response to the previous question, ascertaining an accurate percentage of fraudulent debit card activity is also difficult. However, despite this difficulty, and based on the evidence gathered in access device fraud investigations, it is fair to say that credit card account information and debit card account information is stolen with similar ease. In other words, a consumer is not more vulnerable to the theft of account information using a credit card as opposed to a debit card, or vice versa. The vulnerability of the consumer lies in the source of the funds to which an identity thief is given access with the stolen account information, such that, with debit card account information, an identity thief can directly deplete a consumer's checking account.

*Question.* What efforts, if any, are underway to avoid this?

*Answer.* Investigative efforts of the Secret Service focus on education, prevention, detection, mitigation, and aggressive investigation of cyber attacks on our Nation's financial payment systems and critical infrastructures.

The Secret Service has responsibility within the DHS to conduct cyber and electronic crimes investigations. To protect the United States financial infrastructure from cyber threats, the Secret Service operates the following programs:

—Electronic Crimes Special Agent Program (ECSAP)

- Electronic Crime State and Local Program (ECSLP)
- Electronic Crimes Task Forces (ECTF)
- Criminal Intelligence Section (CIS)

ECSAP agents are trained to respond to network intrusions and conduct forensic examinations on electronic evidence obtained from computers, personal data assistants, electronic organizers, telecommunications devices, and other forms of electronic devices.

The Electronic Crime State and Local Program (ECSLP) was designed to train State and local officers as certified computer forensic specialists and network intrusion responders.

The ECTF program focuses on the prevention, detection, mitigation, and aggressive investigation of cyber attacks on our Nation's critical infrastructure and financial payment systems. ECTFs identify and address potential cyber vulnerabilities before the criminal element exploits them. This proactive approach has successfully prevented cyber attacks that otherwise would have resulted in large-scale financial losses to U.S. based companies or disruptions of critical infrastructure.

CIS collects, analyzes and disseminates data in support of Secret Service investigations, domestically and overseas, and generates new investigative leads based upon this intelligence. The CIS penetrates, disrupts, and dismantles online criminal networks.

*Question.* The budget proposes earmarking protection for the Vice President once he leaves office. Protection for the former Vice President is important, but why is this earmark necessary given every modern Vice President has received such protection in the past without a similar carve out?

*Answer.* Secret Service protection for former vice presidents is not without precedent. There were time limited (up to 6 months) provisions for extended protection for former Vice Presidents Gore, Quayle, Mondale, Rockefeller, Agnew, and Humphrey. In some cases, protection was extended for spouses and children. The method for extending Secret Service protection in these cases was Executive Memoranda or a Joint Resolution of Congress.

The Secret Service is not currently authorized to extend protection to vice presidents. The provision to extend protection for the current Vice President and Mrs. Cheney, and future vice presidents and their spouses, was included in the President's fiscal year 2009 budget in an effort to be transparent about the need for such authority.

*Question.* Why weren't resources included in the request to cover such protection?

*Answer.* No resources were requested because no authority existed at the time for providing post-term protection to the Vice President. Also, because of the pre-existing practice of protecting former Vice Presidents, this activity was already budgeted for in Base resources.

*Question.* Where would the Department propose to make up any shortfall caused by the earmark?

*Answer.* The current budget does provide funding for protection of the former Vice President. However, depending on the amount of time protection is provided to the Vice President after he leaves office, providing this protection may or may not create any budgetary problems for the Secret Service. To the extent that it did cause significant funding problems, it may require a reprogramming of funds—either within the Secret Service or elsewhere within the Department.

*Question.* Why does the Department earmark resources for the National Center for Missing and Exploited Children? This is a worthy cause and I support earmarks of this nature, but the administration has made quite a fuss about earmarking and it is unclear why this is an exception. Why is this an exception? Would it not make more sense to compete this grant?

*Answer.* The provision of resources for the National Center for Missing and Exploited Children has been done for the past 12 fiscal years. It began with the Omnibus Consolidated Appropriations Act of 1997 when the Congressional Appropriations Committees provided \$1,400,000 to the Secret Service from the Violent Crime Trust Fund to be available for a grant for activities related to investigations of missing and exploited children. The Conference Report accompanying this appropriations act indicated that, ". . . of this amount, \$400,000 is for two additional full time employees within the Secret Service to target child exploitation and pornography; \$765,000 is dedicated for a grant to the National Center for Missing and Exploited Children (NCMEC) to establish an Exploited Child Unit, and \$235,000 is provided to support the training of additional volunteers through NCMEC's Project ALERT. The conference agreement assumes funds of \$1.2 million through the Secret Service Salaries and Expenses appropriation for the 2nd and 3rd years of operating the Exploited Child Unit at the NCMEC."



As indicated, the appropriations language for the Service's Salaries and Expenses appropriation for fiscal year 1997 contained verbiage indicating, . . . of which \$1,200,000 shall be available as a grant for activities related to the investigations of missing and exploited children and shall remain available until expended."

In the Treasury and General Government Appropriations Act of 1998, the Congressional Appropriations Committees placed resources for investigations of missing and exploited children in the funding provided to the U.S. Secret Service from the Violent Crime Reduction Trust Fund: "For activities authorized by Public Law 103-322, to remain available until expended, which shall be derived from the Violent Crime Reduction Trust Fund, as follows: (1) As authorized by section 190001(e), of which . . . \$2,571,000 for forensic and related support of investigations of missing and exploited children, of which \$571,000 shall be available as a grant for activities related to the investigations of exploited children and shall remain available until expended". The Conference Report stated accompanying this appropriation stated: "In fiscal year 1997, the Committees provided start up costs for the operation of the Exploited Child Unit at the National Center for Missing and Exploited Children as well as sufficient funds for the operation of this unit through fiscal year 1999. The Committees have had the opportunity to review the work of this Unit and are pleased with the progress being made in the integration of investigations of exploited children with investigations being conducted through the National Center for Missing and Exploited Children in recovering missing children. The conferees wish to express continued support for the work of this Center as well as the cooperation being provided by the Secret Service through the use of forensic technologies. The conferees provided an additional \$571,000 for the operation of the Exploited Child Unit of the National Center for Missing and Exploited Children and encourages (sic) the Center to provide the Committees with periodic status reports of its investigative efforts."

Similar language was included in both the Omnibus Consolidated and Emergency Supplemental Appropriations Act of 1999, and the Treasury and General Government Appropriations Act of 2000, also with the funding coming from the Violent Crime Reduction Trust Fund, and with the grant amounts set at \$1,196,000 and \$2,200,000, respectively. The Conference Report for the fiscal year 1999 appropriation stated: "Of the amounts provided for missing and exploited children, the conferees agree to provide \$1,196,000 for the continued operations of the Child Exploitation Unit at the National Center for Missing and Exploited Children." Likewise, the Conference Report for the fiscal year 2000 appropriation indicated that the funding provided includes "\$2,200,000 for grant assistance for the Exploited Child Unit of NCMEC."

In the Consolidated Appropriations Act of 2001, the verbiage providing grant funding was returned to the appropriations language for the U.S. Secret Service, and read as follows: " of which \$3,633,000 shall be available as a grant for activities related to investigations of exploited children and shall remain available until expended." The House and Conference Committee reports were silent on the funding for investigations of missing and exploited children; however, the Senate Report indicated "The Committee has included \$3,196,000 for the Service's operation costs of the exploited child unit, associated with its continued efforts with the National Center for Missing and Exploited Children, including \$1,196,000 for activities related to investigations of exploited children."

Likewise, similar verbiage has been included in the appropriations language for the Secret Service, and the Conference Reports accompanying these appropriations for fiscal year 2002 through fiscal year 2007, with the following amounts in grant funding specifically provided by the Congress for the National Center for Missing and Exploited Children:

- Fiscal year 2002—\$3,009,000
- Fiscal year 2003—\$4,583,000
- Fiscal year 2004—\$5,000,000
- Fiscal year 2005—\$5,000,000
- Fiscal year 2006—\$5,500,000
- Fiscal year 2007—\$6,000,000

#### PROTECTION, PREPAREDNESS, RESPONSE AND RECOVERY

##### NATIONAL PROTECTION AND PROGRAMS DIRECTORATE

*Question.* Last year, the President signed into law new authority for the Department of Homeland Security to regulate ammonium nitrate. To date the Department has not notified the Committee of any actions it might take to enforce the new law, nor does the Department request resources in fiscal year 2009 to do so. Does the

Department intend to regulate this chemical? If so, when might the Committee expect to see an implementation plan, including resource requirements to do so?

Answer. This requirement is found in the Consolidated Appropriations Act, 2008, Division E—Department of Homeland Security Appropriations Act, 2008, Title III—Protection, Preparedness, Response, and Recovery, under Infrastructure Protection and Information Security and is related to a request in the Joint Explanatory Statement to Accompany Consolidated Appropriations Amendment report. The request in the Joint Explanatory Statement includes:

“ . . . statutory provision establishing a registration system for producers, sellers, and purchasers of ammonium nitrate, as proposed by the Senate. Within 60 days of enactment of this act, the Deputy Under Secretary for Protection and Programs is directed to provide the Committees on Appropriations a plan to implement this new provision, including an analysis of the resources required to do so, and a proposal for reallocating funding within the National Protection and Programs Directorate budget to fund this initiative.”

DHS is working on a preliminary informational document to provide the scope of effort and the estimated resource requirements. Additional time is required to complete a more detailed concept of operations and an implementation strategy to establish a national level registration system for Ammonium Nitrate.

*Question.* To date, the Department has taken no action to change its chemical site security regulations to reflect that preemption is no longer assumed, even though President Bush signed this clarification into law on December 26, 2007. When can I expect to see a change in the regulation to reflect the law?

Answer. The Department does not plan to change the Chemical Security regulation. The rule itself establishes a process to receive requests for opinions on preemption questions.

*Question.* I see in your written statement that one of the Department's key accomplishments was establishing the new National Computer Forensics Institute in Hoover, Alabama. This administration earmark had surprised many of us in Congress, particularly since the earmarked resources hadn't been specifically requested. Are there any other facilities or programs the Department intends to earmark through administrative policy in fiscal year 2008 or fiscal year 2009?

Answer. The establishment of the National Computer Forensics Institute (NCFI) and the agreement with the City of Hoover, was not an earmark. The placement of NCFI in Hoover was initiated only after internal analysis and cost-benefit review showed that other Federal locations and options could not meet the requirements for the Institute. The facility was not an administration earmark, and by policy the administration has not earmarked facilities or programs in either fiscal year 2008 or 2009.

*Question.* According to the 9/11 Commission, information sharing is a critical to the success of defending the Nation from terror. I support the fostering of information sharing. I note there are a number of technologies and infrastructures that have been built and are proposed for construction that will putatively aid information sharing, however; it is unclear how these technologies fit together and whether they truly aid rather than overwhelm end users.

Please provide a copy of any Department-wide information sharing strategic planning documents.

Answer. DHS is the process of finalizing an Information Sharing (IS) Strategy for the Department of Homeland Security, a copy of which will be provided upon its completion. The strategy is designed to provide high level guidance for all DHS information sharing efforts. A critical capstone document, it sets forth a transformation statement and outlines the guiding principles, critical challenges, objectives, information sharing standards and security, performance measures, and communications for improving information sharing. The strategy will help implement the “One DHS” vision and priorities for information sharing. It supports and reinforces the National Strategy for Information Sharing released in October 2007, the updated 2007 National Strategy for Homeland Security, and the November 2006 Implementation Plan of the Program Manager for the Information Sharing Environment.

A copy of the Secretary's memorandum establishing “One DHS” for information sharing follows:

## MEMORANDUM

FEBRUARY 1, 2007.

MEMORANDUM TO: All Department of Homeland Security Components  
FROM: Secretary Michael Chertoff  
SUBJECT: DHS Policy for International Information Exchange and Sharing

In order to promote a united, Department-wide information-sharing environment, it is critical that each DHS component gives the highest priority to the sharing of potential terrorism, homeland security, law enforcement, and related information.<sup>1</sup> DHS personnel must have timely access to all relevant information they need to successfully perform their duties. Therefore, absent any legal prohibitions as set forth by the Department's General Counsel, information shall be shared within DHS whenever the requesting officer or employee has an authorized purpose for accessing the information in the performance of his or her duties,<sup>2</sup> possesses the requisite security clearance, and assures adequate safeguarding and protection of the information. Furthermore, all DHS components are considered part of one "agency" for purposes of the Privacy Act 5 U.S.C. § 552a(a)(1), (b)(1). No DHS component should consider another DHS component to be a separate agency for information-sharing purposes.

The Assistant Secretary for Intelligence and Analysis is the DHS official responsible for assessing and analyzing all terrorism, homeland security, and related law enforcement and intelligence information received by the Department. As such, I direct that each component conduct an immediate review of its existing information-handling procedures and ensure that appropriate mechanisms are in place to provide the Office of Intelligence and Analysis (I&A) with access to all potential terrorism, homeland security, law enforcement, and related information, including foreign intelligence information.<sup>3</sup> Like all DHS components, I&A likewise is under an obligation to share information in its possession appropriately across the Department. To facilitate this and other homeland-security-related information-sharing activities, each component's information sharing action officer should be prepared to work with I&A and the coordinating principals of the Offices of Policy and Operations, as well as the Chief Information Officer, which shall constitute the DHS Information Sharing Governance Board.

Additionally, I direct all DHS components, with the Chief Information Officer, to ensure that each DHS employee has access to all information pertinent to his or her responsibilities. DHS must move to standardize the technology used to describe, access, exchange, and manage information in our automated systems, so that we and our partners can easily locate and effectively use the most current and complete data available in support of our vital missions.

No component of DHS shall promulgate information-handling guidelines or enter into agreements that are inconsistent with any aspect of this policy, unless otherwise and expressly authorized by the Secretary. The presumption is that information will be shared, not hoarded. Furthermore, each internal or external information-sharing agreement to which any DHS component already may be a party, even if entered into prior to the Department's creation, shall be interpreted consistent with this policy, to the extent the terms of the agreement permit such an interpretation. As such, I direct all components, in coordination with the Office of the General Counsel, to take immediate steps to amend any existing agreement, procedure, or guideline that is not capable of being interpreted consistent with this policy, or that otherwise does not facilitate the sharing of information with other components.

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<sup>1</sup> "Terrorism information" means all information relating to the existence, organization, capabilities, plans intentions, vulnerabilities, means of finance or material support, or activities of foreign or international terrorist groups or individuals, domestic groups or individuals involved in terrorism, to threats posed by such groups or individuals to the United States, United States persons, or United States interests, or to those of other nations, or to communications between such groups or individuals, and to information relating to groups or individuals reasonably believed to be assisting or associating with them.

<sup>2</sup> In some circumstances, DHS personnel will have "an authorized purpose for accessing the information in the performance of [their] duties" if their responsibilities necessitate access to an individual piece of information. In other circumstances, DHS personnel will have the requisite authorized purpose if their responsibilities necessitate access to an entire class or category of information.

<sup>3</sup> "Terrorism information" is defined in footnote 1. "Homeland-security information" has the same meaning as in Section 892(f)(1) of the Homeland Security Act of 2002. As used in this directive, "law enforcement information" refers to law enforcement information relating to terrorism or the security of our homeland. "Foreign-intelligence information" means information relating to the capabilities, intentions, or activities of foreign governments or elements thereof, foreign organizations, or foreign persons, or international terrorist activities.

From this point forward, information-access and -sharing agreements with outside entities will be negotiated and entered into on behalf of the Department as a whole, not on behalf of an individual DHS component.

In order to establish a central repository of all such agreements, each DHS component is directed to provide copies of all information-access and -sharing agreements, including and indicating those referenced in the previous paragraph, to the DHS Executive Secretariat by February 15, 2007. With each submission, the component shall clearly indicate whether it believes the agreement is compliant or non-compliant with this policy and, if compliant, with which other components the information is shared.

It is critical to the security of our Nation that we share information in an environment that is free of unnecessary limitations or constraints. But while doing so, we must ensure the integrity of ongoing law enforcement and intelligence investigations. We must also ensure that DHS's information-sharing practices are conducted in a manner consistent with the law, including Federal privacy and civil rights laws. To that end, the Office of General Counsel, the Privacy Office, the Office for Civil Rights and Civil Liberties, and the Information Sharing Governance Board will continue to work closely with DHS components and monitor their information-management processes to ensure that privacy, civil rights and civil liberties, and other legal protections are fully respected.

Finally, if any components experience data-access denials or delays which they are unable to resolve, they are to bring the matter to the attention of the Information Sharing Governance Board, Deborah Draxler (I&A) at 202-282-8516, or Jonathan Frenkel (Policy) at 202-282-8478. Further direction will be forthcoming on the implementation of the policies, programs, and procedures described herein, including those relating to the Information Sharing Governance Board.

*Question.* How are information sharing requirements between agencies and Departments coordinated and prioritized?

Answer. Information sharing requirements can be categorized into two groups: tactical data-centric standards, protocols, and design principles; and information sharing business needs.

The detailed, data-centric requirements and standards for information sharing are coordinated through the DHS/Chief Information Officer's Enterprise Data Management Office EDMO and Enterprise Architecture (EA) Program Office, the Office of Intelligence & Analysis's (I&A's) Information Sharing and Collaboration (IS&C) Branch, and a number of cross-agency and cross-Departmental working groups such as the National Information Exchange Model Program Management Office (a partnership between the Department of Justice and DHS) to define Federal information exchange standards and processes. These requirements are then prioritized and incorporated into the DHS EA through the Enterprise Architecture Center of Excellence and ultimately the Enterprise Architecture Board.

The process for coordination and prioritization of information sharing to meet DHS business needs is maturing. DHS has established a three-tiered information sharing governance structure to identify information sharing gaps and be the decision making and action body for all information sharing issues. The governance structure is comprised of the Information Sharing Governance Board (ISGB), an executive steering committee, the Information Sharing Coordinating Council (ISCC), an action body, and Integrated Project Teams, formed to research specific issues. The ISGB is chaired by the Under Secretary for Intelligence & Analysis, who has been given the authority for information sharing across the Department. The ISCC, which is chaired by the Chief, I&A/IS&C, is comprised of action officers representing all DHS components and offices on information sharing issues. Supporting the ISGB and the ISCC, are Shared Mission Communities (SMCs). SMCs are cross-departmental forums that address barriers and requirements for information sharing for missions that span multiple DHS components (e.g. law enforcement).

A major responsibility of this information sharing governance structure is the identification and resolution of information sharing requirements—both internal to DHS and between DHS and other departments and agencies. ISGB actions focus on needed policy changes and the establishment of Information Sharing and Access Agreements (ISAAs) to promote and implement information sharing. For information sharing requirements which require information technology investment decisions, the process is under development for the ISGB to provide prioritized input into DHS program, budget, and acquisition decision processes.

*Question.* What are the major information sharing gaps currently identified (and which planning body has made this identification)?

Answer. The Performance Budget Overview ISAA Measure identifies the percentage of component-to-component relationships documented through ISAAs. In 2007, DHS Components confirmed that 116 of 166 critical component-to-component information sharing relationships were documented with agreements (70 percent). The information sharing governance structure is currently working with individual DHS components to develop ISAAs, where needed, to promote better information sharing.

The SMCs (described above) are currently being established and will be the focus for identifying information sharing gaps both within DHS and with external departments and agencies. The Law Enforcement Shared Mission Community (LE-SMC) is the first SMC to be established. It is currently working to identify information sharing gaps specific to law enforcement. Once identified, the LE-SMC will make recommendations to the ISCC and the ISGB on changes in policy, processes, and/or information technology required to address these gaps. Other potential SMCs which have been identified include Critical Infrastructure & Risk, Intelligence Enterprise, Incident Management, Border Security, and Transportation. Similar to the LE-SMC, these SMCs will be responsible for identifying information sharing gaps in their specific mission areas and make recommendations on any needed changes in policy, processes, and information technology to the ISCC and ISGB.

*Question.* How does the proposed National Command and Control Capability address any identified gaps in these planning documents?

Answer. NCCC Initial Operating Capability (IOC) will provide classified and unclassified, mobile and fixed communications capability such as video teleconferencing (VTC) as well as basic information-sharing tools such as email and phone directories, web browsing, and access to government portals such as the Homeland Security Information Network. The National Command and Coordination Capability (NCCC) uses existing programs to connect the White House, Federal agencies and key Federal operations centers, and State decision makers. In addition to Federal locations, the goal is to put the NCCC in 56 Governors' offices, 56 State Emergency Operations Centers, and key State fusion centers as part of the IOC.

NCCC IOC will also provide assured secret level and sensitive but unclassified reliable voice and data in the mobile environment to the 91 principals, the President, and Vice President of the United States.

*Question.* What will the total cost of the National Command and Control Capability be when it has achieved its final operational capability?

Answer. The objective of the National Command and Coordination Capability (NCCC) Full Operational Capability (FOC) is to improve key decision makers' crisis-management ability at all levels of government. The projected 8-year cost estimate (fiscal years 2007–2014), which will complete Initial Operating Capability (IOC) phase of the project and establish FOC capabilities is approximately \$400 million. However, it should be noted that other Federal agencies will absorb the cost of NCCC deployment within their base budgets and that DHS will seek funding solely for its internal deployment, system operation and maintenance and deployment to State locations. The FOC goal of providing better tools and access to information for key decision makers will be accomplished by collaborating across the various levels of government to identify existing applications (e.g., Department of Defense [DOD] crisis management situation awareness tools) that can augment the IOC capability; and leveraging the Director of National Intelligence, DOD, and Department of Homeland Security data strategies to make more information available to all levels of government. Further definition of FOC will be based on future budget cycles and approved user requirements.

*Question.* Cyber security has taken on enhanced importance in view of the increased threat. According to the unclassified, Annual Report to Congress on Foreign Economic Collection and Industrial Espionage—2005, prepared by the Office of the National Counterintelligence Executive. Foreign collection efforts have hurt the United States in several ways. The technology losses have:

- Eroded the U.S. military advantage by enabling foreign militaries to acquire sophisticated capabilities that might otherwise have taken years to develop.
- Undercut the U.S. economy by making it possible for foreign firms to gain a competitive economic edge over U.S. companies.

Meanwhile, DHS defensive efforts appear solely aimed at helping secure government networks. Also, much of the information regarding the threat is classified.

Does the Department believe that those responsible for defending private infrastructure, such as the banking and finance sector, have all the information they need to appropriately defend themselves against the cyber threat?

Answer. Security partners responsible for defending critical infrastructure and key resources (CIKR), including private-sector owners and operators and government departments and agencies, are increasingly receiving information on cyber threats and vulnerabilities to defend their networks more effectively. As part of the

National Cyber Security Division's (NCSA's) collaborative engagement with private-sector owners and operators, we conduct regular quarterly meetings with Information Technology Sector security partners to develop, review, and exchange strategic and tactical intelligence information and improve processes for sharing information. In addition to these regular meetings, NCSA conducts ad-hoc meetings with security partners across the critical infrastructure sectors as needed to share actionable information.

For example, in late November 2007, the United States Computer Emergency Readiness Team (US-CERT) issued both a Critical Infrastructure Information Notice (CIIN) and a similar Federal Information Notice (FIN) that alerted industry and Federal partners to ongoing cyber attacks intended to compromise their systems. These notices included indicators of cyber threats that, if detected, could be used to identify and track malicious cyber activity targeting networks and data. Following the CIIN and FIN release, NCSA coordinated meetings at both the classified and unclassified levels with multiple security partners to discuss the threat, including cyber CIKR security partners through the Cross-Sector Cyber Security Working Group (CSCSWG). The CSCSWG includes private- and public-sector security partners with cyber security expertise from each of the 17 CIKR sectors. The group was established under the Critical Infrastructure Partnership Advisory Council following development of the Sector Specific Plans to facilitate further the identification of systemic cyber risks and mitigation strategies for the Nation's CIKR sectors. NCSA has had several Federal, State, and private-sector organizations report that they were able to detect intrusions to their networks based on the information provided. In January 2008, we also shared a Cyber Intelligence Note from the Department's Office of Intelligence and Analysis discussing cyber attacks on control systems overseas.

These two examples highlight the Department's ongoing commitment to sharing timely and actionable cyber intelligence information with our security partners. Our efforts have improved information sharing in the last year, and we need to continue to enhance our capabilities to provide useful information and to expand our reach to more partners that manage the security of our networks.

*Question.* How is that information being shared if it is classified?

*Answer.* The National Cyber Security Division (NCSA) regularly conducts meetings with cleared information technology and cross-sector cyber security partners to share classified information. In addition to these meetings, we maintain a "read-file" of current classified documents in a secure facility, which cleared security partners can access and review by scheduling time with NCSA counterparts. The read-file, which was established in November 2007, currently contains eight classified documents and 14 "For Official Use Only" documents. To share classified information beyond the Washington, DC, metropolitan area, we have conducted classified teleconferences and secure video teleconferences, and we are continually exploring additional mechanisms. These mechanisms are only effective if appropriate policy and operational decision makers have the necessary clearances to receive the information they need to protect their networks. As such, the Department also sponsors clearances for select sector security partners under the National Infrastructure Protection Plan Sector Partnership Framework.

*Question.* What is the "end game" or target environment envisioned by the completion of the cyber initiative? How are you measuring to know when you achieve it? What are the interim steps to achieving the target environment and how will you measure incremental progress?

*Answer.* It is essential that we take proactive measures to enhance the security and resiliency of the information technology systems and networks on which our economy, critical infrastructure, and national security rely. The global threats to our cyber infrastructure are increasing through the exploitation of vulnerabilities facilitated by the widespread availability of tools, techniques, and information. These threats and activities are growing more sophisticated, more targeted, and more prevalent.

The Cyber Initiative is a coordinated Federal effort to defend the Nation's critical networks and systems. The Cyber Initiative, which calls for programs such as the Trusted Internet Connections (TIC) initiative and enhancements to the Einstein program, enables strategic, cross-agency cooperation to engage in activities to improve Federal Government cyber security. These activities will increase capabilities to monitor, detect, and address cyber threats, and help to improve network security, the resilience of critical electronically delivered government services, and the survivability of the Internet.

First, the reduction of external connections through the TIC initiative will provide the ability to establish a central oversight and compliance function. Current data show that Federal networks have more than 4,000 access points. The central man-

agement function that the TIC initiative provides will benefit Federal systems security by facilitating the implementation of standardized information security architectures. In addition, the TIC will improve 24-hour network monitoring capabilities across the Federal Government and enable faster and more effective response to cyber incidents.

The TIC will also enable a more efficient rollout of Einstein, an intrusion detection system, across Federal networks to provide better situational awareness, earlier identification of malicious activity, and, overall, a more comprehensive network defense. Einstein is currently deployed at 15 Federal agencies, including the Department of Homeland Security, and the United States Computer Emergency Readiness Team (US-CERT) is in the process of deploying Einstein across all Federal departments and agencies. In the last year NCSA deployed an additional 39 Einstein sensors, increasing overall deployment by 243 percent.

The TIC initiative is a multifaceted plan to improve the Federal Government's security posture by significantly reducing the number of Federal external connections. Currently, there are several thousand Federal external connections, which inhibit the Federal Government's ability to implement standardized security measures effectively. The TIC initiative aims to reduce and consolidate external connections to create a more clearly defined "cyber border." Fewer external connections will enable more efficient management and implementation of security measures and reduce avenues for malicious attacks. Once fully implemented, the TIC initiative will facilitate security architecture standardization for access points across the Federal Government.

Enhancing the Einstein program is another critical element in our efforts to enhance cyber security across Federal departments and agencies. Einstein is a collaborative information-sharing program that was developed by US-CERT in response to increasingly common network attacks on and disruptions to Federal systems. The program helps departments and agencies protect their systems and networks more effectively by reporting information technology security-related information to the US-CERT. Einstein enhances situational awareness of attacks across the Federal Government's portion of cyberspace, allowing US-CERT and cyber security personnel to identify anomalies and respond to potential problems quickly. With the TIC initiative reducing the number of external connections, Einstein will be able to more effectively and efficiently monitor activity across Federal Government networks.

Einstein reduces the time it takes to gather and share critical data on computer security risks from an average of 4 to 5 days to an average of 4 to 5 hours. Rapid notification results in the Federal Government being able to respond to incidents and mitigate potential problems more efficiently and effectively. Government-wide deployment of Einstein will further enhance US-CERT's ability to gain a more comprehensive view of Federal systems, increasing US-CERT's analytic capabilities and augmenting the extent and quality of US-CERT's information-sharing activities. Together with the TIC, broad deployment of Einstein will increase our ability to address potential threats to our Federal systems in an expedited and efficient manner.

Government-wide deployment of the TIC and Einstein will enhance Federal Government cyber security by providing more robust security monitoring capabilities to facilitate the identification and response to cyber threats and attacks.

The Department of Homeland Security and its interagency partners are committed to measuring progress against the Cyber Initiative goals. The Department has established performance measures to assess the effectiveness and efficiency of implementation of key Cyber Initiative activities such as the Trusted Internet Connections initiative and enhancements to the Einstein Program. The Department measures progress based on items such as:

- The development of detailed plans for the reduction and consolidation of Federal external access points, including Internet access points;
- The reduced number of Federal Internet access points;
- The establishment and maintenance of a consistent set of controls on Internet access points;
- Increased identification of attacks and malicious activity on Federal networks;
- Reductions in response time to mitigate potential problems; and
- Percent of planned Einstein sensors deployed annually throughout the Federal Government.

As the Cyber Initiative continues to evolve, additional metrics will be developed. *Question.* Does DHS's role as the focal point for critical infrastructure protection, particularly having many cybersecurity-related roles and responsibilities, such as developing and enhancing national cyber analysis and warning capabilities, change under the President's initiative?

Answer. The Department of Homeland Security's (DHS's) role as the focal point for critical infrastructure protection does not change under the Cyber Initiative. The Department aims to protect critical infrastructure and key resources, essential government operations, public health and welfare, and the Nation's economic and national security interests, and the Cyber Initiative aligns with our current capabilities and programs. The Department is committed to securing cyberspace by working collaboratively with public, private, academic, and international entities to enhance awareness and preparedness, as well as to ensure that the cyber elements of the critical infrastructure are resilient enough to withstand attacks without incurring catastrophic damage, responsive enough to recover from attacks in a timely manner, and resilient enough to sustain nationally critical operations. The Office of Cybersecurity and Communications within the Department will continue to fulfill our role as the Sector Specific Agency (SSA) for the Information Technology (IT) and Communications sectors, as well as our cross-sector cyber security responsibilities in collaboration with the National Infrastructure Protection Plan (NIPP) Sector Partnership Model, and the Department's Office of Infrastructure Protection.

The Department's Critical Infrastructure Protection Cyber Security (CIP CS) Program reduces cyber risk and enhances cyber security under the NIPP framework as both a cross-sector cyber element that involves DHS, SSAs, and private-sector owners and operators and as a major component of the IT Sector's responsibility. Within the cross-sector cyber security role, CIP CS assists SSAs and other security partners with improving the cyber security of their respective CIKR cyber assets. We provide cyber functional expertise, guidance, and methodologies to sectors to assist them in mitigating cyber risk (including cyber infrastructure vulnerabilities) and in developing effective and appropriate protective measures. This support includes:

- Contributing cyber elements to the NIPP;
- Delivering cyber CIP guidance to SSAs and Sector Specific Plan (SSP) authors to help them enhance the cyber aspects of their risk management efforts;
- Providing cyber expertise and content to various DHS risk assessment methodologies (e.g., Risk Analysis and Management for Critical Asset Protection (RAMCAP) and the Comprehensive Review Program);
- Meeting with SSAs to inform the development of their 2008 Sector Annual Reports (SAR) and SSP updates, facilitating their access to the information and resources needed to effectively fulfill their requirements, and ensuring that the appropriate cyber security criteria is addressed across all sectors;
- Developing and piloting a methodology for identifying cyber assets; and
- Reviewing SSPs and SARs to ensure sectors' CIP efforts address cyber assets and risks.

*Question.* What is the purpose and status of the new program management office related to cybersecurity that has been created under the NPPD Under Secretary of DHS? What role does the Assistant Secretary for Cyber Security and Communications have in this effort?

Answer. The cyber program management office is a coordinating body that helps coordinate across the Department and its interagency partners to manage the planning, development, and implementation of the Cyber Initiative.

The Assistant Secretary for Cybersecurity and Communications has been and will continue to be engaged in the Cyber Initiative throughout its duration. The Assistant Secretary has responsibility for the National Cyber Security Division (NCSA) and NCSA's United States Computer Emergency Readiness Team (US-CERT). NCSA/US-CERT is deeply involved with the Trusted Internet Connections initiative and the Einstein program, two areas that are essential to the success of the Cyber Initiative. The Assistant Secretary is working to ensure that those two programs are successfully implemented.

*Question.* Regarding the cyber initiative, can you elaborate on its total cost and the number of years it will take to implement? How was this total cost estimated?

Answer. The Cyber Initiative includes a significant breadth and depth of investments within more than 20 Federal departments and agencies. The Cyber Initiative will take several years to reach the full operating capability outlined in the Cyber Initiative budget and planning documents and will require sustained investment to maintain a technological advantage over the Nation's cyber adversaries. This breadth and depth of investments, combined with the need for continued investment to keep pace with the evolution of technology, makes it difficult to calculate the life-cycle cost of the initiative. While the Cyber Initiative is not a one-time investment, participating agencies have made a concerted effort to fund the highest cyber security priority activities within the first several years of the plan. The fiscal year 2009 DHS budget request includes \$197 million for this effort, and \$1.39 billion is estimated in the Department's fiscal year 2009–2013 Future Years Homeland Security Program to augment and enhance current DHS Cyber Security activities.



The Cyber Initiative budget plans were constructed through broad-based participation by the many agencies sharing the cyber security mission space. All levels of the Executive Branch were involved in its formulation, from operational end users of cyber technologies on the “front lines” of the Nation’s cyber security effort, to policy, legal, civil liberties, and privacy officers. Through careful, end-to-end examination of technologies, systems, processes, and operations, the Federal cyber security community created a comprehensive plan. To maintain robust protection of Federal networks, the Federal cyber security community must keep pace with the evolution of technology by sustaining its development and deployment through and beyond the Cyber Initiative.

*Question.* Why do you propose to move eLORAN to NPPD? What value will NPPD add to this system?

*Answer.* Loran-C was used for many years in an “unofficial” capacity to disseminate Stratum 1 frequency stability for telecommunications providers. USCG also operated Loran-C overseas in support of Department of Defense Cold War operations for this very purpose—to provide a stable frequency reference for timing.

With the advent of the Global Positioning System (GPS), the majority of positioning, navigation, and timing (PNT) users shifted to the improved capabilities afforded by GPS. New techniques that were wholly dependent upon the advanced capabilities of GPS began to emerge in all aspects of transportation and critical infrastructure. GPS eventually grew into an “enabling” critical infrastructure in its own right.

GPS is easily jammed or interfered; hence, the need for a systemic complementary backup (eLORAN) to secure the continued operation of our transportation systems and critical infrastructure in the face of a loss of GPS PNT services.

With the evolution of LORAN-C to eLORAN, a more appropriate steward needed to be found. eLORAN provides high navigation accuracy for maritime and first responders, high signal integrity for aviation non-precision approach, and precise time and frequency for timing users across the entire Critical Infrastructure and Key Resources spectrum. eLORAN will serve as an independent, dissimilar, complement to GPS. It allows GPS users to retain the security benefits even when satellite services are disrupted. NPPD has a broad scope of responsibility for securing the national infrastructure against disruption.

The National Protection and Programs Directorate (NPPD) will provide the appropriate leadership vision and planning necessary to ensure the transition from LORAN-C to eLORAN and the development of a robust eLORAN capability to support the critical infrastructures of the Nation. NPPD’s expertise in telecommunications, cyber security, and critical infrastructure protection will provide a reliable foundation as eLOREN evolves.

#### US-VISIT

##### *US-VISIT—Air Exit*

*Question.* What are the pros and cons of using the Transportation Security Administration security lines for conducting the “exit” function at airports?

*Answer.* Competing and hybrid alternatives that satisfy the biometric air exit requirement produce numerous pros and cons depending on the specifics of the alternative. Some of the pros of using Transportation Security Administration (TSA) security lines and checkpoints to conduct the exit function at airports include:

- The Government would control data at all times, which may be perceived by some as providing better security and privacy of the data.
- The collection point is closer to the gate than pre-secure area collection solutions and, therefore, makes it more noticeable if a passenger leaves the airport without actually taking the flight out of the United States. Airline confirmation that biometrics have been collected at the gate may provide flexibility.
- Current technology systems could be used to support singular builds, reducing the need for airlines to build multiple individual systems.
- It is a lesser-cost or no-cost solution for the airlines and would be far less likely to be challenged politically or legally.

Some of the cons of using the Transportation Security Administration security lines for conducting the exit function at airports include:

- Checkpoints and airport configurations change frequently. TSA space is Government-controlled, but the space available is often very limited and varies by airport.
- There will be a need for additional space in airports and seaports for Government storage of equipment and back-up procedures.

- TSA may need a n increase in staff to allow for biometric collection by mobile device or will require additional space, controls, and some staff to deploy exit by kiosk.
- Airlines would be required to mark each individual's boarding pass to indicate the need for collecting biometrics, or TSA screeners would have to become familiar with a large array of travel documents (which they are not currently required to understand or necessarily use). Airline identification of US-VISIT-covered passengers during check-in may provide flexibility.

## OFFICE OF HEALTH AFFAIRS

*Question.* The Department has recognized that nuclear terror, while improbable, is unique in the scale of its consequences. For this reason the Department established the Domestic Nuclear Detection Office and has proposed for fiscal year 2009 \$564 million towards detecting a bomb before it enters the country. Other Federal agencies have related detection efforts underway, which account for hundreds of millions of more dollars each year. Despite many doubts that such efforts would be successful in detecting a bomb before it could do us harm, administration is planning for success. However, there seems to be little preparation should those efforts fail. In fiscal year 2007, \$5.5 million was provided to OHA for nuclear event public health assessment and planning and it appears some of that planning may soon come to fruition. It was disappointing that no follow-on funding was requested for fiscal year 2009.

Does the Department believe that the current level of planning to mitigate the consequences of a nuclear attack is sufficient?

*Answer.* Yes. DHS is pursuing a very comprehensive approach to planning for our response to the consequences of a nuclear attack. However, our understanding of this catastrophic threat is constantly evolving and the associated approaches and processes to plan for response to an attack are improving. Therefore, we expect to enhance and strengthen our planning even more in the coming months and years.

As the Committee has noted, the majority of the Department's funding for addressing a nuclear attack is directed at the prevention pillar of the overall homeland security strategy, in accordance with the administration's priorities. DHS is the lead Federal agency for coordinating the implementation of all-hazards preparedness in the United States, and there are number of ongoing planning efforts to address nuclear incident response and consequence management. In that role, DHS leads the Federal interagency community in the development of:

- the National Preparedness Guidelines that help define what it means to be prepared for all incidents;
- an integrated planning system that includes plans to address nuclear incidents;
- a National Exercise Program to ensure that exercises at all levels of government are coordinated and integrated with effective evaluation and dissemination of lessons learned; and
- a comprehensive program to coordinate Federal preparedness training to eliminate duplication and address training gaps identified through exercises and responses to real world incidents.

The Department conducts coordinated planning activities with the Federal interagency community at the strategic national level as well as at the operational level, and works with its State, local and private-sector partners to ensure all parties are aware of their roles and responsibilities should a major incident strike, including an Improvised Nuclear Device (IND) DHS, through FEMA, has responsibility for maintaining and updating the National Response Framework (NRF) and the relevant annexes that outline roles and responsibilities of departments and agencies associated with responding to these types of incidents. The Nuclear/Radiological Incident Annex (scheduled for completion in spring, 2008) is a key element of the Department's overall planning effort for a nuclear attack.

The Nuclear/Radiological Incident Annex provides an organized and integrated capability for a timely, coordinated response by Federal agencies to incidents involving nuclear or radioactive materials, including acts of terrorism. The annex describes how Federal agencies respond to nuclear/radiological incidents. FEMA is responsible for maintaining and updating the annex and accomplishes this through the Federal Radiological Preparedness Coordinating Committee (FRPCC) which comprises members from approximately 18 Federal departments and agencies. Annex I to HSPD-8 established a new national planning system called the Integrated Planning System or IPS that will ultimately produce a comprehensive suite of incident/scenario-specific plans by DHS that are strategic, operational, and tactical. Full implementation of IPS may ultimately alter or restructure the NRF's existing Incident Annexes and CIS and other relevant planning, operational and strategic documents. How-

ever, until HSDP-8 Annex I is fully evolved, the Nuclear/Radiological and Catastrophic Incident Annexes and other relevant documents utilized in response to a nuclear device or event are in full effect.

In addition, the Office of Operations Coordination (OPS) is responsible for coordinating Department-wide incident management activities. The Secretary's Crisis Action Team (CAT) is responsible for conducting national-level crisis action planning and strategic operations coordination, maintaining and communicating national-level situational awareness, and providing decision support for the Secretary and Director of OPS. In association with this responsibility, the Incident Management Planning Team (IMPT) is developing a nuclear incident response concept plan based on National Planning Scenario #1 (nuclear attack). Also, the DHS Office of Health Affairs is gathering data and performing analyses on likely health impacts resulting from a nuclear attack to inform the development of medical response plans.

Finally, DHS has been a key member of the White House Office of Science and Technology Policy-led Nuclear Defense Research and Development (NDRD) Subcommittee. The NDRD Subcommittee has developed a roadmap establishing the high level objectives for response to a nuclear attack and identified the critical needs in nuclear/radiological preparedness, response and recovery research and development (report to be released soon). DHS believes that these R&D Roadmaps plot an aggressive path forward for science to support incident response planning and consequence management and thus to support the operational needs to respond to a nuclear attack.

*Question.* How does the Department balance its request for funding for detection efforts with mitigation efforts?

*Answer.* This is a very complex question in several ways. The first is the degree to which DHS has responsibility for the solution. Detecting and interdicting radiological or nuclear material at an official Port of Entry (POE) or in transit within the United States is a mission that is accomplished almost solely by DHS. This responsibility is clearly articulated in the SAFE Port Act of 2006, as well as in HSPD-14/NSPD-43 that established the Domestic Nuclear Detection Office (DNDO). In contrast, DHS' responsibilities with respect to nuclear emergency incident response and long term recovery are shared with other Federal, State, and local governments and the private sector according to the National Response Framework. Therefore, it is important to assess the funding requests across the various Departments and Agencies to understand how funding is directed for this effort. For instance, the development and provision of medical countermeasures and mass casualty care is the purview of the Department of Health and Human Services. Similarly, decontamination and clean-up expertise lies largely within in the Environmental Protection Agency.

The next is the question of the exclusive use of a specific capability. The actual deployment and use of nuclear detection capabilities managed by DNDO is focused on pre-detonation implementation (with the exception of their nuclear forensics studies). However, the advances that DNDO is making may be leveraged to develop the detection technologies that will be critical for assessing the post-detonation environment.

Finally, even though a large scale nuclear attack certainly requires some unique response and recovery tools, the Nation will leverage many of the same capabilities developed and deployed to address other large scale catastrophes. The resources that have been afforded to the Federal Emergency Management Agency (FEMA) would be utilized to their fullest. So all of the resources applied to creating a robust National Response Framework, including supplying required resources and assets defined in the targeted capabilities list must also be factored into the equation.

The balance is difficult, and the Department has indeed focused on prevention at this early stage because of the catastrophic risk associated with a radiological or nuclear attack. As our planning and prevention systems mature in close coordination with our many partners in the NRF, we expect continued development across all areas: prevention, protection, response, and recovery.

*Question.* If it is estimated that detection efforts would have a 50/50 chance of succeeding against nuclear smugglers, wouldn't it seem that equal funding should go to mitigating the possible consequences?

*Answer.* The administration and the Secretary has assessed that, in the circumstances surrounding a nuclear attack, the greatest degree of risk reduction can be obtained by preventing the attack. Therefore, the funding requests associated with nuclear defense are heavily concentrated on reducing this risk through a variety of activities including, nonproliferation, detection, and interdiction activities. The intent of the resulting activities is build a comprehensive layered defense that combats the threat of nuclear terrorism. The defense calls for:

- expanded intelligence efforts, so we can get a better picture of the capabilities and intentions of terrorist groups seeking nuclear or radiological weapons and the information we need to disrupt those efforts;
- focused interdiction, to deny terrorists access to the nuclear material, expertise, or other capabilities they seek by disrupting their efforts to acquire them;
- declaratory policy to put the terrorists and those who might support them on notice of how we will respond if attacked and to deter those who might be tempted to transfer or facilitate the transfer of nuclear weapons to terrorists;
- expanded efforts to prevent nuclear material or nuclear weapons from being moved into U.S. territory;
- strengthened nuclear forensics capabilities, so if the worst should happen, and a nuclear attack should occur on U.S. soil, we would be able to identify those responsible quickly and accurately;
- robust, effective response and recovery plans, so that again, if the worst should happen, we would be able to respond quickly to minimize casualties and help impacted communities rebuild.

In addition, many of the capabilities required to respond to a nuclear event are operational rather than technological. As noted above in question 191, funding for operational and communications is accomplished through both general capacity building for any major catastrophic event as well as for more the more specific national planning scenarios, such as Planning Scenario 1, which represents a 10kt nuclear incident. As our planning and prevention systems mature in close coordination with our many partners in the NRF, we expect continued development across all our efforts to prevent, protect against, respond to and recover from a nuclear attack.

*Question.* What is the timeline for spending the \$5.5 million provided in the fiscal year 2007 Supplemental?

*Answer.* The timeline for spending the \$5.5 million provided in the fiscal year 2007 Supplemental is as follows:

The Nuclear Event Assessment Supplemental Spend plan was submitted to Congress on 10/22/2007. As such, funding became available for obligation on 10/22/2007.

Following inter-Departmental coordination with the DHS CFO and coordination with OMB, funds were loaded in the financial management system and became available for execution on 12/19/2007.

- DHS executed a contract with the National Academy of Sciences on 12/21/2007 for the amount of \$500,000 to convene an ad hoc committee with experts in emergency medical response and treatment, medical and public health preparedness, health sciences research, and nuclear medicine to organize a workshop and prepare a summary on the medical preparedness for a nuclear event. The workshop will feature presentations and discussions that assess the overall emergency response activities, and available healthcare capacity (including shelter, evacuation, decontamination, and medical infrastructure interdependencies) to treat the affected population; treatments available for pertinent radiation illnesses; efficacy of medical countermeasures; the likely capability of the Federal, State and local authorities to deliver emergence response activities in a timely enough way to be effective; and the overall expected benefit of available countermeasures and those in the development pipeline.
- OHA executed an IAA for the amount of \$4.480 million with S&T on 02/28/2008 to provide services under this IAA encompass the following tasks:
  - National Laboratory Science and Technical Activities-DHS Science & Technology Directorate (DHS S&T) will provide modeling updates of a 0.1, 1.0 and 10 kiloton nuclear explosion on each Tier One Urban Area Security Initiative (UASI) city (six cities). DHS S&T will meet the milestones and deliverable table to assist in integrating all efforts with the Homeland Security Institute and any other performers for this effort.
  - Federal Response Plan Analysis—Analyze existing Federal nuclear response planning doctrine, policy and content; assess interagency assets; and initiate facilitation and interagency coordination required to develop an appropriate national strategy to prepare for and respond to a nuclear detonation in a U.S. city. As part of this activity, HSI will reach out to other Federal Departments and Agencies who have done research and analysis in this area. When necessary, OHA will facilitate contacts with other Federal entities.
  - Responder and Citizen Action Recommendations—Outreach to both first responders and Tier One City public affairs and leadership to identify their respective health preparedness and communication issues from a nuclear detonation, utilizing technical and scientific analyses and guidance to be provided by the National Laboratories. Stakeholder workshops—at least 2—will be utilized to obtain input.

- Public Communications Strategy—Develop a public communications strategy and messaging for response to a nuclear detonation. All of the technical data generated in A, B, and C above will be utilized to develop requirements, messages, and strategies for communicating with the public.
- As requested by the sponsor, provide subject matter expertise—primarily Federal response plan analysis acquired during Task A and Tier One health preparedness and communication issues—to Office of Health Affairs and the Department of Energy Laboratories. In addition, similar subject matter expertise will be provided upon request of the sponsor to assist with the development of the nuclear public communications strategy.
- Assess, recommend and facilitate program development and implementation activities—As requested by the sponsor, provide research and analysis related to nuclear event planning and response activities. Specific topics to be identified by the sponsor as required.
- Establish liaison and contacts with regional and other State, local and tribal entities—As requested by the sponsor, expand stakeholder activities to include regional, State, local and tribal entities.
- DHS executed a contract with the Spry Methods Inc. (8a Small Business set-aside procurement) for the amount of \$178,000 on 01/31/2008 to provide financial support services for the execution of funds related to the Spend Plan for Nuclear Event Public Health Assessment and Planning. Services include: (1) financial management systems analysis (2) financial accountability to include the development, input, and tracking of General Ledger accounting data; and optionally, (2) budget formulation support, including but not limited to: development of out-year budget forecasts, as necessary to all programs/offices within the OHA.

FEDERAL EMERGENCY MANAGEMENT AGENCY

*Question.* Host Community Guidance. Senate Report 110–84 directs FEMA to issue guidance to assist communities in planning to shelter and provide for the critical needs of evacuees of disaster areas. What is the status of this guidance? What measures has FEMA taken to work with State and local communities in the development of this guidance? How specifically are the needs of potential host communities accounted for in the distribution of State and Local Programs funding?

*Answer.* FEMA is implementing the Mass Evacuee Support Planning initiative, which focuses on developing strategies and guidelines for support of displaced disaster victims through development of planning guidance and a Host-State Evacuee Support Plan template. These planning efforts will enhance operational effectiveness to provide recovery assistance to individuals and households, as well as public assistance to State and local governments in the event of an extraordinary or catastrophic disaster. Additionally, FEMA has conducted several catastrophic planning projects which address evacuation, shelter, and host community issues. The results of these efforts are aiding in the development of full planning guides. FEMA will be releasing within 45 days guidance on both the development of emergency operations plans and on planning for special needs populations. Additional guides will follow which address other aspects of the evacuation, shelter, and host community planning requirements.

To ensure the guidance and template prepared under the Mass Evacuee Support Planning initiative mentioned above realistically address State concerns and operational perspectives, the Host-State template will be created and refined from host-State evacuee support plans developed in select States. The Host-State evacuee support plans are developed through workshops that employ catastrophic scenarios and consequence estimates which drive discussion and planning, and ultimately the creation of functional, integrated evacuee support plans. The States which are participating in development of initial model plans include: Arkansas, Georgia, Tennessee, and Oklahoma—all of these States provided significant evacuee support following Hurricane Katrina. Two States have held Evacuee Support Planning Workshops: Georgia, Aug 1–3, 2007; and Arkansas, Sept 11–13, 2007 (held in conjunction with the New Madrid Seismic Zone Catastrophic Planning Workshop). Tennessee’s workshop is being held the week of March 17, 2008.

FEMA’s State Homeland Security Program (SHSP) and Urban Areas Security Initiative (UASI) programs (subcomponents of the overarching Homeland Security Grant Program) have historically been very broad and far-reaching for which responder communities may choose to focus their homeland security investment efforts. Grantees are allowed to spend funds (in accordance with the program guidance) towards planning, organization, equipment, training, and exercise activities. An allowable focus area within these categories does include mass care, which incor-

porates both sheltering and the provision of critical needs for evacuees. In addition, one of the priorities of the Homeland Security Grant Program, as stated in the fiscal year 2008 HSGP grant guidance is to address the need to strengthen preparedness planning and to fix short comings in existing plans, including “mass evacuation and shelter with particular emphasis on special needs populations and citizen preparedness.” For both SHSP and UASI, States are required to ensure that at least 80 percent of funds received are distributed to local units of government, thereby ensuring that the majority of funds will directly benefit those local first responder communities. Additionally, the Emergency Management Performance Grants (EMPG) specifically identifies supporting States’ efforts to address evacuation planning, which includes alert/warning, crisis communications, mass care, and sheltering.

*Regional Office Interoperability Personnel*

*Question.* In accordance with the fiscal year 2008 Homeland Security Appropriations Act—Joint Explanatory Statement: please describe the personnel in each FEMA Regional Office who have an understanding of the technical and administrative issues surrounding interoperability. How are these personnel facilitating regional interoperability?

*Answer.* As part of its responsibilities to support national emergency response communications operations and assist Federal, State, tribal, and local governments achieve communications interoperability, DHS has established nation-wide emergency communications objectives. Furthermore, the Post Katrina Emergency Management Reform Act of 2006 (PKEMRA) required DHS to establish an Office of Emergency Communications (OEC) and further assigned responsibilities for various aspects of emergency communications to both FEMA and OEC. More specifically, FEMA is responsible for conducting a Disaster Emergency Communications (DEC) State Planning Initiative to better integrate Federal communications response and recovery support to State and local governments. This Initiative is producing individual Disaster Emergency Communications State Annexes aligned to each of the corresponding FEMA Regional Emergency Communications Plans. In developing these communications Annexes, the focus is on four planning areas:

- communications risk assessment and mitigation planning,
- communications operability and interoperability,
- communications availability, integration and coordination of Federal resources, and
- pre-positioning of communications resources.

Ultimately, this effort will provide FEMA and Federal responders with the ability to deliver emergency communications support promptly and effectively following a request for assistance from an affected State, and provide greater assurance of effective emergency communications coordination prior to and immediately following a disaster event. FEMA and OEC are closely coordinating emergency communications activities.

At the present time, FEMA has three staff members in the Regions who possess a full understanding of the technical and administrative aspects of communications interoperability, operability, risk assessment, and survivability at the State, regional, and local level and within the first responder community. Recognizing the importance of FEMA’s responsibility to ensure communications interoperable capabilities, FEMA Regional staff have assumed additional responsibilities, to the extent possible, to help meet this responsibility until additional staff can be hired. This staff has taken steps to help coordinate State and local communications planning; coordinate the Regional Emergency Communications Coordination group activities required in Section 1805 of the Post Katrina Emergency Management Reform Act; coordinate cross-jurisdictional interoperability and intercommunications planning; identify gaps; assist in interoperability grant preparation; and support emergency communications planning for potential Federal responses.

It is critical that FEMA staff who are assigned to work in this area are knowledgeable about these issues and can effectively interpret/apply the guidance and provide the support that is needed to facilitate first responders and their supporting organizations in achieving effective interoperable/intercommunications capabilities. To provide even greater focus and expertise, FEMA has added 10 FTE (five in fiscal year 2007 and five in fiscal year 2008) targeted specifically to augmenting existing emergency communications interoperability-related activities and capabilities in the Regions. The five fiscal year 2007 FTEs were advertised last year but unfortunately, there were no qualified applicants. The hiring process for all ten FTE is currently underway and we hope to have all ten positions filled within the next 6 months. The new staff will greatly enhance FEMA’s ability to support first responders and State and local organizations achieve the capability to interoperate/intercommunicate. It is important to note, however, that as the new staff come on board in the

Regions and engage with the first responder community and State and local organizations, additional interoperability requirements may be identified that will also need to be addressed.

*Preparedness and Mitigation Incentives*

*Question.* Senate Report 110–84 encouraged FEMA to work with organizations to propose incentives for State and local governments to focus on mitigation and preparedness through existing programs. How is FEMA pursuing this effort?

*Answer.* FEMA’s Mitigation mission is to protect lives and prevent property loss—helping States and communities reduce their vulnerability before hazards strike. Mitigation is the cornerstone of emergency management by reducing potential for disaster, destruction and distress, facilitating effective response, and promoting faster recovery. One critical challenge FEMA constantly faces is to generate an understanding and create a commitment to this long-term premise. In conjunction with its many private and public partners, FEMA Mitigation educates communities about the risks they face and provides the tools they need to make sound planning, land-use, and building decisions to make our communities less vulnerable. FEMA Mitigation continually seeks to leverage partners through incentives to meet these objectives.

FEMA works to provide incentives to reward those States, localities, and individuals who are taking initiative to break the cycle of development, damage, and redevelopment at Federal expense and instead build their own capability to manage hazards and resources in a sustainable manner. FEMA’s role has generally been not that of “doing” the planning and implementation of projects, but one of fostering the development of State and local capabilities and programs to reduce risk and costs through incentives.

In many instances, for example, Mitigation’s Federal role has been to (1) provide leadership, through existing laws, executive orders, and programs to create an effective framework for flood loss reduction throughout the Nation; (2) provide information, including developing and/or setting criteria for collection, maintenance, and archiving of data, including flood maps, (3) provide for flood insurance, and (4) facilitate, by wielding appropriate incentives and consequences to encourage individuals, communities, States, and the private sector to take appropriate actions and decisions to reduce losses.

Two key partners that FEMA’s Mitigation Directorate (Mitigation) works with to both assess program effectiveness and develop incentives for State and local governments to focus on mitigation are the Association of State Floodplain Managers (ASFPM) and the National Emergency Management Association (NEMA).

ASFPM has 6,500 national and chapter members representing local, State and Federal Government agencies, citizen groups, private consulting firms, academia, the insurance industry, and lenders. The ASFPM brings attention to broad policy or programmatic issues that identified by its members. As key stakeholders in the implementation of mitigation programs, the ASFPM and its members provide Mitigation with useful input and feedback on how programs are working or not working at the State and local community level. Mitigation regularly participates in ASFPM meetings and conferences, makes presentations regarding emerging mitigation programs and issues, and regularly attends meetings of ASFPM’s Mitigation Committees.

Some of the ASFPM’s contributions have included development and promotion of the “No Adverse Impact” approach to local floodplain management; pioneering flood hazard mitigation strategies and non-structural and flood-proofing alternatives; support of a Community Rating System; promotion and support of multi-objective planning for floodplains; and advocating the modification of Federal policies that inhibit floodplain management or encourage unwise decisions by individuals and government.

FEMA’s other key partner, The National Emergency Management Association (NEMA), is an association dedicated to enhancing public safety by improving the Nation’s ability to prepare for, respond to, and recover from all emergencies, disasters, and threats to our Nation’s security. The State directors of emergency management are the core membership of NEMA, along with the State Hazard Mitigation Officers. Membership categories also exist for key State staff, homeland security advisors, Federal agencies, nonprofit organizations, private sector companies, and concerned individuals. NEMA’s goals include providing an information and support network among State directors of emergency management and interfacing with other national and regional organizations involved in emergency management and State government policy. Like the ASFPM, NEMA also provides Mitigation with valuable input and feedback on program performance at the State and local community level

Several examples of existing programs that FEMA has worked with these partners to provide incentives for State and local governments to focus on mitigation include:

- Our Community Rating System (CRS) also reflects this common sense approach to incentives—flood insurance rates commensurate with risk; or in the case of CRS—reduced rates for reduced risk. The CRS of the National Flood Insurance Program (NFIP) was established by FEMA as an incentive mechanism aimed at recognizing and encouraging exemplary community floodplain management that exceeds minimum NFIP standards. Flood insurance premiums for residents of communities participating in the Community Rating System are lowered to reflect the reduced flood risk that is a result of community activities that meet the three goals of the Community Rating System: reducing flood losses; facilitating accurate insurance rating; and promoting the awareness of flood insurance. The 1,088 communities that participate in the Community Rating System today represent about 66 percent of all NFIP policyholders nationwide. Policyholders in Community Rating System communities receive premium discounts ranging from 5 to 45 percent. (One community has achieved a rating entitling its policyholders to a 45 percent discount.) The Community Rating System is a good example of a Mitigation program that offers incentives to localities for undertaking floodplain management activities. It has been shown to be effective in encouraging new local initiatives and maintaining existing ones.
- Flood Insurance.*—There are over 20,300 communities across the Nation protecting their risk reduction efforts and investments with flood insurance, with over \$1 trillion in insured assets, more than 5 million policyholders, and over \$2 billion in premiums and fees collected annually. The National Flood Insurance Program's (NFIP) land-use management and building code foundation helps people and communities recover faster, while protecting their investments with a financial backstop. A model of public-private teamwork and flexibility—the NFIP extends beyond insurance by uniting FEMA's other mitigation elements into a functional, cohesive strategy. It is estimated that approximately 3 million buildings have been built in accordance with these floodplain management regulations and over \$1.2 billion in flood damages are prevented annually through these regulations.
- The Community Assistance Program-State Support Services Element (known as CAP) is a cooperative agreement between FEMA and the States, supported by NFIP funds. Through CAP, FEMA provides funding to the appropriately designated State agencies charged with NFIP oversight. These agencies (designated by individual governors) receive a 75 percent Federal 25 percent State cost-shared fund to help communities achieve and maintain compliance with the NFIP. The availability of CAP funds for States provides incentives to continue to build capability at the State and local levels.
- Hazard mitigation planning is the process State, local, and tribal governments use to identify risks and vulnerabilities associated with natural disasters, and to develop long-term strategies for protecting people and property in future hazard events. The process results in a mitigation plan that offers a strategy for breaking the cycle of disaster damage, reconstruction, and repeated damage, and a framework for developing feasible and cost-effective mitigation projects. Under the Disaster Mitigation Act of 2000 (Public Law 106-390), State, local and tribal governments are required to develop a hazard mitigation plan as a condition for receiving certain types of non-emergency disaster assistance. For example, local jurisdictions are required to have a FEMA-approved hazard mitigation plan in order to receive Pre-Disaster Mitigation (PDM) or Hazard Mitigation Grant Program (HMGP) project grant funding. The availability of grant dollars provides incentives for States and local jurisdictions to develop hazard mitigation plans that lead to mitigation project grants. Mitigation Planning has taken hold, and Hazard Mitigation grant activities are underway—making communities stronger and saving the Nation \$4 for every dollar spent.

In summary, the most significant national impact will be realized through millions of individual decisions and actions rather than through a handful of government decisions and actions. While incentives do play a significant role for State and local governments to focus on mitigation, experience indicates that the best local programs take place where there are strong State programs. The Mitigation experience of using incentives to build State and local capability and resources is an effective way to achieve national goals.

*Funding Level for United States Fire Administration (USFA)*

*Question.* The fiscal year 2009 budget proposes moving USFA into the Operations, Management and Administration Appropriation and reduces the total amount ap-



propriated to USFA by \$2.3 million. Please provide a break down of how \$2.3 million in savings is derived?

Answer. FEMA is proposing the realignment of the United States Fire Administration's separate appropriation into, and as a discrete, PPA category of FEMA's OMA budget for fiscal year 2009. This has several administrative benefits to both FEMA as a whole and USFA in particular. First it allows FEMA to more effectively streamline the management and budget operations of all of FEMA's directorates and offices. It allows FEMA to better consolidate budget tracking and support activities. It allows FEMA to better support USFA and the entire Emmitsburg Campus from an Agency wide perspective. The Administrator is keenly aware of past concerns that FEMA would remove funding from USFA to achieve other agency priorities. FEMA has no intention of doing so now or in the future which is why we wish it to continue as a PPA category. We do however wish to be able to also invest in the Emmitsburg Campus and the activities of USFA that are shared jointly with the Emergency Management Institute on the same facility, such as support for shared distance learning platforms, student registration systems, campus maintenance and facility upgrades and to more effectively manage FEMA's appropriated operating budget.

#### *Measuring capabilities*

*Question.* OMB recently stated, "Although efforts are underway to measure the extent to which grant-funded projects improve national capabilities, no such system exists." How does the Department currently provide the preparedness assessment and evaluation required by the President in HSPD-8 and by Congress in Section 649 of Subtitle C of the Post-Katrina Emergency Management Reform Act? Why has the Department consistently chosen not to invest in measuring the national capacity for preparedness and response? How will FEMA ensure this analytical capability is implemented in fiscal year 2009? Given the void of this analysis capability how did the Department determine that our first responders have made such dramatic improvements in homeland security efforts, that it proposed to cut State and local programs funding by 48 percent?

Answer. The Department of Homeland Security (DHS) has made considerable advancement and investment in measuring the national capacity for preparedness and response and will continue to refine these efforts to measure the Nation's preparedness and response capacity and capabilities. The Federal Emergency Management Agency (FEMA) consistently invests in the development and implementation of programs and efforts that offer assessments of emergency preparedness. Under the coordinated control of DHS and FEMA, these programs measure the extent to which national preparedness objectives have been achieved across all jurisdictions and capabilities.

The programmatic realignments required under the Post-Katrina Emergency Management Reform Act (PKEMRA) established a comprehensive preparedness system, including the requirement for a preparedness assessment system. The PKEMRA-mandated organizational consolidation of FEMA and the former DHS Preparedness Directorate brought together a variety of measurement systems, creating the opportunity to institutionalize a comprehensive capability for identifying, consolidating, analyzing, and reporting on preparedness data. These systems are now under detailed review, and FEMA is working with Federal, State, and local stakeholders to determine the best aspects of each to improve and integrate current assessment efforts. These efforts include:

- Homeland Security Exercise and Evaluation Program (HSEEP).*—Since 2003, the HSEEP has provided a standardized means of assessing exercises and improving preparedness nationwide. It is a capabilities and performance-based exercise program that provides a standard policy, methodology, and language for designing, developing, conducting, and evaluating exercises. HSEEP also provides guidance, training, technology, and direct support.
- The Corrective Action Program* The Corrective Action Program (CAP) System is a Web-based application that allows Federal, State, and local emergency response and homeland security officials to track, implement, and resolve corrective actions following exercises, policy discussions, and real world incidents. The DHS National Exercise Program (NEP) has developed the CAP System as part of a larger effort to systematically translate NEP outputs including findings, identified problems, recommendations, lessons learned, and best practices into meaningful inputs for homeland security plans, programs, and budgets.
- National Incident Management System (NIMS).*—First released in March of 2005, the NIMS is as an overarching National Priority, is considered a broad measure of capability. NIM provides a unified approach to incident management and is the principal tool used to establish and set standards and

credentialing. Beginning in fiscal year 2007, FEMA began assessing the Federal Interagency and State and local jurisdictions to determine NIMS compliance. In fiscal year 2007, all 56 States and territories and many Federal departments and agencies reported successes in implementing NIMS within their respective areas of responsibility. The NIMS doctrine and related guidance documents provide standard command and management structures as well as emphasis on preparedness, mutual aid and resource management. NIMS illustrates the need for cooperation and coordination among responders from different jurisdictions and disciplines.

- National Response Framework (NRF)*.—Thanks to the tireless efforts of the hundreds of stakeholders from across the Nation, the National Response Framework (NRF) is now complete and became effective March 22, 2008. The NRF establishes a comprehensive all-hazards approach to managing domestic incidents. As with NIMS, FEMA promotes and regularly assesses compliance with the NRF and its supporting annexes. The plan incorporates best practices and procedures from incident management disciplines and integrates them into a unified structure. It forms the basis of how the Federal Government coordinates with State, local and tribal governments and the private sector during incidents.
- Nationwide Plan Review*.—On February 10, 2006, and June 16, 2006, Phases 1 and 2 of the Nationwide Plan Review were presented to Congress by DHS Secretary Michael Chertoff. The Nationwide Plan Review evaluated existing emergency operations plans for States and urban areas. The Review also recommended Federal Government actions to improve and coordinate planning. Conducted in all 56 States and territories and 75 urban areas over 6 months, the Nationwide Plan Review was the most comprehensive assessment of emergency operations plans to date. Reviewers examined nearly 2,800 emergency operations plans and related documents with participation from more than 1,000 emergency managers and homeland security officials.
- State Homeland Security Assessment and Strategy Program (SHSAS)*.—In July 2003, the Office for Domestic Preparedness (ODP) launched SHSAS to serve as a planning tool for State and local jurisdictions and to assist ODP and its partners in better allocating Federal resources for homeland security. The assessment examined threats, vulnerabilities, capabilities, and needs related to State and local jurisdiction preparedness for WMD incidents in light of post-9/11 realities in order to inform them of the development of State and urban area homeland security strategies.
- State Preparedness Reports (SPR)*.—DHS Secretary, Michael Chertoff, extended the reporting date for States to provide their fiscal year 2007 State Preparedness reports until March 31, 2008. At this time, FEMA is collecting and reviewing early submittals on the States' self-assessments of current, target capability levels, and the resources (monetary and non-monetary) estimated to achieve these targets. The SPRs require States to demonstrate their previous accomplishments in implementing target capabilities for each of the National Priorities. States are currently in the process of developing and submitting their SPRs. When all SPR information is collected, the data set will inform the assessment of national preparedness.
- Target Capabilities List (TCL)*.—Released in September 2007, the TCL provides the basis for assessing preparedness, planning, measuring operational performance during actual events or exercises, identifying deficiencies and gaps, and improving preparedness investment and strategy decisions. The document guides the implementation of State and local homeland security strategies by defining the specific capabilities required to accomplish the four homeland security mission areas of prevention, protection, response, and recovery.
- Federal Preparedness Report (FPR)*.—Although incomplete at this time, the FPR represents an ongoing effort to prepare a comprehensive assessment of national preparedness at the Federal, State, and local levels. The report is based on sections 644, 649, 651 and 652 of the Post Katrina Emergency Management Reform Act of 2006 and contains preparedness assessments and data drawn from sources at all levels of State government and from across the Federal Interagency.
- Gap Analysis Program (GAP)*.—In use in fiscal year 2007, the GAP collects quantifiable data on State, local, and nongovernmental resources that States and localities plan to use to respond to major incidents. Gaps are identified based upon projected requirements for specific scenarios. Once gaps are identified, all stakeholders work to identify and pursue corrective actions. GAP data indicates the preparedness of participating States to execute critical response missions (e.g., evacuation, debris removal).

- Comprehensive Assessment System (CAS)*.—Although the CAS is still in development, it will allow jurisdictions and agencies at all levels to assess, the implementation of planning, training, equipment, exercises/evaluations and teams within each Target Capability. The CAS will integrate the best practices of the existing preparedness assessments including the NIMS compliance tool, the Pilot Capabilities Assessment, the GAP program, and a development assessment known as the National Preparedness System (NPD). Once successfully integrated, the system will replace the existing assessments and provide the basis for the State Preparedness Reports.
- Future Years Homeland Security Program (FYHSP)*.—FYHSP is an internal DHS system used to track performance data for major DHS programs, including those for preparedness and response. Data is collected to inform regularly reported performance measures, which are approved and tracked by the White House Office of Management and Budget (OMB).
- Analysis of Federal Requirements (AFR)*.—This report was conducted and briefed to FEMA leadership on October 11, 2007. The report was commissioned internally to ensure that (DHS/FEMA) is being responsive to the State emergency management and homeland security agencies preparedness programs needs. This report includes an inventory and analysis of the State programs and associated requirements and their impacts on State EM/HS agencies. Additionally, this report contains recommendations that will shed unnecessary processes, enhance customer service and improve the program model.
- Tactical Interoperable Communications Plan (TICP) Scorecards*.—The tactical interoperable communications scorecard assesses the maturity of tactical interoperable communications capabilities in 75 urban/metropolitan areas. These scorecards were developed by subject matter expert panels that reviewed documentation on current communications plans, exercises, and a self-assessment to arrive at consensus findings and recommendations for each region on how to best improve that region's communications capabilities. Overall, the scorecard results show that urban/metropolitan areas have come a long way in improving their tactical interoperable communications capabilities.

Since 2002, the Department of Homeland Security (DHS) has awarded over \$19 billion in grants to strengthen the Nation's preparedness and response capabilities. The Post-Katrina Emergency Management Reform Act (PKEMRA) consolidated grant-making efforts and transferred responsibility for allocating and managing all preparedness related grants to FEMA in 2006. To better steward these funds, FEMA is embarking on a Grants Cost-to-Capability initiative to determine the relative impact of grant programs in terms of capability gains.

The Grants Cost-to-Capability initiative will provide decision makers with data analyses to:

- Determine the relative value of grant programs;
- Guide the strategic allocation of funds towards new or existing grant programs; and
- Support policy, budgetary, and investment-related decisions.

This initiative takes a stepwise approach to evaluating capability gains across the portfolio of grant programs, beginning with preparedness grants data gathered between 2003 and 2007. Available data from FEMA grant financial systems will be analyzed to determine the investment patterns of States and local recipients in support of the National Preparedness Guidelines. Focusing on the highest investment areas, FEMA will evaluate the gains achieved in improving the capacity and capabilities of the recipient communities. In addition, FEMA will evaluate its programs' effectiveness in shaping the investment priorities of State and local governments. The resulting analysis will be used to guide the strategic allocation of funds and investment in new or existing grant programs.

In parallel with this effort, FEMA will explore the feasibility of a dynamic model that relates funding, projected capability gains, and national priorities to support investment decisions at various levels.

Measuring the return on investment and impact on risk of our grant programs have had is key to our national preparedness. The likelihood and consequences of terrorist attacks change over time and are influenced by counterterrorism strategies implemented by DHS and its partners. This dynamic aspect of terrorism risk poses challenges for estimation, measurement, and allocation of resources. FEMA's National Preparedness Directorate is developing a comprehensive assessment system that capitalizes on and reconciles previous efforts that were being done both in FEMA and the former Preparedness Directorate to meet the requirements established in Sec. 648 of PKEMRA. This system will gauge the impact all preparedness initiatives have on the current state of preparedness. The Grants Programs Direc-

torate is embarking on a Grants Cost-to-Capability initiative to determine the relative impact of grant programs in terms of capability gains.

As DHS continues to move forward and develop measures to capture the impact of these grant programs, it is important to note that Congress has appropriated over \$23 billion in grants from fiscal year 2002 to fiscal year 2008. When including the President's fiscal year 2009 request, this total exceeds \$25 billion.

As a practical matter, and in view of our Nation's current fiscal challenges, it seems reasonable and constructive to suggest a moderation in the funding stream. The President's fiscal year 2009 budget request of \$2.2 billion for State and local grants contains detailed justifications reaffirming the value of these grants as investing in the preparedness of State and local governments to prevent, prepare for and respond to acts of terrorism, natural and other man-made disasters. The level of the request should not be viewed as a weakening of support for State and local grants, but an earnest desire to discuss how best to meet our shared objectives to ensure the safety and security of the homeland.

Each State and Territory receives a minimum allocation. The Department has adopted a risk formula to help determine the final allocation amounts, with the intended purpose of using limited Federal funds to "buy-down" the areas at greater risk of terrorist attack. The Department evaluates the potential risk of terrorism faced by a given area and the impact an attack could have on people, critical infrastructure, and the economy. The result of that risk analysis is the key driver in final funding determinations. However, risk is dynamic, and over time we can expect to see changes in relative risk ranking as threats change and populations shift. All States and Territories are also required to submit Investment Justifications regarding their intended use of funds. These Investments are reviewed by a panel of peers and recommendations regarding the anticipated "effectiveness" of the Investments are also factored into final allocation amounts.

In fiscal year 2008 and continuing in the fiscal year 2009 budget, DHS is putting increased emphasis in the homeland security grant program on planning activities, which supports the pending implementation of an integrated planning system directed by Annex I to Homeland Security Presidential Directive/HSPD-8. This effort is targeted at modernizing planning for increasingly interrelated, complex challenges. Operational planning will be synchronized with building prevention, protection, response and recovery capabilities, which continue as allowable activities in many of our programs. Planning modernization through an integrated planning system focuses efforts with our State, local and tribal partners on maximizing the effectiveness of capabilities either on hand or in the developmental pipeline.

The President's Budget is consistent with the fiscal year 2008 Budget request, supports PKEMRA requirements, and addresses key priorities necessary to secure the homeland and address complex, interrelated challenges.

#### *Technical Assistance Priorities*

*Question.* What is the fiscal year 2008 distribution of Technical Assistance funding? What priorities did FEMA use to determine how to award this funding? What are the Technical Assistance priorities for fiscal year 2009?

*Answer.* This distribution for fiscal year 2008 Technical Assistance includes 37 percent for Planning activities, including support for the Regional Catastrophic Preparedness Grant Program; 36 percent for Prevention/Protection activities, including Fusion Center Process and Port/Mass Transit Assessments; 15 percent for Equipment-related technical assistance; 8 percent for Planning Support, Technical Assistance Request and Tracking system, and administrative costs; and 4 percent to enhance Grant Management Capabilities of grantees.

FEMA considered several drivers to determine how to award the fiscal year 2008 priorities, including the implementation of Homeland Security Presidential Directives 5 and 8, the Post-Katrina Emergency Management Reform Act, the Regional Catastrophic Preparedness Grant Program, the Secretary's Goals and Priorities and the National Strategy for Homeland Security.

The focus of Technical Assistance/Direct Support for fiscal year 2009 will include the following:

- Planning.*—Technical Assistance will continue to enhance State and local planning capabilities through the development of planning guidance and the conduct of planning workshops. This will primarily focus on catastrophic events and regional planning.
- Prevention/Protection.*—Technical Assistance will continue to work with all Federal partners on the integration of Fusion into the State and local apparatus, as well as support for protection activities as appropriate.

—*Mission Area Integration.*—Working with State and local officials to integrate planning and preparedness activities across prevent, protect, respond and recover mission areas.

*NetGuard*

*Question.* What is the status and funding level of the NetGuard program?

*Answer.* Pursuant to the Homeland Security Act of 2002 (Public Law 107–296), Section 224, the Secretary of Homeland Security “may establish a national emergency technology guard, to be known as “NET Guard”, comprised of local teams of volunteers with expertise in relevant areas of science and technology, to assist local communities to respond and recover from attacks on information systems and communications networks.” To date, DHS and FEMA have conducted scoping reviews with stakeholders and potential partners, developed an initial concept plan, designed a competitive grant process for testing the concept through local pilots, and identified initial training requirements. Based on these planning efforts, the Federal Emergency Management Agency (FEMA), National Preparedness Directorate (NPD) has submitted notification pursuant to Section 503 of Division E of Public Law 110–161, the fiscal year 2008 Consolidated Appropriations Act, to administer and fund the NET Guard program development and implementation as part of the Community Preparedness Division’s (CPD) Citizen Corps Program.

The fiscal year 2008 CPD spend plan includes \$400,000 for NET Guard. FEMA’s Citizen Corps program will conduct a competitive grant solicitation to select several local pilots to further validate the NET Guard concept, test its application in a variety of jurisdictions, and develop plans that are consistent with the FEMA Citizen Corps’ integrated approach to establishing locally-based affiliated volunteer teams. Initial training and other tools will be developed during the pilot phase with flexibility for updates based on the needs identified through pilot implementation.

It should be noted that current Homeland Security Grant Program (HSGP) guidance permits use of funds for supporting community preparedness efforts that could include the NET Guard concept. Starting in fiscal year 2009, CPD/Citizen Corps would promote the NET Guard program concept and tools to State and local governments as a program that may be supported through funding from the Homeland Security Grant Program.

*Wildfire Prevention*

*Question.* In fiscal year 2007 and fiscal year 2008 (if available), how many applications have been submitted and how many awarded to address wildfire issues through the Assistance to Firefighters Grants fire prevention program?

*Answer.* Fiscal year 2008 applications are scheduled to be accepted in September of 2008. We are supplying, however, data from fiscal year 2007, the awards for which are presently ongoing, and fiscal year 2006. Please note that these applications and awards are focused on prevention. The Assistance to Firefighter Grants (also known as the FIRE Grants) provides support for equipment, training and apparatuses (e.g., brush trucks) to attack wild fires.

*Wildland Mitigation.*—FP&S.

|                        | Apps submitted | Apps awarded     |
|------------------------|----------------|------------------|
| Fiscal year 2006 ..... | 55             | 2                |
| Fiscal year 2007 ..... | 49             | ( <sup>1</sup> ) |

<sup>1</sup> Fiscal year 2007 FP&S awards are commencing the week of 3/21.

*Flood Maps*

*Question.* How many communities are using maps that do not require re-engineering the map? What is the estimated percentage of communities that will need maps re-engineered regularly and how often will they need to be re-engineered? How many maps need re-engineering to be up-to-date?

*Answer.* Map Modernization will result in modernized maps for 92 percent of the Nation’s population. FEMA anticipates 30 percent of the Nation’s stream miles—covering roughly 40 percent of the population—will have new, updated, or validated engineering at the completion of the Map Modernization program. Unmet engineering needs for the remaining areas have been documented as the maps are brought onto the GIS platform. FEMA proposes to begin addressing the unmet coastal engineering needs through the requested fiscal year 2009 budget. (FEMA tracks these data on percent of population, stream miles, or coastal miles rather than number of maps or communities because of varying scales of the maps.) Keep in mind, even new engineering requires upkeep. FEMA assesses the engineering need on a rolling 5-year cycle (42 USC 4101(e)). In some instances, especially where there has been

no building development, the existing engineering data may be sufficient. In other cases, some updates or new engineering will be required. Further, not dissimilar to the Nation's transportation infrastructure, the data on the flood hazard maps decay (that is to say that the maps no longer reflect the actual conditions on the ground) and require on-going assessment and upkeep. The NFIP assesses maps on a 5-year cycle. In each assessment cycle, the data shown on the maps that was once considered sufficient may no longer show the actual conditions on the ground and require new engineering studies.

*Open Disasters*

*Question.* How many disaster declarations, by fiscal year and type of disaster, are still open? For disasters that happened over 3 years ago—why are they still open and what is needed to close them?

*Answer.* Below is a listing of the disaster declarations, by fiscal year and type of disaster, which are still open as of March 18, 2008. A disaster remains “open” until all grants and financial matters with regard to the disaster have been resolved and the FEMA-State agreement is closed.

| QTY FY DECLARED | PROG TYPE           | TOTAL |
|-----------------|---------------------|-------|
| 1987            | DR-MAJOR DISASTER   | 1     |
| 1987 Total      |                     | 1     |
| 1989            | DR-MAJOR DISASTER   | 1     |
| 1989 Total      |                     | 1     |
| 1990            | DR-MAJOR DISASTER   | 2     |
| 1990 Total      |                     | 2     |
| 1992            | DR-MAJOR DISASTER   | 9     |
| 1992 Total      |                     | 9     |
| 1993            | DR-MAJOR DISASTER   | 4     |
| 1993 Total      |                     | 4     |
| 1994            | DR-MAJOR DISASTER   | 6     |
| 1994 Total      |                     | 6     |
| 1995            | DR-MAJOR DISASTER   | 5     |
| 1995 Total      |                     | 5     |
| 1996            | DR-MAJOR DISASTER   | 9     |
| 1996 Total      |                     | 9     |
| 1997            | DR-MAJOR DISASTER   | 15    |
|                 | EM-EMERGENCY        | 1     |
| 1997 Total      |                     | 16    |
| 1998            | DR-MAJOR DISASTER   | 25    |
|                 | EM-EMERGENCY        | 2     |
| 1998 Total      |                     | 27    |
| 1999            | DR-MAJOR DISASTER   | 30    |
|                 | EM-EMERGENCY        | 5     |
| 1999 Total      |                     | 35    |
| 2000            | DR-MAJOR DISASTER   | 30    |
|                 | EM-EMERGENCY        | 2     |
|                 | FS-FIRE SUPPRESSION | 1     |
| 2000 Total      |                     | 33    |
| 2001            | DR-MAJOR DISASTER   | 47    |
|                 | EM-EMERGENCY        | 4     |
|                 | FS-FIRE SUPPRESSION | 3     |
| 2001 Total      |                     | 54    |
| 2002            | DR-MAJOR DISASTER   | 41    |

| QTY FY DECLARED   | PROG TYPE                 | TOTAL |
|-------------------|---------------------------|-------|
|                   | EM-EMERGENCY .....        | 1     |
|                   | FS-FIRE SUPPRESSION ..... | 14    |
| 2002 Total .....  | .....                     | 56    |
| 2003 .....        | DR-MAJOR DISASTER .....   | 60    |
|                   | EM-EMERGENCY .....        | 11    |
|                   | FM-FIRE MANAGEMENT .....  | 9     |
| 2003 Total .....  | .....                     | 80    |
| 2004 .....        | DR-MAJOR DISASTER .....   | 63    |
|                   | EM-EMERGENCY .....        | 6     |
|                   | FM-FIRE MANAGEMENT .....  | 26    |
| 2004 Total .....  | .....                     | 95    |
| 2005 .....        | DR-MAJOR DISASTER .....   | 45    |
|                   | EM-EMERGENCY .....        | 51    |
|                   | FM-FIRE MANAGEMENT .....  | 13    |
| 2005 Total .....  | .....                     | 109   |
| 2006 .....        | DR-MAJOR DISASTER .....   | 53    |
|                   | EM-EMERGENCY .....        | 3     |
|                   | FM-FIRE MANAGEMENT .....  | 90    |
| 2006 Total .....  | .....                     | 146   |
| 2007 .....        | DR-MAJOR DISASTER .....   | 68    |
|                   | EM-EMERGENCY .....        | 11    |
|                   | FM-FIRE MANAGEMENT .....  | 53    |
| 2007 Total .....  | .....                     | 132   |
| 2008 .....        | DR-MAJOR DISASTER .....   | 19    |
|                   | EM-EMERGENCY .....        | 6     |
|                   | FM-FIRE MANAGEMENT .....  | 22    |
| 2008 Total .....  | .....                     | 47    |
| Grand Total ..... | .....                     | 867   |

A disaster is considered closed when all projects are approved and all programmatic decisions are finalized. Programmatic work continues until all projects are completed. A disaster is considered financially reconciled when all work has been completed, all accounts reconciled, and the Governor's authorized representative has requested that the FEMA-State Agreement be terminated for the disaster. These accounts include disaster programs, mission assignments, disaster contracts and grants. It is at this point that the FEMA-State agreement is closed. Regulations and other unique circumstances for closing out the Public Assistance and Individual Assistance programs are listed below.

—*Public Assistance.*—Prior to closure (financial reconciliation) of a disaster grant, all projects must be completed and all funds expended. For Public Assistance Grants, closure is governed by completion of the project rather than the expenditure of funds. Public Assistance Grants for major civil works such as roads and bridges, water supply systems, and sewage treatment plants can take a considerable time to complete. These projects generally require in-depth design and analysis and may require extensive Environmental Review. The Environmental Review process, including public comment periods, can potentially add years to large civil projects in sensitive areas. After the competitive bid process, other factors such as a short construction season in the northern tier States, come into play. For major civil projects, it is not uncommon for a project to take 3 years to get to the construction phase.

Public Assistance Grants are considered closed when all program decisions have been made and all projects are funded. Once a project is identified and eligibility

is established, estimated funding for the project is obligated. At that point, the project is identified as Programmatically Closed. There may be various adjustments to the project scope of work or funding level, but the basic project and funding level remain constant. Most Public Assistance Grants are considered Programmatically Closed within 3 years of the declaration.

By regulation, the performance period for Public Assistance grants can be modified by the State to allow a construction project to take 4 years to complete. Extensions beyond 4 years must be approved by FEMA.

—*Individual Assistance.*—For Individual Assistance programs in disasters the programs are typically closed in 21–24 months after declaration. This timeframe is determined by the 18 month period of assistance prescribed in the law for Federal assistance to Individuals and Families and then another 90 days to reconcile and close out the programs. The timeframe to close out the program can be longer if the President extends the period of assistance which is frequently required when direct housing programs (manufactured home) are implemented in a disaster. A direct housing program is implemented when there are no other traditional housing resources available to house those affected by disasters as the housing stock is being repaired or rebuilt.

The components of the Individual Assistance programs that take the longest to reconcile and close out are acquisition contracts for technical assistance and grant programs that are administered by another agency such as the U.S. Departments of Labor and Health and Human Services. The grant programs must first be reconciled by the administering agency and then reconciled with FEMA to ensure proper accounting of funds. The acquisition contract task orders need to be reconciled with the contractor before being closed in the FEMA accounting systems. It is not unusual for the close out of these components to take 12–18 months which would put the overall closeout of the Individual Assistance programs to around 30–36 months from the disaster declaration.

There are occasional instances when closing out a grant to a State (Crisis Counseling or Other Needs Assistance) may take a while to ensure that all items are reconciled but these instances are rare. Most Individual Assistance programs should be closed out 21–24 months after the disaster declaration except in periods of catastrophic events when the Regional resources are engaged in program delivery at the risk of reduced program closeout activity.

#### *Identifying Emerging Health Issues*

*Question.* What system has FEMA put in place to quickly identify and address emerging health issues among disaster victims using housing assistance provided by FEMA?

*Answer.* The health and safety of the residents of temporary housing units provided to disaster victims is of paramount importance to FEMA. Through FEMA's toll free help-line as well as interaction with FEMA field staff, FEMA responds to the questions, concerns and needs of those who are receiving disaster assistance from FEMA. FEMA is committed to responding as expeditiously as possible to concerns raised by disaster victims. For instance, following the release of the Center for Disease Control and Prevention's (CDC) formaldehyde testing results, FEMA took the following actions to safeguard the health and well-being of disaster victims:

- Delivered flyers to occupants of FEMA-supplied manufactured housing units outlining test results and options for relocation, unit testing, and support services for individuals with health related questions and concerns;
- Conducted joint FEMA/CDC community workshops in Louisiana and Mississippi to provide public information on testing results, relocation options, and respond to health related questions and concerns;
- Offered free indoor air testing for formaldehyde levels to any resident of a FEMA-supplied travel trailer or mobile home;
- Established a team to identify and catalog currently available Federally financed rental resources across the Nation. These listings are in turn used by caseworkers providing relocation assistance to manufactured housing occupants.
- Established a toll-free hotline staffed with CDC Specialists to respond to individuals with health-related concerns; and
- Established a toll-free hotline staffed with FEMA employees to discuss available housing options and track requests for unit formaldehyde testing.

#### *Contracts*

*Question.* What contracts does FEMA have in place for known disaster needs? Are there any contracts FEMA believes it will need to use a sole-source method of contracting for during disasters? If so, why would this be necessary?

*Answer:*



| Acquisition Name   | Description  | Awardee                                   | Procurement Vehicle                                      | Actual or Target Award | Award Date            |
|--|--|---|--|------------------------|-----------------------|
| Integrated Public Alert and Warning System (IPAWS) Program Services.<br>Presidential Integrated Public Alert and Warning System (IPAWS) Support. | PMO and acquisition support services for the IPAWS program.<br>Support services for the National Community Program Office in preparation for the fiscal year 2007 Hurricane Season.  | Booz Allen Hamilton<br>CACI Federal Inc   | Contract<br>Contract; Modification to Existing Contract. | Awarded<br>Awarded     | 13-Apr-07<br>6-Feb-07 |
| Integrated Public Alert and Warning System (IPAWS) Pilot Public Education, Conferences and Website.  | Public outreach initiative and conference on IPAWS program and emergency alerting systems.   | URS Group                                 | Contract   | Awarded                | 6-Apr-07              |
| Mobile Disaster Recovery Center (MDRC) Satellite Airtime (Service).  | Satellite airtime enables MDRC communication and access to FEMA networks and communications for disaster operations.   | On Call Communications, Inc               | Contract   | Awarded                | 4-May-07              |
| Interactive Voice Response (IVR) Modifications for Disaster Specific Professional Services.  | FEMA requires the ability to react quickly and efficiently to changes in its Contact Center environment. This contract provides professional services for the NPSC to develop and modify IVR applications, training, and disaster recovery capabilities. | Nortel Government Solutions Incorporated. | Contract   | Awarded                | 13-Jun-07             |
| Disaster Satellite Communications (Access to Transponder on a KU Band Satellite System for MERS).  | Access rights and time to a Transponder on a KU Band Satellite System. It was/is used for Mobile Emergency Response Support (MERS).  | AT&T Government Solutions                 | Mod to FFP Contract                                      | Awarded                | 28-Dec-07             |
| Integrated Public Alert and Warning System (IPAWS) Economic Assessment.  | Additional funding for Cubic to continue assessment work and cover economic aspects of full IPAWS deployment.  | Cubic Applications Incorporated.          | Contract; Modification to Existing Contract.             | Awarded                | 14-Aug-07             |
| Uniform Federal Accessibility Standards (UFAS) Two Bedroom Park Model.   | An IDIQ acquisition to purchase disability-equipped trailers for group sites. This action is complete as 100 such trailers were purchased.   | Murillo Modular Group LTD                 | Contract   | Awarded                | 5-Mar-07              |
| Housing Inspection Services (HIS)  | The Nation-wide Housing Inspection Services contract provides damage inspection services in affected disaster areas in support of claims for damaged homes.  | Alltech, Inc., PaRR                       | IDIQ Contract  | Awarded                | 1-Mar-07              |

| Acquisition Name   | Description  | Awardee                                    | Procurement Vehicle                        | Actual or Target Award | Award Date |
|--|--|--|--|------------------------|------------|
| Individuals and Households Program (IHP) Incoming Mail Processing.                 | Disaster Assistance Mail Services processes incoming mail communications and claims from disaster victims.   | Bravera Corporation                        | Contract                                   | Awarded                | 1-Oct-06   |
| Individual Households Program (IHP) Outgoing Mail Processing.                      | Disaster Assistance Mail Services provides outgoing mailed Agency responses to claims.   | Xerox Corporation                          | Contract                                   | Awarded                | 1-Oct-06   |
| National Commercial Bus Transportation (Evacuation) Phase I.                       | The purpose of this procurement is to acquire commercial services for bus transportation in response to Presidential-declared emergencies and natural disasters within the United States, its territories and possessions.   | CUSA GGT, LLC                              | Modification to Existing Contract.         | Awarded                | 29-Sep-07  |
| Uniform Federal Accessibility Standards (UFAS) Group and Exclusive Site Retrofits. | An IDIQ acquisition to purchase disability-equipped trailers for group sites. This action is complete as 100 such trailers were purchased.   | KETA Group                                 | Contract                                   | Awarded                | 23-Jan-07  |
| Public Assistance (PA) Technical Assistance Contract (TAC) II 2nd Year Readiness.  | The three (3) contracts for the 2006 PA TACs were awarded for a period of 5 years. M&A activities prepare the TACs to support FEMA, meeting the Agency's objectives of providing Public Assistance in a timely, efficient, effective and consistent manner.  | FLUOR Enterprises<br>ERPMC Inc<br>NISTAC-D | Contract; Exercising Option                | Awarded                | 1-Jun-07   |
| Web Caching, Site Accelerator, Load Balancing, Secure Tunnel—Long Term.            | This is a contract for a service that allows for surge in users accessing the fema.gov site or any related web site during a disaster. FEMA can also use the service when FEMA has large numbers of users taking web-based training. The service allows for large surges in users, which are common to FEMA. The service also provides an additional layer of security when disaster victims apply for assistance over the Internet. | Akamai Technologies, Inc.                  | Contract                                   | Awarded                | 16-May-07  |
| Cyber Security   | Task orders to existing contract. Fiscal year 2008 procurement #420.   | Verizon Federal Inc                        | Contract; Task Order to Existing Contract. | Awarded                | 29-Jan-07  |

|  |   |  |  |                      |                  |
|--|---|--|--|----------------------|------------------|
| <p>Hotel Authorization (Intake Management) .....</p>         | <p>This existing contract allows FEMA to use the services of Corporate Lodging Consultants to manage the placement of disaster victims into hotels in the event of mass evacuations. Fiscal Requirements: fiscal year 2007 \$1.49 million, fiscal year 2008 \$1.49 million, fiscal year 2009 \$1.49 million.</p>  | <p>Corporate Lodging Consultants Inc.</p>                | <p>Contract; Exercising Option .....</p> | <p>Awarded .....</p> | <p>23-Jul-07</p> |
| <p>Regional Commercial Ambulance Gulf/East Coast States.</p> | <p>Provide ambulance services to support disaster requirements in the Gulf Coast region (Zone 1) and Atlantic (Zone 2).</p>   | <p>American Medical Response Inc.</p>                    | <p>Contract .....</p>                    | <p>Awarded .....</p> | <p>1-Aug-07</p>  |
| <p>Readiness and Surge Staffing .....</p>                    | <p>This contract includes logistics support to FEMA in the form of CDL drivers, Total Asset Visibility asset tracking specialists, and Mobile Emergency Response Support (MERS) specialists, as well as pharmacy technicians supporting the National Disaster Medical System (NDMS) until fiscal year 2008 via a FEMA/NDMS IAA as well as other personnel located at FEMA headquarters, Berryville, Virginia and Logistics Centers in Frederick, Maryland and Atlanta, Georgia.</p> | <p>Alutiq Global Solutions, LLC .....</p>                | <p>Contract; Exercising Option .....</p> | <p>Awarded .....</p> | <p>27-Jul-07</p> |
| <p>Total Asset Visibility (TAV), Phase 1a and 1b .....</p>   | <p>This acquisition includes Operations and Maintenance (O&amp;M), training and provisions for surge support personnel. Phase 1b acquisition is for software to enable order visibility to all Regions and performance (reporting) capabilities. Support e-tasker and Intelligent Road/Rail Information Server (IRIS) programs.</p>   | <p>.....</p>   | <p>Blanket Purchase Agreement .....</p>  | <p>Awarded .....</p> | <p>25-May-07</p> |
| <p>Rail Transportation Support to Evacuation .....</p>       | <p>This action provides rail service to support a NOLA evacuation for the 2007 Hurricane Season.</p>  | <p>National Railroad Passenger Corporation (Amtrak).</p> | <p>Contract .....</p>                    | <p>Awarded .....</p> | <p>17-Jul-07</p> |

| Acquisition Name   | Description   | Awardee             | Procurement Vehicle                        | Actual or Target Award | Award Date |
|--|---|---------------------|--|------------------------|------------|
| Warehousing, Shipping and Receiving of Mail Equipment and Meters.            | The scope of this contract includes the storage, shipping, and maintenance of mail equipment in support of disaster operations. This equipment includes mail meters, scales, and supplies to support the equipment. The warehouse is located in Jessup, Maryland.   | Metro Mail Services | Contract; Exercising Option                | Awarded                | 26-Jul-07  |
| Telecommunication Services   | Facilities<br>Equipment, supplies and services<br>Systems engineering<br>Network security support services  | Verizon Federal Inc | Contract; Task Order to Existing Contract. | Awarded                | 20-Aug-07  |
| Alabama Warehouse  | GSA Lease procurement of a large warehouse facility to preposition and store logistical supplies in preparation for potential future Gulf Coast Disasters. GSA building lease is under FEEMA control but needs utility/infrastructure upgrades.   |                     | Contract                                   | Awarded                | TBD        |
| Switch On Wheels (SOWs) and Mobile Radio Station, per Executive Order 13407. | Acquisition to obtain support for deployable cellular assets including: engineering, maintenance, and deployed support as well as provide a mobile radio station.   | FIVE RIVERS LLC     | Contract                                   | Awarded                | 27-Sep-07  |
| Individual Identity Verification Service                                     | This is a service used to verify and authenticate the identity of personnel applying for disaster assistance to prevent duplicate or fraudulent applications for assistance. Verification determines that the person exists. Authentication determines that the person applying for assistance is who he or she says he is, and is not using a stolen identity. | CHOICEPOINT, INC    | FFP Contract                               | Awarded                | 28-Sep-07  |

|   |  |                       |                      |                  |
|---|--|-----------------------|----------------------|------------------|
| <p>Base Camp Support—Large (300–2,000 beds) .....</p>   | <p>Rapid Deployment, Deployed Resources, Disaster Management Group, Brookstone.</p>  | <p>Contract .....</p> | <p>Awarded .....</p> | <p>28-Sep-07</p> |
| <p>The scope includes providing two base camps, large and small, to support services for responders inclusive of mobilization, site preparation, installation, base camp management and operation, and demobilization as set forth in task orders. Contractor services include: base camp design, site preparation, installation and maintenance of all contractor provided equipment, and all services necessary to effectively and efficiently manage and operate the base camp. This is a budget (not necessarily a single acquisition) that includes a variety of expenses and procurement, but primarily covers the costs associated with maintaining ad-hoc assembly and network of experts/specialists organized to manage and prepare for emergency operations. The Warm Cell is also responsible for preparing and implementing IAAs with other government agencies.</p> | <p>VARIOUS .....</p>   | <p>VARIOUS .....</p>  | <p>Awarded .....</p> | <p>VARIOUS</p>   |
| <p>Disaster Operations Warm Cell .....</p>  | <p>ALL POINTS LOGISTICS INC .....</p>  | <p>Contract .....</p> | <p>Awarded .....</p> | <p>26-Sep-07</p> |
| <p>JFO Web EOC .....</p>  | <p>Services to build a web-based interface to WebEOC (Emergency Operations Center), a commercial incident information management software that enables personnel from multiple agencies at State, local and Federal levels to interact and share information. The system is compliant with the ICS and NIMS protocols.</p> | <p>Contract .....</p> | <p>Awarded .....</p> | <p>26-Sep-07</p> |

| Acquisition Name   | Description   | Awardee  | Procurement Vehicle                        | Actual or Target Award | Award Date |
|--|---|--|--|------------------------|------------|
| Geographic Information System Support to Joint Field Offices.      | This is the services of a contractor to maintain and repair Geographic Information System (GIS) kits for deployment to joint field offices during disasters. The contractor may also deploy when disasters occur and train field personnel on the use of the GIS services.            | NEW LIGHT TECHNOLOGIES, INC  | Contract                                   | Awarded                | 29-Sep-07  |
| Implementation of Disaster Relief Fund Assessment Recommendations. | This project will support development and validation of a standard, nationally applicable and non-proprietary cost estimation model for making quantitative assessments of the potential economic and social losses from catastrophic hurricane damage and potentially other hazards. | IBM GLOBAL BUSINESS SERVICES.  | Blanket Purchase Agreement                 | Awarded                | 23-Aug-07  |
| Private Sector Call Center Assessment (RDT) for all NPSOs..        | Contractor support to conduct a comprehensive assessment that analyzes FEMA's current operations and surge response capabilities with respect to registration intake and explores innovative, efficient and cost effective alternative methods to respond to surge RI requirements.   | ICF INCORPORATED   | Contract                                   | Awarded                | 27-Sep-07  |
| Staffing Support and Services for Emergency Housing (EH) Program.  | Facility and grounds maintenance and repair staffing support and services for the Cumberland, MD emergency housing (EH) program. TMI is the current contractor.   | TMI Management Systems, Inc.   | Contract                                   | Awarded                | 27-Sep-07  |
| IA-TAC II  | Housing operations support<br>Site assessments for temporary housing placement<br>Install, deactivate, and remove housing<br>Temporary housing for disaster workers and/or applicants.<br>Maintenance of temporary housing  | Shaw Environmental, Inc; Fluor Corporation; Path LLC Post, Buckley, Schuh & Jernigan; Bechtel National, Inc.; CH2M Hill. | Contract; Task Order to Existing Contract. | Awarded                | 8-Aug-06   |

|   |  |                                      |  |               |           |
|---|--|--------------------------------------|--|---------------|-----------|
| Web Surge Processing and Helpdesk IT Support .....                            | <p>This is a contract for managed services to host the information technology equipment and software that allows disaster victims to register for assistance online. The service allows FEMA to accept applications from a larger number of users than could be accomplished with equipment and software housed at FEMA alone. The service also allows for uninterrupted capability, should the FEMA site become non-operational. The contract also provides help desk service for applicants regarding the mechanics of registration over the Internet.</p> | ELECTRONIC DATA SYSTEMS CORPORATION. | Contract .....                             | Awarded ..... | 14-Sep-07 |
| Registration Capability at Shelters .....                                     | <p>The new Housing Inspections Services (HIS) contracts require remote registration intake capability at shelters and other free standing locations. This procurement will add 3 000 laptop computers to the contract inspection firm's computer inventory to perform this task. Fiscal Requirements: fiscal year 2007 \$2.25 million, fiscal year 2008 \$675 million, fiscal year 2009 \$675 million.</p>   | COMPUTER WORLD SERVICES CORP.        | .....                                      | Awarded ..... | 21-Sep-07 |
| Systems Engineering and Technical Assistance (SEITA) Communications Planning. | <p>Services of telecommunications engineers and planners who support FEMA personnel in working with State emergency operations personnel to develop plans for telecommunications plans during a disaster.</p>  | Booz Allen Hamilton .....            | Contract; Task Order to Existing Contract. | Awarded ..... | 26-Mar-07 |
| Bulletin News, Media Monitoring .....   | <p>The services monitor media reports pertaining to the Agency and emergency incidents.</p>  | Bulletin News Network, Inc .....     | Contract; Exercising Option .....          | Awarded ..... | 30-Mar-07 |

| Acquisition Name   | Description  | Awardee                                      | Procurement Vehicle                        | Actual or Target Award | Award Date |
|--|--|--|--|------------------------|------------|
| Remedial Action Management Program (RAMP) .....  | Contractor to provide day-to-day program management and web-based application support for the Remedial Action Management Program (RAMP). RAMP is an internal program (process and web application) that: a) facilitates the identification, vetting, and remediation of issues identified during disaster operations and operational training exercises, and b) allows for the communication of smart practices and lessons learned throughout the organization. | Creative Computing Solutions ...             | Contract .....                             | Awarded .....          | 28-Jun-07  |
| Integrated Financial Management System (IFMIS) Software Management.                                | Hands-on system operations by systems administrators.  | .....  | Contract; Task Order to Existing Contract. | Awarded .....          | 29-Jan-07  |
| Intelligent Road/Rail Information System (IRRIIS), Access Web-Based Geographic Information System. | Services to develop and provide detailed, timely, and relevant information about road conditions, construction, incidents and weather that might interfere with the movement of people and goods between storage depots and strategic points for disaster relief.  | Gannett Fleming Incorporated ...             | FFP Contract .....                         | Awarded .....          | 15-Jun-07  |
| PRISM Implementation Project Management Support Services.  | Services contract to support PRISM contract writing system replaces the existing contract system to improve processing and control of GCR acquisition operations.  | International Business Machines Corporation. | Contract .....                             | Awarded .....          | 17-Oct-07  |
| PRISM Implementation—Product/Application Implementation and User Costs.                            | The PRISM contract writing system replaces the existing contract system to improve processing and control of GCR acquisition operations.   | International Business Machines Corporation. | Contract; Exercising Option .....          | Awarded .....          | 13-Mar-07  |
| Web Automated Deployment Database Applications Development.  | This is the web-enabling of the Automated Deployment Database, used to roster and track all FEMA employees for disaster deployments.   | GOWORKS/U.S. DEPT OF INTERIOR.               | Contract .....                             | Awarded .....          | 16-May-07  |



|  |  |   |  |               |                                 |
|--|--|---|--|---------------|---------------------------------|
| Wireless Telephone .....                                   | Provide wireless telephone services to emergency responders. Task orders to existing contract. Fiscal year 2008 procurement #422.  | Verizon Federal Inc. ....                               | Contract; Task Order to Existing Contract. | Awarded ..... | 13-Jul-07                       |
| Strategic Positioning Analysis .....                       | The Logistics Strategic Positioning and Analysis study evaluates and assesses current warehousing and makes recommendations for the Agency to strategically position equipment and facilities to improve disaster response in the future.  | .....   | Contract; Exercising Option .....          | Awarded ..... | 7-Sep-07                        |
| Web-Services Development .....                             | The grants management function for the National Emergency Management Information System (NEMIS) is being replaced by the Emergency Management Mission Integrated Environment (EMMIE). Funding is needed for PA to contribute to the IT contract vehicle that will move the program from NEMIS to EMMIE. Fiscal Requirements: Fiscal year 2007 \$5.71 million, fiscal year 2008 \$1.96 million.                             | REI SYSTEMS INC; NETAMERICA CORPORATION; GOWORKS (DOJ). | Contract .....                             | Awarded ..... | 6/29/2007, 9/18/2007, 2/12/2004 |
| GIS Web interface Development .....                        | Services to produce an internet mapping system and web interface for geographic visualization of shelter data for the National Shelter system.   | MICHAEL BAKER JR INC .....                              | Task Order .....                           | Awarded ..... | 17-Sep-07                       |
| Logistics Management Transformation Initiative Assessment. | The purpose of this procurement is to obtain expert consulting services that will assist the FEMA Logistics Directorate's efforts in providing support to our Nation. The services required include the establishment of a Logistics Program Management Organization (PMO) and the reengineering of the FEMA Logistics Directorate's supply chain by establishing a Third Party Logistics (3PL) Supply Chain Organization. | International Business Machines Corporation.            | Blanket Purchase Agreement .....           | Awarded ..... | 28-Sep-07                       |
| GAP Analysis (Planners) .....                              | .....  | GSA IT Solutions .....                                  | Interagency Agreement .....                | Awarded ..... | 28-Dec-06                       |

| Acquisition Name                                      | Description  | Awardee                                       | Procurement Vehicle              | Actual or Target Award | Award Date       |
|---|--|---|----------------------------------|------------------------|------------------|
| Upgrades for IA at NPSOs to Increase Capability ..... | <p>This initiative is to upgrade the network architecture used to support IA applications such as registration, direct housing (mobile home) missions, helpline and processing operations. The upgrades are required to meet the service level expected by IA, which requires the system to support 12,000 registrars and helpline workers, and 5,000 case processors at the same time. Fiscal Requirements: fiscal year 2007 \$2.93 million, fiscal year 2008 \$5.3 million, fiscal year 2009 \$3.88 million.</p>   | CACI INC FEDERAL .....                        | .....                            | Awarded .....          | 20-Sep-07        |
| IA Program Upgrades .....                             | <p>This initiative is intended to double the available staff of individual Assistance (IA) developers for the National Emergency Management Information System (NEMIS). FEMA's system of record for registrations and applicant processing. Doubling the staff is an IA priority due to the significant NEMIS changes that are required to support GovBenefits, post Katrina legislation, and other critical upgrades to NEMIS in order to support catastrophic disasters. Fiscal Requirements: fiscal year 2007 \$2.7 million, fiscal year 2008 \$2.7million, fiscal year 2009 \$2.7 million.</p> | General Services Administration IT Solutions. | Blanket Purchase Agreement ..... | Awarded .....          | 5-Sep-07         |
| Hosting for Environment for Mass Care .....           | <p>Support the facility and service to host these publicly used systems. Fiscal Requirements: fiscal year 2007 \$2.54 million, fiscal year 2008 \$2.77 million, fiscal year 2009 \$3.13 million.</p>   | To be completed in fiscal year 2008.          | .....                            | Target .....           | Fiscal year 2008 |

| Portals for Disaster Housing .....  | Funding is needed to make NEFRIS, NSS, and the Disaster Housing portal functional and meet DHS IT standards. Hardware and Oracle (software) licenses need to be purchased to support these systems. Fiscal Requirements: fiscal year 2007 \$4.64 million, fiscal year 2008 \$63 million, fiscal year 2009 \$.691 million.   | To be completed in fiscal year 2008. | .....          | Fiscal year 2008          |
|---|---|--------------------------------------|----------------|---------------------------|
| Mobile Disaster Recovery Centers (MDRC) Support (Phase II) and Mobile Registration Intake Centers Upgrades. | Post Katrina, the MDRC/MRIC program was initiated and FEMA now has 60 RV units that have been modified to provide an office environment for a mobile disaster recovery center and/or can easily be tasked as needed for use as a mobile registration intake center.   | ON CALL COMMUNICATIONS INC.          | Contract ..... | Awarded .....<br>7-Aug-07 |
| Driver Support and Fleet Management Systems .....   | This contract supports the requirement for additional contract support drivers over the next 5 years. DOT will provide funding.   | To be completed in fiscal year 2008. | Contract ..... | Target Award: TBD         |
| National Shelter System Development .....   | Provide development support for the National Sheltering System database mandated by DHS. This database is needed in order to meet the comprehensive applicant tracking requirement. The acquisition represents the estimated 3 year service contract required to develop and support the new database. Fiscal Requirements: fiscal year 2007 \$205 million, fiscal year 2008 \$.750, fiscal year 2009 \$.287 million. | To be completed in fiscal year 2008. | .....          | Target Award: 1-May-08    |
| National Bus Contract .....   | .....   | To be completed in fiscal year 2008. | .....          | Target Award: 1-June-08   |
| AMTRAK Contract .....   | .....   | To be completed in fiscal year 2008. | .....          | Target Award: 1-June-08   |

The only known requirement at this time that may need to be sole source is Ground Support at Airports. Market research is completed and FEMA continues working with impacted and receiving States to further identify and define any ground support needs of airports that could be affected. If it is determined that there is a need for Ground Support at Airports, FEMA will begin a competitive procurement. Since it is unlikely that this requirement will be completed by the start of hurricane season, any need for ground support prior to the completion of the procurement process may be issued on a sole-source basis.

RESEARCH AND DEVELOPMENT, TRAINING, AND SERVICES  
 UNITED STATES CITIZENSHIP AND IMMIGRATION SERVICES

*FBI Name Checks*

*Question.* What value to national security has USCIS determined is added by the FBI name check process? Has USCIS performed an analysis on this issue? If so, please share this analysis with the Committee. Do naturalized citizens have a higher crime rate than natural-born citizens? What about Green card holders and Green card applicants?

*Answer.* USCIS relies on the FBI name check as part of a suite of background security checks. The FBI name check provides USCIS with a unique source of data that may be pertinent to the decision making process associated with immigration benefit applications and which is not necessarily available through other background checks (e.g. IBIS and FBI fingerprint checks).

USCIS has conducted FBI name checks for many years, including over 5 million checks in the last 3 fiscal years alone (fiscal year 2005-fiscal year 2007). While no formal report has been prepared, USCIS has empirical evidence based on the results of millions of name checks, and the agency also has the benefit of ICE's experience with FBI name checks conducted on aliens in removal proceedings. USCIS, working together with ICE and the DHS Office of Screening Coordination, continues to review USCIS security check screening processes, including FBI name checks, to ensure that adjudicators have access to relevant information in a timely manner.

With respect to the crime statistics for naturalized and natural-born citizens, USCIS respectfully suggests that you contact the Department of Justice for information relating to crime rates for any class of individuals.

With respect to the crime statistics for naturalized and natural-born citizens, USCIS respectfully suggests that you contact the Department of Justice for information relating to crime rates for any class of individuals.

FEDERAL LAW ENFORCEMENT TRAINING CENTER

*Question.* Are there are any agencies that are not paying their full "tab"? If so, which agencies apply to this situation and how much are they not paying?

*Answer.* FLETC has a shared funding arrangement with all of its customers wherein the travel and per diem is funded by the agency while the basic student is in training and FLETC covers the tuition and miscellaneous overhead costs for training. The only agency that has a different funding arrangement is the Capitol Police. In the appropriation language for the Capitol Police it States, ". . . That, notwithstanding any other provision of law, the cost of basic training for the Capitol Police at the Federal Law Enforcement Training Center for fiscal year 2008 shall be paid by the Secretary of Homeland Security from funds available to the Department of Homeland Security." Based on this language the FLETC also covers the per diem cost for all Capitol Police basic students while they are in training at the Glynco, GA center. The following is the funding history for the Capitol Police:

| Fiscal year | Tuition   | Misc.     | Meals     | Lodging   | Total     |
|-------------|-----------|-----------|-----------|-----------|-----------|
| 2002 .....  | \$330,928 | \$207,864 | \$150,253 | \$156,280 | \$845,325 |
| 2003 .....  | 625,906   | 329,235   | 248,327   | 231,009   | 1,434,477 |
| 2004 .....  | 176,715   | 165,453   | 124,785   | 342,822   | 809,775   |
| 2005 .....  | 128,771   | 135,700   | 83,548    | 83,602    | 431,621   |
| 2006 .....  | 44,819    | 103,232   | 57,365    | 102,055   | 307,471   |
| 2007 .....  | 139,552   | 229,304   | 126819    | 253,926   | 749,601   |

SCIENCE AND TECHNOLOGY

*Question.* Given the current concerns about cyber security, it is interesting that no additional resources for this recognized threat have been requested within S&T. Which Federal agency is the lead research agency for the cyber security threat?

Answer. While the Department of Homeland Security (DHS) is the overall lead for cyber security, cyber security research and development (R&D) remains an inter-agency effort. There are many agencies with difference expertise across the Federal Government (e.g., National Science Foundation, Department of Defense, Intelligence Advanced Research Projects Activity, Department of Energy, National Institute of Standards and Technology) that have R&D programs in this area and they coordinate research activities regularly via inter-agency working groups. Cyber security R&D has been, and will continue to be, a priority in the Department of Homeland Security and in the S&T Directorate's Command, Control and Interoperability Division.

*Question.* What is that Federal agency's base fiscal year 2008 funding for cyber security and how much has it been increased in the fiscal year 2009 request?

Answer. Fiscal year 2008 funding for cyber security R&D within DHS is \$19.9 million. The President's fiscal year 2009 cyber security R&D funding request is \$18.2 million—a decrease of \$1.7 million.

*Question.* Is this increase sufficient to address the threat?

Answer. Yes. The S&T Directorate in coordination with the DHS Assistant Secretary for Cyber Security and Communications, has developed a focused 2009 Budget that addresses the Nation's critical cyber security research needs where the government can have the greatest impact.

#### DOMESTIC NUCLEAR DETECTION OFFICE

*Question.* You mentioned during your hearing that 100 percent of containers crossing the Southern Border are screened for radiation. I believe you may be mistaken, as I note that U.S. Customs and Border Protection does not screen containers carried by rail from the Southern Border. If this is so, what is the actual percentage of containers screened?

Answer. The "containers screened" metric is often mentioned and, while useful, the terminology can be confusing. Screening is a visual or automated review of information about goods, including manifest or entry documentation accompanying a shipment being imported into the United States. Screening cargo before it enters the United States is a cornerstone of the DHS layered enforcement strategy. CBP screens 100 percent of all containers entering the United States and assesses each one for risk. Containers identified as high risk receive further attention such as, for example, a physical inspection by a CBP officer.

In addition to 100 percent screening, another layer in DHS's strategy is to scan containers for radiation. Scanning may be performed with radiation portal monitors and may also include non-intrusive imaging (NII) technology. CBP scans 100 percent of all truck cargo containers entering the United States from Mexico for illicit radiological and nuclear materials with radiation portal monitors (RPMs). CBP does not currently have the technical capability to scan rail cargo along the Southern border; however, efforts are underway to establish technical and operational requirements for equipment that could scan rail cargo. When current truck and rail volume is combined, the actual percentage of cargo containers scanned with RPMs along the Southern border is 85 percent.

*Question.* The containers screened metric is often mentioned. It is handy to be sure, but perhaps misleading. If Americans believe 100 percent of containers coming across the southern border are screened, they'll be inclined to believe the job is done. However, this neglects the fact that containers are only a fraction of the cargo total. Also the caveat that it does not account for rail-borne containers is often overlooked.

Do you believe this simple metric is more helpful than it is misleading?

Answer. While cargo coming into the United States does face multiple threats, the vulnerability of cargo containers continues to be of concern to the public and Congress, as illustrated by congressional mandates in recently enacted legislation. Reporting on DHS's progress in screening and scanning containers for radiological and nuclear threats, as well as progress in other areas, is an important way for the Department to keep the public and Congress informed of our broad range of efforts to secure goods entering our country.

*Question.* Is a new metric being developed? What percent of cargo is screened by tonnage or volume?

Answer. Currently, CBP and DNDO are refining the Joint Deployment Strategy for Radiation Portal Monitors. Recent technological advances such as the Advanced Spectroscopic Portal (ASP), if certified, may provide DHS with opportunities to re-evaluate the current state, including measures of progress. The Joint Deployment strategy will define our national strategy with regard to all cargo (break bulk, containerized cargo, roll-on-roll-off, and bulk), and, in its development, DNDO and CBP

will consider multiple options for programmatic metrics. This fully revised document is expected to be completed in fiscal year 2008.

CBP does not utilize tonnage or volume, as these metrics do not meaningfully reflect the scope of work being conducted by CBP at all ports of entry. While the use of such metrics as tonnage, volume, value, or line items may provide another means of measuring success, the uniform nature of containers provides a much simpler and clearer comparative measure.

The percentage of all containers (truck and rail, full and empty) scanned with RPMs along the southern border is 85 percent.

*Question.* As I mentioned rail containers aren't screened and may be an effective way to haul a nuclear weapon into this country. What would you judge to be the riskiest pathway into the Nation and what efforts will you take to close that pathway?

*Answer.* The Global Nuclear Defense Architecture (GNDA), and its layered defense strategy, drives DNDO efforts to look at all potential pathways into the United States; including land border crossings, seaports, rail crossings, aviation pathways, maritime craft, and other non-authorized modes of entry. Because establishing fully instrumented layers all at once is untenable, an approach based both on risk and capability is being employed.

Based on analysis conducted in fiscal year 2005 and fiscal year 2006, DNDO identified several pathways of concern, including general aviation and small maritime craft. Since that time, the Department has begun efforts to address both of these pathways. International general aviation flights entering in the United States are now scanned for radiological and nuclear threats upon arrival. The West Coast Maritime pilot in the Puget Sound and San Diego regions is a 3-year effort to design, field and evaluate a radiation detection architecture that reduces the risk of radiological and nuclear threats that could be illicitly transported on recreational craft or small commercial vessels.

*Question.* What is the long term plan for Securing the Cities? How many cities will be covered?

*Answer.* Presently, the Securing the Cities initiative is entirely based in the New York City (NYC) region, with a projected conclusion of the engagement at the end of 2009. An assessment of the NYC regional implementation will occur through 2008 and 2009. Part of the assessment will estimate the degree to which State and local law enforcement and emergency responders can take on the preventive radiological and nuclear detection mission area. The result of this assessment will help determine if these types of engagements are constructive and worth continuing.

Risk and threat criteria will drive any potential future efforts for determining what cities will be covered.

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#### QUESTIONS SUBMITTED BY SENATOR DANIEL K. INOUE

##### *Aviation: Checkpoint Screening Technology*

*Question.* What are the primary factors that have contributed to the limited progress in deploying new technologies to screen airline passengers? What can Congress do to expedite these efforts?

*Answer.* The Department of Homeland Security appreciates the support that Congress has provided thus far with regard to this issue. It would be very helpful if Congress can continue to support the Transportation Security Administration's (TSA's) efforts to improve overall lifecycle management and operational integration of new technologies. This will enable TSA to detect a greater range of threats more quickly and with greater accuracy.

##### *Surface Transportation Security: Amtrak Grants*

*Question.* Please explain why the Department is requiring a non-Federal match from Amtrak in order to use the \$25 million provided under the fiscal year 2008 Consolidated Appropriations Act when no such requirement exists in the Appropriations Act or the authorizing section in the 9/11 Act?

*Answer.* Section 1513(g) of the Implementing Recommendation of the 9/11 Commission Act of 2007 (Public Law 110-53) calls for a match study on the feasibility and the appropriateness of a match requirement for railroad carriers, including Amtrak. While this study is not final, the Department of Homeland Security (DHS) determined that at least a non-DHS cost share, rather than a non-Federal cost share, is feasible and appropriate for Amtrak. A match requirement was also portended in the fiscal year 2007 Transit Security Grant Program Supplemental. This requirement is also consistent with the Department's other homeland security grant programs.

*Question.* The administration's fiscal year 2009 budget request proposes to eliminate dedicated funding for Amtrak security and return to the fiscal year 2007 practice of apportioning some amount of grant funds to Amtrak out of the general rail and transit security grant program, likely leading to a reduction of security funds for Amtrak.

What is your rationale for this?

*Answer.* The transportation sector is a system of systems and must be considered as such when determining how to apply funds against the greatest risks in terms of threat, vulnerability, and consequences. Amtrak intersects with several other transit agencies and regions across the Nation and should be considered in parallel with, not separate from, those other systems. This approach encourages regional collaboration to utilize multiple funding sources in order to mitigate risks and improve overall security.

*Question.* Doesn't Amtrak deserve special focus as the Nation's only Nation-wide intercity passenger railroad, especially given that it is a quasi-Federal entity?

*Answer.* The transportation sector is a system of systems and must be considered as such when determining how to apply funds against the greatest risks in terms of threat, vulnerability, and consequences. Amtrak intersects with several other transit agencies and regions across the Nation and should be considered in parallel with, not separate from, those other systems. This approach encourages regional collaboration to utilize multiple funding sources in order to mitigate risks and improve overall security.

The risk-based approach implemented by the Department of Homeland Security and the Transportation Security Administration recognizes the significance of Amtrak and its security profile. Targeted awards under the former Intercity Passenger Rail Security Grant Program and the current Transit Security Grant Program (TSGP) have facilitated improvements in security infrastructure and operations. Amtrak has received the following allocation of funds under the TSGP:

- \$13.4 million allocated in fiscal year 2007;
- \$7.2 million allocated in fiscal year 2006; and
- \$6.4 million allocated in fiscal year 2005.

In fiscal year 2008, Amtrak will receive \$25 million in funds under the TSGP to address risk-based security enhancement priorities.

The consolidated security grant programs provide the allocation of funds for projects having the greatest risk mitigation across transit and rail systems.

#### *Surface Transportation Questions*

*Question.* The 9/11 Act tasks your agency with many new and important responsibilities for surface transportation security. For rail security alone, the Act requires some 12 new rulemakings, reports, and assessments. If the Department is truly committed to increasing its focus on surface transportation, what is your explanation for how you plan to implement the new surface transportation security provisions of the 9/11 bill without any increased funding for the upcoming fiscal year?

*Answer.* The 9/11 Act's requirements, in many cases, build upon existing security enhancement programs and initiatives pursued by the Transportation Security Administration (TSA). In the freight rail mode, prior to passing the 9/11 Act, TSA had begun the development and implementation of programs that met some of the security provisions of the 9/11 Act such as a Tank Car Vulnerability Study and a tracking program focused on reducing the risk associated with the transportation of toxic inhalation hazard materials. Additionally, TSA has conducted vulnerability assessments of high population areas throughout the freight rail network.

In the passenger rail mode, TSA has set as strategic priorities six Transit Security Fundamentals:

- Protection of high-risk underwater/underground assets and systems
- Protection of other high-risk assets that have been identified through system-wide risk assessments
- Use of visible, unpredictable deterrence
- Targeted counter-terrorism training for key front-line staff
- Emergency preparedness drills and exercises
- Public awareness and preparedness campaigns

To a substantial degree, these priorities align with the actions directed under the 9/11 Act. As such, security enhancement programs and resource allocations, notably under the Transit Security Grant Program, were already in place prior to the enactment of the legislation.

Additionally, the Consolidated Appropriations Act, 2008 provided \$30 million for implementation efforts related to the requirements of the 9/11 Act. TSA will apply these resources to increasing capabilities to implement a number of the require-

ments of the 9/11 Act, including rulemakings, reports, and assessments, among others.

*Question.* Although you have moved all of your canine units and VIPR teams under aviation security, you indicate that a large portion of these resources will still be used for surface transportation purposes. What percentage of the canine units and VIPR teams will be solely allocated to surface transportation?

*Answer.* Out of the more than 780 explosives detection canine teams included in the fiscal year 2009 President's budget, 82 teams (10.5 percent) will be solely allocated to surface transportation. In addition, support from the other explosives detection canine teams will augment these efforts as needed.

Since the program's inception in 2005, the Visible Intermodal Protection and Response (VIPR) deployments have been conducted in both the aviation and surface transportation areas. VIPR resources are not allocated in advance by transportation mode, but rather are utilized based on intelligence and/or threats, or through the direction of senior security managers. Historically, approximately half of all deployments have been focused in the aviation domain and it is reasonable to assume a similar allocation unless intelligence dictates otherwise. The Transportation Security Administration's request to consolidate VIPR resources into the Aviation Security Appropriation under the Law Enforcement Program, Project and Activity is intended to simplify management of resources and better reflect management of VIPR as a single program entity.

*Coast Guard: Interagency Operation Command Center (IOCC's)*

*Question.* How does the Department intend to satisfy the Congressional mandate to establish Coast Guard Interagency Operation Command Centers for the maritime domain by fiscal year 2009 as required under the SAFE Port Act when the administration has requested no funding to do so?

*Answer.* The Coast Guard intends to merge the acquisition project called Command 21 with the Interagency Operations Center (IOC) to meet the Safe Port Act requirements to establish interagency command centers in 24 Coast Guard Sectors in the Nation's highest priority ports. Additionally, the Coast Guard is currently finalizing a spend plan for the \$60 million provided in fiscal year 2008 which will support three major components of the IOC capabilities: facilities, information management and sensors in order to satisfy the Congressional mandate. All three of these components are critical to establishing the information sharing and interagency coordination necessary to ensure we meet our obligation under the SAFE Port Act.

The first priority of the IOC project will be to develop the information management suite that will provide the Coast Guard's existing Sector Command Centers with Interagency Operation Center capability. WatchKeeper is the information management tool that will deliver this capability; it will be deployed to all 35 Sector Command Centers. WatchKeeper will tie-in directly with our port partners and facilitate information fusion and sharing as well as provide a tactical situational awareness tool for operational coordination. Moreover, the Coast Guard will continue to use the collaboration and integration provided through the Area Maritime Security Committees to maximize outreach and coordination efforts.

QUESTIONS SUBMITTED BY SENATOR PATTY MURRAY

*2010 Olympics*

*Question.* Mr. Secretary, in your response regarding fiscal year 2009 funding for 2010 Olympics-related costs, you identified three main sources of funding: fiscal year 2009 funds within Customs and Border Protection, fiscal year 2009 funds from other DHS components and grant funding. With regards to CBP, you stated, "Well, of course for the fiscal year 2009 budget . . . we do have in the CBP budget money that CBP anticipates spending from its base budget current resources to cover some of its expenditures in connection with the planning and the run-up to the Olympics."

What are the accounts within Customs and Border Protection that you anticipate these funds will come from?

*Answer.* CBP anticipates spending \$1.74 million within the Salaries and Expenses account in fiscal year 2009 on 2010 Olympic related expenses. The account breakout follows:

|   | Amount    |
|---|-----------|
| Inspections, Trade and Travel Facilitation at POEs: |           |
| Seattle Field Office .....                          | \$589,460 |



|                                       | Amount  |
|---------------------------------------|---------|
| Vancouver/Victoria Preclearance ..... | 567,058 |
| Between the Ports:                    |         |
| Office of Border Patrol .....         | 585,210 |

*Question.* What amounts do you anticipate could be used for 2010 Olympics-related costs out of fiscal year 2009 funds?

*Answer.* CBP anticipates spending \$1.74 million in fiscal year 2009 on 2010 Olympic related expenses. The related costs are broken out below:

Overtime: \$765,974.

TDY: \$948,454.

Canine (kennel, vet): \$27,300.

*Question.* In your response regarding fiscal year 2009 funds from other components of the Department, you stated, "But I think at this point we expect that the Federal share of this will be taken care of by moneys already allocated to the relevant components." What other components do you expect will contribute to 2010 Olympics-related costs out of fiscal year 2009 funds?

*Answer.* The Department has sent a request for information to its various components to determine the cost estimates and any identified sources of funds associated with the 2010 Olympic and Paralympic games. Once that information is collected, the Department will determine which estimates are specific to the games, and will identify potential sources of funding or a future funding request.

*Question.* Mr. Secretary, you also stated that homeland security grant funding could be available. Specifically, you stated, "I would also envision that because we will have—it'll be Homeland Security grant funds made available in 2009, some of those may be available and attributable for security-related measures as it relates to this particular Olympics." Given the 80-percent pass through requirement for State Homeland Security Grant funds and that this event occurs outside of a UASI-eligible area, what grants did you anticipate could be used for these purposes?

*Answer.* The State Homeland Security Program (SHSP) supports the development and implementation of State Homeland Security Strategies to address the identified planning, organization, equipment, training, and exercise needs for acts of terrorism and other catastrophic events. Washington State and its local jurisdictions can use their SHSP funding to support activities in preparation for this event in the areas of planning (including operational planning), training and exercises. In addition, Washington can use up to 15 percent of their SHSP funds for overtime costs for personnel to participate in information, investigative, and intelligence sharing activities specifically related to homeland security. This includes activities such as anti-terrorism task forces, JTTFs, Area Maritime Security Committees, DHS Border Enforcement Security Task Forces, and Integrated Border Enforcement Teams. Washington can also hire new staff and/or contractor positions to serve as intelligence analysts to enable information/intelligence sharing capabilities within the designated primary Statewide Fusion Center. In order to be hired as an intelligence analyst, staff and/or contractor personnel must meet at least one of the following criteria: Successfully complete training to ensure baseline proficiency in Intelligence Analysis and Production within 6 months of being hired; and/or, previously served as an intelligence analyst for a minimum of 2 years either in a Federal intelligence agency, the military, or State and/or local law enforcement intelligence unit.

*Question.* You indicated that Mark Beaty is the Federal Coordinator for the planning for the 2010 Olympics.

Assuming that Mr. Beaty does not have authority to budget funds for 2010 Olympics-related costs, authorize spending of funds, or authorize the movement of personnel, could you please describe the mechanisms or process the Department uses to act on his recommendations that the Department agrees should be implemented?

*Answer.* The Federal Coordinator for planning of the 2010 Olympic and Paralympic Games will provide guidance in financial matters related to the games but does not have budgetary or execution authority over funding. The financing of requirements necessary to support the games will be provided by the appropriate DHS component, who will utilize the normal flexibility granted to them within their existing budgets. If additional budgetary authority is required, the Department will work with the component to request the necessary authority through the appropriate funding mechanism.

*Question.* Which component of DHS would make the decision on which recommendations to act upon?

*Answer.* The determination as to which recommendations of the Federal Coordinator for the 2010 Olympic and Paralympic games to act upon will come from the

Secretary of the Department and the leadership of the component that has the expertise and authority to act on the recommendation.

*Question.* Which agency within DHS will have lead responsibility for 2010 Olympics domestic security coordination and budget coordination among the different DHS components?

*Answer.* The Office of Operations Coordination will provide the Department with overall direction and guidance for the 2010 Olympic and Paralympic games. The DHS CFO will provide assistance in budget coordination and financial matters. Individual components will be responsible for the budgeting and execution of operations and programs within their respective areas of expertise and authority.

*Pacific Northwest National Laboratory (PNNL)*

*Question.* Mr. Secretary, in your response to my question why PNNL was not adequately included in the Fiscal Year 2009 Homeland Security budget, you responded, "It's a very tough budget circumstance all around, particularly because there have been, obviously, with the subprime mortgage issue and the money that was put into that. There have been some unanticipated budgetary impacts from the total budget's standpoint."

Could you please clarify what affect the subprime mortgage issue had on DHS budgeting for fiscal year 2009?

*Answer.* To clarify, the subprime mortgage issue did not directly impact the Department's ability to fund the Pacific Northwest National Laboratory (PNNL).

What were the other unanticipated budgetary impacts that affected DHS' budgeting for PNNL?

*Answer.* The administration seeks \$10 million for a PNNL replacement facility in the fiscal year 2009 budget request. However, the Department continues to believe that splitting funds between DOE and DHS for the PNNL replacement project has not proven the best method for efficient management of the endeavor. We continue to support that all PNNL replacement funding be directed to the Department of Energy.

DHS Science and Technology signed a Memorandum of Understanding (MOU) with the Department of Energy Office of Science and the National Nuclear Security Administration that delineated each department's financial obligation to provide "a predictable funding profile, critical to finishing this project [PNNL Capability Replacement Laboratory] on schedule and within budget."

*Question.* DHS Science and Technology signed a Memorandum of Understanding (MOU) with the Department of Energy Office of Science and the National Nuclear Security Administration that delineated each department's financial obligation to provide "a predictable funding profile, critical to finishing this project [PNNL Capability Replacement Laboratory] on schedule and within budget."

When developing the Department's budget, could you please describe how the Department considers such MOUs?

*Answer.* The draft Memorandum of Understanding (MOU) laid out the desired split of funding for Pacific Northwest National Laboratory (PNNL). The MOU stated that "the parties recognize that specific amounts will depend on OMB and Congressional action. It is understood that, to the extent funding is appropriated and available, the Parties shall adhere to this profile." Funding for MOUs is evaluated along with all other competing priorities in budget development.

*Question.* Could you please identify similar situations in which the Department has a memorandum of understanding with one or more other Federal agencies to budget in a certain year an amount for a project or program and had to reduce the amounts it had obligated itself to through the MOU?

*Answer.* The S&T Directorate has no other similar Memoranda of Understanding (MOUs) that it had to reduce the amounts it had obligated itself to through the MOU.

*Homeland Security Grants*

*Question.* The Homeland Security Budget does include \$200 million for State Homeland Security Grants and \$200 million for Emergency Management Performance Grants. Given this recognition that these grant programs have some purpose, what makes you believe that this amount is appropriate to meet the needs?

*Answer.* The requested amount is appropriate to meet the needs. Before the fiscal year 2008 grant cycle began, the Department took several steps towards 9/11 Act compliance, including a directed review of risk data for each of the 100 largest Metropolitan Statistical Areas to aid in the development of the fiscal year 2008 list of eligible urban areas; outreach by members of the Department's Homeland Infrastructure Threat and Risk Analysis Center (HITRAC) with every State and most cities to provide them with their State threat assessment; as well as the data call by

HITRAC to the State Homeland Security Advisors (HSA) to assemble the Tier 1 and Tier 2 lists of critical infrastructure used in the eligibility determinations.

FEMA used open and official sources for all other information (e.g., Census data) or the only authoritative source available (such as Defense Industrial Base information from Department of Defense). In addition, all formulas, models, spreadsheets, and data have been provided to GAO in advance of grant release for their annual risk report to the Hill.

Moving forward, the Department has sent letters to the senior elected official in each of the 100 MSAs, in order to review their individual risk scores and the overall risk allocation methodology, as well as how that methodology applies to their MSA. This process will be ongoing until April 1, 2008, at which time DHS senior leadership will consider the results of this data.

#### *Port Security*

*Question.* Mr. Secretary, can you report on some of the lessons you and the Department have learned from the Secure Freight Initiative during this past year?

*Answer.* The “Security and Accountability For Every (SAFE) Port Act of 2006” required that three foreign ports pilot 100 percent scanning of United States-bound maritime containers using both radiation detection and imaging equipment. On October 12, 2007, the ports of Southampton, U.K.; Qasim, Pakistan; and Cortes, Honduras, became fully operational and now attempt to scan 100 percent of containerized cargo destined for the United States. The SAFE Port Act also requires a report to Congress in April 2008, and every 6 months thereafter, to evaluate the successes and challenges of 100 percent scanning. In order to provide a robust report to Congress, the Departments of Homeland Security (DHS) and Energy (DOE) will also test, although in a more limited capacity, scanning systems in four additional ports: Hong Kong (now fully operational); Busan, Korea; Salalah, Oman; and Singapore. The 9/11 Act, requiring 100 percent scanning by 2012, places a premium on the data gathered by these pilots and these reports will serve as a foundation for moving towards a goal of 100 percent scanning of all United States bound maritime containers.

SFI is already learning from the challenges and seeing a number of successes of the three operational ports. For example, extreme heat in Pakistan and flooding in Honduras adversely affects the scanning equipment. Solutions such as shading and better drainage can ensure that the systems continue to work even in challenging climates. Also the proximity of radiation detection and imaging equipment can alter the accuracy of each machine. As such, “blanking codes” were installed to make sure that there is no interference with the radiation and imaging equipment.

To note some successes, the scanning systems are not adversely affecting port operations and in no instance has a container missed its vessel. Also, a trade facilitation benefit is also apparent with containers leaving Port Qasim. In just over 1 month, almost 1,400 scans took place with only 13 alarms and of those 13 alarms, none were re-examined in domestic ports. By giving domestic targeters access to the radiation signature and image gathered in an SFI port, they can more efficiently adjudicate alarming containers in the United States and ensure the quick entrance of legitimate goods into the United States.

*Question.* The administration has recognized the role the Federal Government has in helping our ports to improve the security of our Nation and included port security grants in its budget request. As a senator from a State with two of the largest ports in the Nation at Seattle and Tacoma to very small ports, how would the Department improve the security of our smaller ports to prevent harmful materials from entering our country?

*Answer.* U.S Customs and Border Protection (CBP) has developed a multi-layered process to target high-risk shipments while simultaneously facilitating legitimate trade and travel. People, technology, automation, electronic information and partnerships are concepts that underpin CBP port security and anti-terrorism initiatives. These concepts expand our borders and reinforce the components of CBP’s layered defense.

In response to your question, the focus will be on technology deployed to the State of Washington.

An integral part of CBP’s comprehensive strategy to combat nuclear and radiological terrorism is to scan all arriving conveyances, containers, airfreight, mailbags, and express consignment packages with radiation detection equipment for illicit radiological/nuclear material prior to release.

As part of CBP’s Radiation Detection Program, CBP has deployed 77 Radiation Portal Monitors (RPM) to 3 ports of entry and 1 mail facility in the State of Washington; however, all ports of entry in the State of Washington that process personally owned vehicles, truck and sea cargo will receive RPMs or other radiation detec-

tion technology (commensurate with workflow). There are 9 additional (smaller) ports of entry in the State of Washington that are currently in various stages of design and planning to receive RPMs. In addition, CBP has 11 large-scale imaging systems deployed in the State of Washington, as of March 14, 2008 and there are 2 additional large-scale imaging systems scheduled for deployment to ports of entry in the State of Washington by the end of this fiscal year.

QUESTIONS SUBMITTED BY SENATOR BEN NELSON

*FEMA—Urban Area Security Initiative*

*Question.* What is the Department's plan for conducting the process of allowing the 100 eligible metropolitan statistical areas, as defined by the Implementing the Recommendations of the 9/11 Commission Act, Public Law 110-53 (the 9/11 Act), going forward as the Fiscal Year 2008 Urban Area Security Initiative (UASI) grant award process continues?

*Answer.* Before the fiscal year 2008 grant cycle began, the Department took several steps towards 9/11 Act compliance, including a directed review of risk data for each of the 100 largest Metropolitan Statistical Areas to aid in the development of the fiscal year 2008 list of eligible urban areas; outreach by members of the Department's Homeland Infrastructure Threat and Risk Analysis Center (HITRAC) with every State and most cities to provide them with their State threat assessment; as well as the data call by HITRAC to the State Homeland Security Advisors (HSA) to assemble the Tier 1 and Tier 2 lists of critical infrastructure used in the eligibility determinations.

FEMA used open and official sources for all other information (e.g., Census data) or the only authoritative source available (such as Defense Industrial Base information from Department of Defense). In addition, all formulas, models, spreadsheets, and data have been provided to GAO in advance of grant release for their annual risk report to the Hill.

Moving forward, the Department has sent letters to the senior elected official in each of the 100 MSAs, in order to review their individual risk scores and the overall risk allocation methodology, as well as how that methodology applies to their MSA. This process will be ongoing until April 1, 2008, at which time DHS senior leadership will consider the results of this data.

*Question.* What is the Department's plan to conduct the fiscal year 2009 UASI process in a manner consistent with the 9/11 Act?

*Answer.* Further outreach over the summer is an integral step toward implementation of the 9/11 Commission Act within the fiscal year 2009 grant cycle. In this process, it is vital to the Department that each city within the top 100 MSAs understands and exercises their opportunity to thoroughly review and amplify information relative to their individual threat, vulnerability and consequence factors.

Going into the fiscal year 2009 cycle, the Department will ensure that the UASI process is in full compliance with the 9/11 Act, which calls for the FEMA Administrator to conduct an initial assessment of the relative threat, vulnerability and consequences from acts of terrorism faced by each eligible metropolitan area. This assessment will be done by FEMA, in conjunction with our partners from DHS' I&A, as well as the Homeland Infrastructure Threat and Risk Analysis Center (HITRAC). The FEMA Administrator will then provide each eligible metropolitan area with the information that is believed to be relevant to the determination of threat, vulnerability and consequence as faced by acts of terrorism. The eligible metropolitan area will have the opportunity to review the risk assessment and remedy any erroneous or incomplete information.

I have been informed that the data and sources used in the State Homeland Security Grant Program and UASI risk formulas, in calculating the economic index, rely on different data sources for the gross State product than for the gross metropolitan product. The U.S. Bureau of Economic Analysis publishes data on both State and on metropolitan product, but it appears the BEA's numbers were not used in some cases.

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*Answer.* For the fiscal year 2008 UASI program, the Department did not have the advantage of using BEA's analysis of GDP by metropolitan area, as this is a novel

BEA product whose inaugural publication was not made until September 2007, which was after DHS had completed the fiscal year 2008 UASI risk analysis. For the fiscal year 2009 UASI analysis, DHS intends to use BEA's metropolitan GDP numbers.

For the fiscal year 2008 analysis, DHS used the "Gross Metropolitan Product" estimates prepared by the consulting firm "Global Insight" on behalf of the United States Conference of Mayors and The Council for the New American City (<http://usmayors.org/metroeconomies/>). DHS used the most recent version of the report available to us at the time, which was published in January 2007, and reported on GMP for 2005.

For the urban areas in Puerto Rico, which were not covered in the Global Insight report, we used the total 2005 PR GDP (from the CIA World Factbook: [www.cia.gov/library/publications/the-world-factbook](http://www.cia.gov/library/publications/the-world-factbook)), and divided it into the constituent municipalities according to the percentage of total non-farm employees (available from the Bureau of Labor Statistics: <http://stats.bls.gov/eag/eag.pr.htm> and links therein). We were not aware of a more authoritative (i.e., U.S. Government) source for the Gross Economic Products of the Puerto Rico MSAs.

DHS did not compute the gross economic product (GEP) for either the SHSP or UASI programs. For SHSP, we used the BEA estimates for 2006 ("2006E") GDP, as they were published on the BEA web site ([http://www.bea.gov/newsreleases/regional/gdp\\_state/gsp\\_newsrelease.htm](http://www.bea.gov/newsreleases/regional/gdp_state/gsp_newsrelease.htm)) in June of 2007, when the data used in the fiscal year 2008 analysis was collected. We use the "Current-Dollar GDP by State" rather than "Real GDP by State", because we are interested in the differences in total economic product from State to State in a single year, not in year to year growth, breakdowns by industry or quantities produced. Since Real GDP is derived from current-dollar GDP, we assume the systematic errors are smaller for current-dollar GDP.

For the territories not included in BEA's analysis, we used the CIA World Factbook ([www.cia.gov/library/publications/the-world-factbook](http://www.cia.gov/library/publications/the-world-factbook)), as of July 2007. We use the "GDP (purchasing power parity)" rather than the "GDP (official exchange rate)" in cases where both are given, because we believe that metric more closely resembles the GDP methodology of BEA. For cases in which an earlier year than 2006 is provided, we crudely scale up to 2006 dollars by multiplying by the ratio of BEA's estimate of the U.S. GDP in 2006 to its estimate in the year of interest. Although the territories' economies may not grow at exactly the same rate as the U.S. economy, most do share some economic ties with the U.S. economy.

#### *Border Security*

*Question.* GAO reports that Border Patrol agents were given a "minimal role" in developing Project 28. Is this an accurate description and, if so, what was the Department's reasoning for limiting agent involvement? And, are there specific plans to give agents a more prominent role in the government's efforts to secure the border?

*Answer.* Regarding your concern about limited input from Border Patrol Agents, agents have had significant involvement and leadership in developing and deploying the SBInet solution, including P-28. Border Patrol agents were fully involved in the selection of the SBInet prime contractor. Furthermore, they were included in the source selection process for the master contract, including evaluation of the initial task order awarded under the program, P-28. Border Patrol Agents participated in the project development gate reviews for P-28 including: preliminary design reviews, critical design reviews, and the test readiness reviews. These reviews allowed for agent input and concerns to be voiced as the system moved through the development process.

Since November 2006, Border Patrol Agents have been involved in routine status meetings and have been providing feedback and guidance on system operational issues. This approach allowed CBP to keep Boeing accountable for Project 28 delivery and ensure the government not incur additional costs.

Border Patrol Agents were involved from the very beginning and through the source selection process. We selected P-28 as a prototype and wanted to get something fielded early in our design process that we could learn from and use to explore concepts of operation. Boeing took all of the agents' input, made changes based on some of it and used it in the development of the first operational configuration. As a demonstration project, we anticipated the outcome would stimulate feedback from agents to further define our operational requirements.

In its report, GAO acknowledged SBI's efforts to incorporate operator input in the development of SBInet requirements. The report stated: "For example, officials from the Border Patrol, CBP Air and Marine, and the CBP Office of Field Operations reported that representatives from their offices were involved in the development of

requirements for SBInet technology as early as October 2006 and on an ongoing basis since then.”

*Question.* Reports indicate that DHS is planning to “scale back” its plans for the virtual fence, including a shift away from the tower-mounted sensors. Are these reports accurate? If so, where or how specifically is DHS shifting its focus? Are there additional costs or other, different challenges associated with this shift?

*Answer.* No. There have not been changes to DHS’s overall plan to deploy a tower-based integrated sensor and common operating picture concept. DHS is confident that this type of technology solution will be used in other selected border locations where it makes sense. Along with other tools and techniques, this solution will contribute to CBP’s efforts to secure our Nation’s borders. P-28 was always a pilot project to demonstrate the feasibility of such a concept. It was never intended to be our final operational configuration.

*Question.* What are the lessons learned from Project 28 that will be applied as Boeing attempts to address current software problems and as DHS prepares for phase II deployment of the virtual fence?

*Answer.* In its current state, Project 28 provides operational technology in an area that was not previously supported by such resources, giving Border Patrol Agents improved situational awareness of operations in the field. Project 28 is a force multiplier in a location where CBP previously had a limited personnel assets on the ground.

DHS and CBP will now take the valuable lessons learned and focus on the transformation of the future SBInet solution to improve accountability and implementation of technology. As a matter of fact, lessons learned from Project 28 have already been incorporated into the next iteration of the SBInet integrated system design including improved sensors, software and communications. These improvements will further CBP’s ability to fully integrate detection, identification, and classification of border incursions within a common operating picture and will be implemented as part of the Calendar Year (CY) 2008 deployments in Arizona. One critical lesson learned that led to the deceleration of the deployment schedule is the need for a Systems Integration Lab (SIL) to evaluate new hardware being introduced into the operational environment. The lab will help determine the effectiveness of the hardware within our system of towers, sensors, communication, common operating picture hardware and software prior to fielding across the U.S. border.

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QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

HEADQUARTERS CONSOLIDATION PROJECT

*Question.* The fiscal year 2009 President’s budget includes \$120 million within the Department of Homeland Security request and \$331 million within the General Services Administration request for the St. Elizabeths DHS headquarters project. What are the day-to-day effects on the workings of the Department without an accessible and properly sized headquarters campus?

*Answer.* The lack of an accessible and adequately-sized consolidated Headquarters campus has an adverse impact on DHS operations and integration on a daily basis. The DHS mission is to lead a unified national effort to secure America. The lessons learned from Hurricane Katrina and Secretary Chertoff’s Second Stage Review reinforces the critical requirement that DHS operate with increased integration to prepare for and respond to natural disasters and/or terrorist attacks. Our mission demands this approach to all hazards. Yet, the Department’s legacy facilities are currently dispersed over about 40 locations and 70 buildings throughout the National Capital Region, sometimes with sub-optimal security protections and routinely impacting adversely critical communication, coordination, and cooperation across DHS components.

This extreme dispersion imposes significant inefficiencies in daily operations; problems that are magnified considerably at the most important moments—when the Department must act as a nimble and integrated team responding to significant natural disasters or terrorist threats. To support the incident management and command-and-control requirements, the Department clearly needs to consolidate the mission execution functions of executive leadership, operations coordination, policy and program management in a secure setting.

The current dispersed housing portfolio also results in increased costs through the duplication of common services that could otherwise be shared at a consolidated campus including increased transportation, mail handling, security and other support services costs. Further, these physical barriers impede the progress towards

functional integration and unification of the Department operationally, administratively and culturally.

When DHS was created, it was appropriately built with dispatch. Now is the time to make a commitment to the Department's future by fully funding the President's fiscal year 2009 Budget Request to commence construction of the DHS Consolidated Headquarters Campus at St. Elizabeths, needed to support DHS operations and integration.

*Question.* What are the long-term consequences of the lack of a consolidated headquarters for the Department?

*Answer.* The long term consequences of the lack of a consolidated Departmental Headquarters are a substantial worsening of the current dispersed housing portfolio that stands today at 40 locations and 70 buildings, with increasingly adverse impacts on critical communication, coordination, and cooperation across DHS components.

To put this in context, consider that DHS currently has approximately 40 space requests pending with the General Services Administration (GSA) to accommodate existing requirements within the National Capital Region (NCR) that already exceed the capacities of the Department's real estate portfolio. This has the potential to expand the portfolio to 80 locations and 110 buildings in the NCR. Without consolidation, as organizations mature and new program requirements develop, space requests will continue to be addressed with limited opportunities for strategic realignments and leveraging of existing locations in a highly competitive real estate environment. Instead of reducing the number of locations, buildings and the proximity of components to each other, the net result will be an expansion of buildings, and locations with increased dispersion. This will have an adverse impact on individual components or offices and a corresponding impact on interdepartmental coordination.

This extreme dispersion of components across the NCR will continue to impose significant inefficiencies in operations, problems that are magnified considerably at the most important moments—when the Department must act as a nimble and integrated team responding to significant natural disasters or terrorist threats. The lessons learned from Hurricane Katrina clearly demonstrated that DHS needs to operate with increased integration in the preparation for and response to threats or natural disasters. A single unified Headquarters bringing together component leadership, operations coordination, policy and program management at St. Elizabeths is a fundamental management tool necessary to support DHS operations and is critical to the Department's long term ability to effectively perform our mission.

In addition, the Department will not realize the strategic imperative to unify DHS operationally, administratively, and culturally, nor remove the physical barriers that impact unity of purpose and effort. This will further hamper the Department's effort to obtain the fundamental management tools necessary to support DHS operations and integration. A single unified headquarters bringing together component leadership, operations coordination, policy and program management is critical to the Department's long term ability to effectively perform our mission.

The lack of a consolidated DHS Headquarters will also have long term total ownership cost consequences. GSA previously determined that consolidation of up to 4.5 million gross square feet of office space at St. Elizabeths will result in a revised estimate of approximately \$743 million Present Value savings over a thirty year period, as compared to individually replacing leases without any consolidation (based on fiscal year 2008 funding of the project, which was not appropriated by the Congress). This projected savings included DHS specific tenant costs. In addition to the loss of direct real estate savings of \$743 million, DHS will not be able to achieve further savings/cost avoidances at the consolidated headquarters campus through reduction of administrative overhead, elimination of redundancies and sharing of common campus services.

#### INTELLIGENCE SHARING

*Question.* A recent article in the Wall Street Journal (2/25/08) reports that a consulting firm, in a report commissioned by the Department, has indicated that the Department is "stumbling in its efforts to coordinate and share domestic intelligence" with State and local law enforcement. More specifically, that its intelligence reports are tailored for Washington officials and don't provide State and local officials the intelligence they need. Please comment on the findings of this report, their accuracy, and what the Department is doing to share useful timely and accurate intelligence with State and local law enforcement.

Answer. The original report that was featured in the Wall Street Journal article (2/25/08) was the result of an internal pilot project designed to review our processes for sharing domestic intelligence.

Under Secretary for Intelligence and Analysis Charlie Allen launched the SLFC Pilot Project over 6 months ago based on his conviction that State and Local consumers were as critical a recipient of I&A intelligence products as was the DHS leadership, National Intelligence Community, and the Washington policy community. Mr. Allen firmly believes there cannot be true security of the Homeland until the partnership between the Federal Government, especially DHS, and State and Local authorities is fully developed. Sharing intelligence with our State, Local, and Tribal partners is essential to cementing this partnership.

Initial progress toward this goal was achieved by assigning I&A representatives to the State and Local Fusion Centers. These onsite representatives serve as a direct liaison between the State and DHS I&A headquarters. Information began to flow but intelligence support to SLFCs was not progressing as quickly as Mr. Allen would like, nor was support focused on the unique needs of individual SLFCs. Equally important was his concern that since the number of SLFCs was increasing, he needed to bolster support to them immediately.

To help the Under Secretary bring rapid improvement to the DHS relationship with State and Local partners, he engaged the services of Centra, a contractor with broad experience across government and a long time, valued relationship with DHS. Mr. Allen asked them to make recommendations for his consideration on the most important things I&A could do to have maximum impact on support to SLFCs. He also designated six fusion centers as the focus for the pilot project, gave the contractor full access to I&A personnel, and alerted the State and Local leadership of his intentions.

The pilot focused on what Mr. Allen believes to be the most important areas of concern regarding I&A interaction and partnership with the SLFCs:

- SLFCs ability to request and receive support from DHS requests for information (RFIs) and other requests for assistance and interaction);
- Understanding the unique information needs of SLFCs so that I&A and the Intelligence Community can better serve those needs (their Priority Information Needs);
- SLFC requirements for DHS information and intelligence support during critical incidents (i.e., London/Glasgow, etc.); and
- SLFCs ability to exploit open source information in furtherance of their responsibilities (Open Source training, tools, and data).

Unlike other such efforts, Mr. Allen instructed the pilot to not only identify the problem areas and make suggestions for moving forward, but demanded the contractor and I&A staff put actual fixes and solutions in place during the course of the pilot project. He is pleased to report that the pilot did exactly that, and that he now has a better understanding of the issues and a full set of near and long term suggestions to consider. All six pilot sites report that tangible progress has been made in improving DHS support.

Specifically, responses to SLFC RFIs from DHS headquarters have improved significantly in both quality and timeliness, and all six sites have increased their interaction with DHS I&A. This interaction fostered the creation of a state-specific set of Priority Information Needs (PINS) at each pilot site and has begun to structure analytic output that responds to the State's specific needs. SLFC leadership has told Mr. Allen that this will contribute significantly to mission success.

The extensive "menu" of SLFC preferences for DHS support in times of critical incidents such as London/Glasgow will be validated with the broader SLFC community. Additionally, I&A now has a solid handle on SLFC needs regarding Open Source Intelligence and has already provided training to four of the six pilot sites. I&A is developing a formal training curriculum that can be offered to SLFCs nationwide.

The pilot report cited in the Wall Street journal had just been issued to Mr. Allen. He, in turn had just shared it with the I&A staff. In the weeks ahead, Mr. Allen will determine which of the suggestions should be implemented immediately. Mr. Allen intends to keep the momentum he has established with the SLFCs and will ensure that the responsiveness developed during this pilot study will continue. Intelligence sharing with State and Local authorities remains a top priority; I&A will continue to engage in frank self-evaluation to drive process improvement.

*Question.* The Department established a State and Local Fusion Center Program in June 2006. To what extent has this program enabled the Department to create partnerships with State and local governments to improve information flow?

Answer. The State and Local Fusion Center Program has been very successful in improving the information flow between the Federal Government and the States



where we have assigned intelligence officers. We are routinely producing joint intelligence products with the fusion centers, and have opened a robust conduit for the States to articulate their intelligence requirements to the Federal Government. Information from the States is also beginning to be used by the national intelligence community to help inform national decision makers.

NATIONAL CENTER FOR CRITICAL INFORMATION PROCESSING

*Question.* The fiscal year 2008 Appropriations Act provides \$72.3 million for data centers to allow the Department to store and process critical information in a more efficient and secure manner. Does the Department face any obstacles to consolidation of its data storage capabilities? Can you give the subcommittee some insight into the current progress and future plans in this effort?

*Answer.* Section 547 of the Report of the Committee on Rules to accompany H. Res. 878 States that “None of the funds provided in this Act under the heading “Office of the Chief Information Officer” shall be used for data center development other than for the National Center for Critical Information Processing and Storage until the Chief Information Officer certifies that the National Center for Critical Information Processing and Storage is fully utilized, to the maximum extent feasible, as the Department’s primary data storage center at the highest capacity throughout the fiscal year.”

This restriction does not support best practice for data center redundancy. The long-range plan for the National Center for Critical Information Processing and Storage (NCCIPS) remains the same. NCCIPS is one of two enterprise data centers into which smaller component-operated data centers are being consolidated. The Department is fully committed to the use of NCCIPS as evidenced by the alacrity with which space has been utilized and the importance of the systems installed. However, NCCIPS alone will not meet the Department’s continuity of operations (COOP) needs. It is essential that both NCCIPS and the second enterprise data center be simultaneously populated. The Section 547 restriction has a chilling effect on migration activity by limiting the Department’s ability to address component COOP needs.

Additionally, the U.S. Navy, who holds and operates the NCCIPS facility, is poorly suited to serve DHS needs due to their differing mission priorities their lack of fee-for-service business processes. The lower priority focus and business process issues have caused delays which are reflected in the weeks, and often months, required to negotiate and effect the installation of systems. Facility ownership and operation is a complex arrangement among NASA, the U.S. Army, the U.S. Army facility contractor, the Commander, Naval Meteorology and Oceanography Command and Naval Facilities Engineering Command. DHS would be better served by a landlord with a clear focus on DHS facility needs.

Thirty-nine applications/systems have been relocated to the NCCIPS facility consuming approximately half of the available space. The Department’s updated migration plans, funding permitting, bring facility to maximum use by second quarter in fiscal year 2011. See the following table for a migration schedule:

TABLE 1.—DATA CENTER MIGRATION SCHEDULE

| DHS DATA CENTER MIGRATION SCHEDULE                       | Stennis<br>EDS | FY 2007 |    |    |    | FY 2008 |    |    |    | FY 2009 |    |    |    | FY 2010 |    |    |    | FY 2011 |    |    |    |
|--|----------------|---------|----|----|----|---------|----|----|----|---------|----|----|----|---------|----|----|----|---------|----|----|----|
|  |                | Q1      | Q2 | Q3 | Q4 | Q1      | Q2 | Q3 | Q4 | Q1      | Q2 | Q3 | Q4 | Q1      | Q2 | Q3 | Q4 | Q1      | Q2 | Q3 | Q4 |
| <b>Customs and Border Protection (CBP)</b>               |                |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| National Data Center (Springfield, VA)                   | EDS            |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| Disaster Recovery Facility (Undisclosed)                 | Stennis        |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| ACE (Tyson's Corner, VA)                                 | Stennis        |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| <b>DHS Headquarters (DHS HQ)</b>                         |                |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| DHS CIO (Blauvelt, VA)                                   | Stennis        |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| DHS Ashburn Data Center (Ashburn, VA)                    | Stennis        |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| DHS HSDN Fair Lakes (Fairfax, VA)                        | EDS            |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| DHS Stafford Data Center (Garrisonville, VA)             | Stennis        |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| <b>Immigrations and Customs Enforcement (ICE-DOJ)</b>    |                |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| ICE-DOJ (Rockville, MD)                                  | EDS            |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| ICE-DOJ (Dallas, TX)                                     | EDS            |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| <b>USCIS</b>   |                |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| USCIS-DOJ (Rockville, MD)                                | EDS            |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| USCIS-DOJ (Dallas, TX)                                   | EDS            |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| USCIS Verisign-DOJ (Manassas, VA)                        | EDS            |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| <b>US-VISIT(DOJ)</b>                                     |                |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| US-VISIT-DOJ (Rockville, MD)                             | EDS            |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| US-VISIT-DOJ (DOJ Dallas, TX)                            | EDS            |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| <b>Federal Emergency Management Agency (FEMA)</b>        |                |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| Information Technology Services Center (Blauvelt, VA)    | EDS            |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| FEMA IT-EO-DQ-TX (Denton, TX)                            | Stennis        |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| <b>Transportation Security Administration (TSA)</b>      |                |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| IBM St. Louis Hosting Center (Hazelwood, MO)             | EDS            |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| TSA Headquarters (Arlington, VA)                         | EDS            |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| Annapolis Junction Data Center (Annapolis, MD)           | Stennis        |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| Colorado Springs Data Center (Colorado Springs, CO)      | Stennis        |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| Atlantic City Data Center (Atlantic City, NJ)            | Stennis        |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| <b>U.S. Coast Guard (USCG)</b>                           |                |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| Aircraft Repair and Supply Center (Elizabeth City, NC)   | EDS            |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| Coast Guard Finance Center (Chesapeake, VA)              | EDS            |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| OIT Data Center (Kearneyville, WV) - Continuity Solution | Stennis        |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| <b>U.S. Secret Service (USSS)</b>                        |                |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| U.S. Secret Service (H Street, Washington, DC)           | Stennis        |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |
| U.S. Secret Service (Undisclosed)                        | EDS            |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |         |    |    |    |

*Question.* What resources are in the fiscal year 2009 request to transition systems to the National Center for Critical Information Processing? Does the Department have any further funding challenges in fiscal year 2009 that are not addressed by the budget request?

*Answer.* The fiscal year 2009 request includes \$23,830,000 for data center development that is intended to support transition to both the National Center for Critical Information Processing and the Department's second enterprise data center. The fiscal year 2009 request fully supports the center development and data migration activities anticipated for 2009 with new resources and base funding.

*Question.* What is the long-range strategic plan for using the National Center for Critical Information Processing?

*Answer.* The long-range plan for the National Center for Critical Information Processing (NCCIPS) remains the same. NCCIPS is one of two enterprise data centers into which smaller component-operated data centers are being consolidated. The Department is fully committed to the use of NCCIPS as evidenced by alacrity with which space has been utilized and the importance of the systems installed. However, NCCIPS alone will not meet the Department's Continuity of Operations needs. It is essential that both NCCIPS and the second enterprise data center be simultaneously populated.

*Question.* What funding do you project will be necessary in fiscal year 2009 and each future fiscal year to carry out the strategic plan for the National Center for Critical Information Processing?

*Answer.* We estimate that an investment of approximately \$500 million is needed to achieve the schedule below. In addition to funds requested specifically for this project (\$23,830,000 in fiscal year 2009), a major portion of the funding for both center development and data migration will be derived from direct appropriations to the Department's CIO and collections by the Working Capital Fund.

U.S. CUSTOMS AND BORDER PROTECTION

BORDER PATROL SUPPORT STAFFING

*Question.* Operation Jumpstart placed 6,000 National Guard troops on the Southwest border. That deployment was complete in July of 2006. The Department is currently engaged in the phased withdrawal of that support. This Committee has been concerned about the pace of hiring support positions for the Border Patrol to fill that gap. It is support personnel who must be on hand to take up many of the tasks being performed by the National Guard. What more can be done to place a priority

on getting the support positions for the Border Patrol filled? Does U.S. Customs and Border Protection have a plan in place to quickly fill these positions?

Answer. Although CBP is making progress, we are not satisfied with the pace of the operational support hiring to date. The main challenge has been prioritizing this effort compared to the need to hire several thousand new Border Patrol Agents. CBP has taken several steps to improve our ability to meet both needs. For example, CBP is re-organizing and adding personnel to both the Human Resources and Internal Affairs organizations so they can better accommodate their increased workload. They have provided authority for waivers so that CBP can hire employees on a conditional basis in advance of a full background investigation. In addition, CBP is beginning to conduct regular management reviews with the contractor to increase the focus and pace of their hiring efforts of contract employees to fill those operational support positions.

CBP has approved hiring plans for filling the positions. The plans include the use of contracted support personnel as well as government FTE positions. The plans also include in hiring of new support personnel to replace personnel attrition. The goal for CBP is to complete the hiring for at least 80 percent of the new fiscal year 2008 positions by the end the calendar year.

#### NORTHERN BORDER AND MARITIME SECTOR

*Question.* Significant resources have been added to the Southwest border in the last 3 years. Small numbers of Border Patrol agents and Customs and Border Protection Officers have been added to the Northern border during that same time. Mr. Secretary, you have talked publicly about the significant threats on our Northern border. Are the right levels of resources on the Northern border to counter that threat?

Answer. DHS and CBP have taken many steps to improve security on the Northern border. To address known as well as potential threats at the northern border, we are creating a stronger, more proactive and capable presence at and between ports of entry. CBP has created a unified command model in each of the two northern border enforcement environments—the Border Patrol between the ports of entry and the Office of Field Operations at the ports of entry. This command structure, which encompasses 13 States stretching from the Pacific Ocean to the Atlantic Ocean, ensures that appropriate resources can be rapidly brought to bear on any threat, and that Field Commanders have the authority to direct operations in the most comprehensive manner.

CBP is overseeing the increased staffing and resourcing of air and marine assets within each of the Border Patrol sectors along the northern border. These assets will be geographically located in a manner that matches the aviation asset to the dynamic of the threat as well as to the mission and capability of the asset. Already, CBP through the Office of Air and Marine has established the following five air wings on the northern border: Bellingham, Washington; Plattsburgh, New York; Great Falls, Montana; Grand Forks, North Dakota; and Detroit, Michigan. In addition, the North Dakota Air Branch in Grand Forks was chosen to provide a strategic, centrally located air branch at the Northern Border that will have an expanded role, and is currently under review to certify its operational readiness as a base for Unmanned Aircraft Systems operations.

Border Security Deployment Program (BSDP) was initiated in 2001 as part of the northern border port hardening initiative. This system configuration has been installed at all northern border land ports and to limited portions of the southern border. BSDP provides an integrated surveillance and intrusion detection system, which delivers critical security infrastructure, motion detection, and remote monitoring capabilities to the U.S. Land Ports of Entry (LPOE). The BSDP components include perimeter and interior camera systems connected via the CBP Wide-Area Network (WAN) to remote monitoring stations called Customs Area Security Centers (CASC). These centralized command centers house digital video recorders augmented with analytic software designed to alert the watch officer of a detected alarm or intrusion event within a port facility and archive the event for use as evidence in subsequent prosecutions. The National Targeting Center, HQ Situation Room, and ICE Internal Affairs maintain similar remote viewing capabilities.

CBP is also working to fully implement, along with DOS, the Western Hemisphere Travel Initiative (WHTI). WHTI will require all persons seeking to enter or depart the United States to present a passport or other acceptable document that denotes the bearer's identity and citizenship. Consistent with a recommendation of the 9/11 Commission, the primary goal of WHTI is to strengthen security. It will reduce the opportunities for fraud or misrepresentation of one's true identity, and improve national security and entry into the United States by standardizing a lim-

ited number of approved documents required for all travelers entering the United States.

In early 2007, CBP redirected a portion of the SBInet focus to the Northern Border, specifically in the Detroit, Michigan area, after Congress asked CBP for a redirection of \$20 million from fiscal year 2007 funds to begin addressing northern border vulnerabilities. This Northern Border Demonstration is tasked to deploy an SBInet solution to a section of the U.S./Canada border in a maritime environment in the Detroit sector area that may be the basis for future SBInet northern border maritime technologies.

The success of many of our initiatives depends on leveraging intelligence and partnering with Federal, State, local, and tribal governments, as well as with Canada. A key component of the partnership efforts among law enforcement entities on the Northern Border is the Integrated Border Enforcement Team (IBET). The mission of IBET is to enhance border integrity and security by identifying, investigating and interdicting persons or organizations that pose a threat to national security or are engaged in other organized criminal activity. IBET's incorporate a mobile response capability and consists of six core Canadian and U.S. agencies with law enforcement responsibilities at the border.

DHS, and specifically CBP, continuously work with our partners in the intelligence and law enforcement communities, both domestically and internationally, to monitor potential threats as decisions on the deployment of personnel and resources are being made.

Recently there has been a significant increase in the number of semi-submersible vessels used for smuggling into the United States.

*Question.* Recently there has been a significant increase in the number of semi-submersible vessels used for smuggling into the United States. Do Coast Guard and U.S. Customs and Border Protection have the right resources available to combat this method of smuggling?

*Answer.* CBP and USCG believe the fiscal year 2009 request includes the right resources to combat this method of smuggling.

*Question.* What increased resources are proposed in the fiscal year 2009 budget request for securing the Nation's northern and maritime borders?

*Answer.* The President's fiscal year 2009 Budget request contains four specific items, both aircraft and vessels, that are essential if CBP is to effectively counter the threats posed by terrorist activity, drug running, and illegal immigration. The P-3 maritime patrol aircraft is currently the only long-range capability available to detect, track, and coordinate the interception of contraband and illegal immigration along the Caribbean and eastern Pacific transit zones leading to our shores. CBP has 4 of its 16 P-3 aircraft operating against surface and sub-surface craft engaged in illegal activities. CBP Air and Marine (A&M) has initiated a service life extension program (SLEP) that will eventually provide the CBP P-3s with an additional 15,000 flight hours (roughly 18-20 years of continued service). To date, Congress has fully supported the P-3 SLEP and The President's Budget requests an additional \$56.0 million in fiscal year 2009 to continue this critical A&M program.

To enhance long duration patrol operations in the Caribbean and eastern Pacific, CBP A&M is conducting a demonstration of a maritime version of the Predator B unmanned aircraft system (UAS) from Tyndall AFB, FL, from March 17-28. Based on the results of the demonstration, a joint CBP/U.S. Coast Guard UAS Program Office will be formed for the purpose of developing the requirements for a maritime variant of the Predator B. With the Predator's 3,000 mile range and 30 hour operating time, it will greatly enhance the Department's capability to detect, track, and intercept suspect vessels transiting to U.S. waters. The President's request includes \$29.6 million for the development of the Predator B maritime variant, enhancements to its software integration laboratory, and logistic support.

CBP A&M seeks to replace its aging C-12 patrol aircraft, and fill the gap left by the closure of the DHC-8 patrol aircraft production line, by introducing a new multi-role enforcement aircraft (MEA) during the later part of fiscal year 2008. This aircraft is expected to be truly multi-role and have capabilities to operate over land and water. It will operate over the Great Lakes and will augment Caribbean and Pacific Ocean operations in littoral waters off the United States and off the shores of our international partners. The fiscal year 2009 request contains \$35.6 million for two of these aircraft.

The fiscal year 2009 request also contains \$10.1 million for additional marine vessels. Chief among these will be a new class of coastal interceptors, capable of outpacing the fastest drug vessels and arrayed with greatly enhanced sensors and communications equipment. CBP A&M plans to acquire a prototype interceptor in fiscal year 2008 for test and evaluation. Based on its evaluation of the prototype, A&M would use the funding requested for fiscal year 2009 to begin purchasing the new

interceptors and to start retiring CBPs aging and less capable Midnight Express vessels.

Combined with the \$6.7 million Congress provided in the fiscal year 2008 Appropriation for airborne sensors, the investments described above will give CBP the capabilities it needs to accomplish its vital maritime surveillance and interdiction mission, and to partner with the U.S. Coast Guard for the greatest benefit to the public's security.

#### U.S. IMMIGRATION AND CUSTOMS ENFORCEMENT

##### VISA WAIVER PROGRAM

*Question.* Recently, Mr. Secretary, you were quoted as saying that one of the biggest threats to U.S. security may come from within Europe. What needs to be done to counter this threat?

*Answer.* Countering this threat is the driving motivation for several initiatives the Department of Homeland Security (DHS) has pioneered in recent years and is pursuing now. Air Marshals help secure international airliners. Customs and Border Protection (CBP) officers help screen international air travelers in select European airports in a program called the Immigration Advisory Program (IAP). CBP officers also help screen shipping containers in European seaports under the Container Security Initiative. Enhanced information sharing—for example, in the 2007 U.S.-European Union Passenger Name Records (PNR) Agreement—is another pillar in our strategy of countering threats from Europe. As recently as March 11, Secretary Chertoff, joined by Attorney General Mukasey, initiated a ground-breaking watch list and fingerprint sharing agreement in Berlin. This new agreement will deepen counter-terrorism cooperation with Germany, where last September, United States and German officials together dismantled a serious terrorist plot.

In addition to the European Union PNR Agreement, DHS conducts other information sharing and partnership activities with our European counterparts to address security concerns of mutual interest. DHS and Interpol have worked together to enable U.S. Customs and Border Protection (CBP) screening of Advance Passenger Information System manifests against Interpol's Stolen and Lost Travel Documents database. This real-time sharing capability went online first at New York's John F. Kennedy International Airport in October 2007, and has since been expanded to eleven additional major international airports. DHS plans to continue to expand the availability of this resource to strengthen the ability to identify and interdict illicit and mala fide travel documents and the travelers who use them. DHS also engages with EU entities such as the Centre for Information, Discussion, and Exchange on the crossing for Frontiers and Immigration (CIREFI), which collects information on legal immigration, illegal immigration, unlawful residence, use of falsified documents, etc. DHS dispatched a representative from the Immigration and Customs Enforcement (ICE) Forensic Document Laboratory (FDL) to Brussels to brief CIREFI on successes and lessons learned as part of Operation WINGCLIP. Operation WINGCLIP is a joint ICE-FDL-CBP operation for detecting, deterring, and targeting terrorist and criminal organizations that exploit international mail and express consignment services to ship travel and identity documents to facilitate members' illicit travel throughout the world. DHS views this kind of interaction and collaboration as essential to enhancing and advancing our approaches to security threats that may come from Europe.

Another key initiative designed to counter the potential threat from Europe is our transformation of the Visa Waiver Program (VWP) from a program that looked for security threats solely on a country-by-country basis into one that can now also screen for risks on an individual passenger basis. As required by Section 711 of the "Implementing the 9/11 Commission Recommendations Act of 2007" (9/11 Act), the governments of the 22 European countries that participate in the VWP will be required to enter into more robust data sharing arrangements with the United States with respect to both passenger information and reporting of blank and issued lost and stolen passports. These information sharing provisions have been at the forefront of national and international initiatives to combat crime and terrorism throughout the world, and will provide our operators and analysts with new tools to secure the United States as well as help prevent terrorist and criminal activities in VWP partner Nations. European countries participating in the VWP will also be required to repatriate their citizens, to enhance aviation and airport security, and to improve the standards for national travel documents. All of the above security measures will be taken into consideration during the statutorily mandated VWP initial and continuing designation reviews DHS conducts.

These new security frameworks will facilitate transatlantic travel for the vast majority of travelers who pose no security or law enforcement risks but make it in-

creasingly difficult for terrorists and other criminals. Another critical tool for substantially strengthening the security of the VWP, and therefore countering any potential threats from European countries, is the Electronic System for Travel Authorization (ESTA). ESTA, which is also required by the 9/11 Act, will provide DHS with the capability to conduct enhanced advance screening of VWP travelers. Under ESTA, VWP travelers will be required to electronically submit biographic and other information that is largely the same as that currently collected via the I-94W Non-immigrant Alien Arrival/Departure Form (I-94W) to DHS prior to their departure for the United States. ESTA applications will then be queried against appropriate law enforcement databases and watch lists, enabling DHS to make a determination on each individual's eligibility to travel to the United States under the VWP. Travelers denied an ESTA will be referred to the U.S. embassy or consulate to apply for a non-immigrant visa. ESTA counterbalances known VWP vulnerabilities that may be exploited by those with malicious intent by providing an additional layer of advance scrutiny that illicit travelers must overcome prior to boarding a carrier en route to the United States.

#### IMMIGRATION AND CUSTOMS ENFORCEMENT

##### CRIMINAL ALIENS

*Question.* The U.S. Immigration and Customs Enforcement (ICE) Office of Detention and Removal estimates that of the total prison population in the United States, 605,000 are foreign-born and that at least half of those individuals may be eligible for deportation. Even though these convicted criminals are held in Federal, State, and local custody, ICE has not yet developed a comprehensive approach to identify incarcerated aliens, review the crimes of which they have been convicted, track the location of their incarceration, or monitor the time remaining prior to their release. ICE must prioritize the removal of those who have demonstrated the willingness and ability to commit violent and harmful crimes. The fiscal year 2008 Homeland Security appropriations Act includes \$200 million to modernize the process used to identify and remove criminal aliens from the United States. Have U.S. Immigration and Customs Enforcement's plans for the \$200 million been briefed to and approved by the Department leadership?

*Answer.* Department leadership has been briefed and provided approval for plans which were submitted to Congress on March 25, 2008. ICE is now working to revise and finalize the plan based on Congressional feedback.

*Question.* Does the Department agree with and support ICE's plans for modernizing the criminal alien program?

*Answer.* The plans were submitted to Congress with approval from the Department.

*Question.* What assurances can the Department provide that while this critically important effort is underway, U.S. Immigration and Customs Enforcement will not lose focus on its other critical areas of responsibility, such as trade enforcement and worksite enforcement?

*Answer.* You have my assurance that ICE will continue to make progress, not only in trade enforcement and worksite enforcement, but also in critical program areas to continue to keep our Nation safe.

#### NATIONAL PROTECTION AND PROGRAMS DIRECTORATE

##### NATIONAL COMMAND AND COORDINATION CAPABILITY

*Question.* The National Command and Coordination Capability program objective of improving the Nation's crisis management capability appears to overlap somewhat with other initiatives ongoing within the Department to improve communications in an emergency, both nationally and locally. How is this program being coordinated across the Department?

*Answer.* The NCCC MCO, located within the Department of Homeland Security's (DHS's) National Protection and Programs Directorate, is an office performing the integration activity to align Federal, State, and local initiatives to ensure that end-to-end interoperability and performance is achieved. In fiscal year 2008, the NCCC MCO is establishing a requirements baseline, a functional decomposition, and an enterprise architecture to define the scope and scale of the future NCCC. This includes mapping existing systems and capabilities to the NCCC Functional Decomposition to begin identification of gaps and overlaps, beginning with programs across several DHS components and offices. This work is coordinated with the Office of the Chief Information Officer (OCIO), Intelligence and Analysis (I&A), the Office of Infrastructure Protection, and the Office of Emergency Communications (OEC).

Through these activities, the NCCC MCO is identifying systems already fielded at NCCC user sites. To increase the Nation's capability to conduct collaborative decision making during times of crisis, the NCCC MCO will initially deploy new secure mobile services to key Federal leaders and governors, and will upgrade Federal and State fixed sites to provide enhanced video conferencing and collaboration capabilities. Site surveys conducted as part of this Initial Operating Capability (IOC) deployment will identify gaps in capabilities and identify redundancies. This will allow DHS to develop and implement a transition plan to phase in new capabilities to address gaps and phase out existing equipment and nodes to reduce redundancy.

The NCCC MCO is leading Integrated Project Teams (IPT), which are creating program requirements documentation and system design documentation to ensure that the program's IOC and Full Operating Capability can provide the robust and assured communications connectivity necessary to support information sharing and decision making for the President and Vice President, and situational awareness with the 35 Federal principals and 56 State and territorial governors. The IPTs include representation from the Federal Emergency Management Agency, OEC, the National Communications System, DHS's Science and Technology Directorate, DHS OCIO, DHS Operations Directorate (National Operations Center), DHS I&A, as well as non-DHS entities such as the National Guard Bureau, National Military Command Center, Program Manager—Information Sharing Environment, White House Military Office, White House Communications Agency, the Department of Defense (including representatives from Homeland Defense, U.S. Strategic Command, Assistant Secretary of Defense for Networks and Information Integration, Defense Information Systems Agency, and Global Information Grid Technical Foundation Global Network Operation), the Federal Bureau of Investigations, and the National Security Agency.

Through these integration activities and the IPT partnerships, the NCCC MCO will ensure that all programs contributing to crisis-management capabilities are aligned and interoperable in support of the enhanced crisis-management capabilities needed for the future.

#### FEDERAL EMERGENCY MANAGEMENT AGENCY

##### DEBRIS REMOVAL

*Question.* Two and a half years after Hurricane Katrina, several Mississippi counties and other entities remain in multi-million dollar disputes with the Federal Emergency Management Agency regarding debris removal reimbursement. In most cases, Federal Emergency Management Agency officials were on the ground with local officials providing advice and assistance as to what activities would qualify for reimbursement. Considering the magnitude of this event and the good faith efforts of local officials to clean up as quickly as possible, what level of discretion do you feel is appropriate as the Federal Emergency Management Agency reviews these cases?

*Answer.* FEMA leadership in Mississippi has sought every opportunity to fully reimburse applicants for their debris removal costs, consistent with the Stafford Act, 44 CFR regulations and FEMA policy guidelines. To date, FEMA has obligated \$713,338,001 for debris removal operations for eligible applicants state-wide in addition to the \$975,000,000 in direct mission assignment expenditures for these operations. FEMA project officers and debris specialists have worked tirelessly with applicants to ensure their contracting and field operations are consistent with Stafford Act and 44 CFR regulations.

Currently, we are reviewing 10 first appeals and one second appeal requesting approximately \$23 million. Among the issues raised are those concerning non-competitive contracts that resulted in unreasonable costs, ineligible debris, and discrepancies between claimed amounts and field verifications. Although FEMA may have provided advice to applicants on debris operations, in some cases that advice was not always followed resulting in denied funding. FEMA's discretion is limited by the Stafford Act requirement that all work must be related to the declared disaster, and regulations that require reasonable costs and adherence to competitive contracting procedures. However, in reviewing these cases FEMA will attempt to assure that each applicant receives all eligible reimbursement.

After Hurricane Katrina, there was a wide degree of variability in estimation of debris from the storm and surge. This created tremendous confusion in response and recovery efforts and severely impacted efforts of local, State, and Federal response agencies. The ongoing appeals of these estimations are costing taxpayers millions of dollars as officials from the Federal Emergency Management Agency (FEMA) and local officials continue to count tree stump samples and estimate by eye from atop piles of debris.

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*Answer.* Not for decision-making, as we have yet to achieve the necessary level of confidence that any geospatial technology can provide an accurate estimate of debris. However, we have tasked USACE to validate its debris-estimating model and make appropriate adjustments to improve the quality of its estimates. USACE is also developing a protocol for ground reconnaissance to supplement its model. We believe that, over time, we can improve the accuracy of debris estimates using geospatial technology and on-site inspections.

We believe that, over time, we can improve the accuracy of debris estimates using geospatial technology and on-site inspections. FEMA supports initiatives to improve this technology.

#### FORMALDEHYDE IN FEDERAL EMERGENCY MANAGEMENT TRAILERS

*Question.* I understand the challenges presented by the Centers for Disease Control and Prevention's recent findings regarding formaldehyde in Federal Emergency Management Agency (FEMA) trailers. I was pleased that FEMA began efforts to remedy the concerns almost immediately. Have the results of the Alternative Housing Pilot Program grants awarded in fiscal year 2007 shown any promise regarding alternative temporary housing? Do you foresee any further consideration by FEMA of modular housing technologies?

*Answer.* FEMA thanks the committee and actually began an aggressive effort to find alternate housing for all travel trailer occupants beginning last fall, ahead of CDC testing. We have been moving since September an average of 800 families per week to other types of housing including apartments. All of these efforts are dependent on housing becoming available in the region. The Alternative Housing Pilot Program grants have been awarded to Mississippi (2 projects), Alabama, Louisiana, and Texas based on a competitive process conducted between September 15, 2006 and October 20, 2006. The projects are the Mississippi Cottage and Eco-cottage (\$281,318,612), the Alabama Safe Harbor Estates (\$15,667,293), the Louisiana Katrina and Carpet Cottage (\$74,542,370), and the Texas Heston home (\$16,471,725).

The Mississippi program, managed by the Mississippi Emergency Management Agency (MEMA), is furthest along. As of March 13, 2008 they have 2,012 units ready for occupancy and 1,870 occupied. The Alabama program is proceeding with site development. The Louisiana program is working on site selection. The Texas program is now underway.

FEMA has asked HUD to evaluate building performance and the impact of these projects on occupants' quality of life. Those studies are in the early stages. The first published results will be available in April of 2010, after the units have been lived in for some time.

Early indications suggest that the Mississippi One Bedroom Cottage (Park Model) may be a viable option for housing disaster victims. Given sufficient inventory and suitable sites, this model is rapidly deployable. In addition, MEMA surveys and interviews of occupants have resulted in positive feedback, with some residents already asking how they can purchase the units. Based on the designs and high degree of State involvement, we anticipate promising results from each of the grantees.

In June 2006, FEMA established the Joint Housing Solutions Group (JHSG) to evaluate temporary housing units, including modular designs, for housing displaced occupants during a disaster. The JHSG conducted outreach to more than 125 housing providers and identified 71 providers with the potential to meet FEMA's disaster housing requirements. Of this number, the JHSG conducted site visits to 41 providers, 29 of which were modular home manufacturers. The JHSG continues to identify and assess viable temporary housing alternatives and anticipates piloting the most promising alternative housing units in the current calendar year.

The JHSG has also coordinated closely with FEMA's Alternative Housing Pilot Program (AHPP). The AHPP is a competitive grant program created to support the identification and evaluation of housing alternatives in the Gulf Coast. Four Gulf Coast States—Louisiana, Mississippi, Alabama, and Texas—are currently piloting



alternative manufactures, modular, and panelized housing units under this program. The performance of AHPP units will be jointly evaluated by the JHSG and the Department of Housing and Urban Development. Evaluation results will be used to identify high performing units for use on future FEMA housing missions as appropriate.

## SCIENCE AND TECHNOLOGY

## NATIONAL BIO AND AGRO-DEFENSE FACILITY

*Question.* The President's Budget request for fiscal year 2009 indicates that the final decision on the site for the National Bio and Agro-defense Facility will be made in October 2008. Given the national importance of this project, can you ensure to this Committee that you are doing everything to expedite the process and that this decision will be made no later than October 2008?

*Answer.* As of March 2008, the schedule for the National Bio and Agro-defense Facility (NBAF) is on target for final site selection in October 2008. An Environmental Impact Statement (EIS) is being prepared to determine the impacts of construction and operation of the proposed NBAF at six sites. The draft EIS is scheduled to be issued in May 2008 and final EIS in September with a Record of Decision (selecting a single site) in October 2008.

*Question.* The President's Budget request for fiscal year 2009 includes \$35.6 million to begin the detailed design of the National Bio and Agro-defense Facility. What are the total projected design costs for the project?

*Answer.* The total projected design cost is \$55 million. To date, \$3 million has been spent for non-site specific design and site characterization studies

*Question.* Could additional design, site preparation, or construction funds be used in fiscal year 2009? If yes, how much and for what purposes?

*Answer.* At this time, we anticipate the available and requested funds to be sufficient for National Bio and Agro-defense Facility (NBAF) activities in fiscal year 2009.

*Question.* Please provide the projected project schedule, by fiscal year, including a cost breakdown and dates for initiation and completion of each phase of the project.

*Answer.* Project schedule details, including costs and dates by project phase, are given below.

- Fiscal year 2008—Planning, Conceptual Design, Site Selection and Environmental Impact Statement (including Siting Studies and Cost Analysis)
  - Milestone: Site Selection—October 2008
  - Cost: \$12 million
- Fiscal year 2009-fiscal year 2010—Site-specific Design
  - Milestone: Completed Design—Spring 2010
  - Cost: \$50 million
- Fiscal year 2010-fiscal year 2014—Construction (4 years)
  - Milestone: Groundbreaking—Spring 2010
  - Milestone: Complete Construction—Summer 2014
  - Cost: \$588 million<sup>1</sup>

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 QUESTIONS SUBMITTED BY SENATOR TED STEVENS
*FEMA Erosion Funding*

*Question.* I would like to commend FEMA for creating a new program that I believe will be an important tool in aiding many of Alaska's native villages suffering from severe erosion. I am pleased to see that the budget includes \$200 million for the Disaster Readiness and Support Activities Program to assist FEMA in working with State and local partners in preparing for future disasters. In past hearings and discussions FEMA has stated that their hands are tied when it comes to preparing in advance of a disaster. FEMA could only come to the assistance of communities when a storm had almost arrived, or after the storm hit. I'm hoping these funds will create a more common-sense approach to disaster preparation, and will likely be a more efficient use of Federal dollars by being proactive rather than merely reactive.

<sup>1</sup>Note: The total preliminary cost estimate is being revised to include site specific infrastructure and utility plant, IT/Security requirements, appropriate levels of commissioning, contingency, and fees. In-kind contributions have been requested from the consortiums to off-set the site infrastructure costs.

Will these funds be used to help villages in Alaska prepare before a storm hits, rather than spending more money reacting after the storm has already caused serious damage, including very serious erosion which threatens the very existence of these villages? What other programs does FEMA intend to use to help these villages?

Answer. The Disaster Readiness and Support Activities (DRSA) appropriation is to directly support FEMA’s disaster response readiness capability in the form of pre-positioning and management of critical commodities, managing the movement of those assets, stand-by support contracts for technical assistance and inspection services, and some administrative support costs for fixed disaster processing facilities. In doing so, DRSA will facilitate FEMA’s efforts to respond to disasters as quickly as possible. This funding supports FEMA’s costs and are not available to State or local governments directly, but the preparedness grant programs also administered by FEMA are directly related to State, tribal and local planning and preparedness needs. As noted above, the DRSA is intended to support FEMA disaster readiness and logistic efforts. The Pre-Disaster Mitigation program is available to provide technical assistance and competitive grant funding for pre-disaster mitigation efforts by States.

*Seafood Inspection*

*Question.* How much of the funding that DHS is requesting for Customs and Border Patrol will be devoted to improving the inspection of seafood imports? How can CBP use these funds to decrease the amount of Illegal, Unreported, and Unregulated fish coming into the United States?

Answer. Although Customs and Border Protection (CBP) plays an essential role in ensuring the safety of all types of imported goods, including seafood, CBP does not track the resources dedicated to specific imports. Funding for import safety is part of CBP’s Border Security Inspections and Trade Facilitation funding category, which totals \$2.273 billion in fiscal year 2009.

To further enhance enforcement efforts, CBP initiates “special operations” on an as-needed basis to focus on specific threats or areas of concern. These special operations are more intense efforts which focus on specific commodities, perhaps from specific countries and/or importers/shippers/manufacturers during defined periods of time. In the coming months, CBP plans to undertake special operations that involve seafood.

*High Seas Fishery Enforcement*

*Question.* How much of the funding that DHS is requesting for the Coast Guard will be used to improve to high seas fisheries enforcement? How will the Coast Guard use this funding to improve its high seas fisheries enforcement programs?

Answer. The Coast Guard does not budget nor allocate funding by mission, but rather by Congressionally-established Appropriations. The Coast Guard’s appropriation structure supports multi-mission requirements by allowing the service to surge and shift resources across all missions. Coast Guard Operational Commanders use risk-based decision plan operations, apportion constrained resources, and align mission priorities. This level of resource flexibility is critical to successful mission execution in a dynamic, demand-driven operational environment. It is difficult to definitively predict a particular mission’s future “level of effort.” The fiscal year 2009 President’s Budget contains several initiatives that will support all Coast Guard missions, including recapitalization of our operating assets, sustainment of our aging infrastructure, improvement of our command and control capabilities; and establishment of comprehensive intelligence and awareness regimes.

High Seas Fisheries Enforcement is a component of the Coast Guard’s “Other Law Enforcement” mission. This mission includes prevention of illegal foreign fishing vessel encroachment in the U.S. Exclusive Economic Zone (EEZ) and enforcement of international agreements to suppress damaging high seas illegal, unreported and unregulated (IUU) fishing. The following table provides an estimated percentage breakout of Coast Guard Operating Expenses for the “Other Law Enforcement” mission based on operational data from fiscal year 2005 through 2007.

|                      | Fiscal year |          |          |
|----------------------|-------------|----------|----------|
|                      | 2005        | 2006     | 2007     |
| Actual amount .....  | \$56,516    | \$68,952 | \$90,714 |
| Actual percent ..... | 1.1         | 1.3      | 1.6      |

The fiscal year 2009 President’s Budget includes several initiatives that support all Coast Guard missions. These include recapitalization and sustainment of the

Coast Guard's major cutter and maritime patrol aircraft fleets; significant shore infrastructure projects; improvements to our command and control capabilities; and establishment of comprehensive intelligence and awareness regimes.

Compliance with international fisheries agreements such as the U.N. Moratorium on large-scale high seas driftnet operations in the North Pacific remains a priority for Coast Guard living marine resource enforcement efforts. Coast Guard Operational Commanders will conduct risk-based decision making to determine the appropriate level of "Other Law Enforcement" mission effort based on finite total resources. Examples of the Coast Guard's recent significant domestic and international fisheries enforcement actions are detailed in the following Congressional reports:

—Annual Living Marine Resources Law Enforcement Summary—fiscal year 2007, March 2008.

—Report on Foreign Fishing Vessel Incursions into the United States' Exclusive Economic Zone, January 2008.

We can provide copies of these reports as a briefing if helpful.

*Cutter Acushnet*

*Question.* It is my understanding that the Coast Guard plans to decommission the Cutter Acushnet in 2009. If this vessel is decommissioned how will this impact the operational capability of the Coast Guard to perform its safety and fishery enforcement missions, including Maritime Boundary Line patrols, in the Bering Sea and Aleutian Islands?

*Answer.* The Coast Guard is committed to providing continued service in the Bering Sea and Alaska AOR. The majority of CGC ACUSHNET's patrols are conducted in the Bering Sea, along the Maritime Boundary Lines and the Aleutian Chain. In advance of CGC ACUSHNET's planned decommissioning, the Coast Guard has adjusted cutter in-port, maintenance and patrol schedules to ensure there is no negative impact to the Coast Guard's operational capability to perform safety and fishery enforcement missions in the Bering Sea. As emerging operational requirements dictate, additional patrols may be added using legacy WHEC 378s.

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QUESTION SUBMITTED BY SENATOR ARLEN SPECTER

*Question.* Most hospitals do not have the ability to handle large numbers of casualties—so called "surge capacity." I have long-supported grants to States and cities, through the U.S. Department of Health and Human Services (HHS), for planning, coordination and facility needs related to surge capacity. These Hospital Emergency Planning Grants have been steadily reduced from approximately \$515 million in fiscal year 2004 to \$423 million in fiscal year 2008, and only \$361 million is proposed for fiscal year 2009. I remain concerned that hospitals do not have the resources they need to be prepared for a terrorist attack. In Washington, DC, for example, I am advised that there are fewer than 3,000 beds. In light of HHS funding cuts and the existing need to ensure our hospital facilities are prepared, what can the Department do to ensure that there is adequate surge capacity available to respond to an attack or emergency situation?

*Answer.* The Department of Homeland Security (DHS) continues to work with the HHS in developing a unified approach for planning, coordination and facility needs related to "surge capacity." The DHS Metropolitan Medical Response System (MMRS) program, as part of the Homeland Security Grant Program (HSGP), provides funding to designated localities to assist in maintaining and updating plans, delivering training, purchasing equipment and pharmaceuticals, and conducting exercises. The mission of MMRS is to enhance local medical incident management's ability to coordinate and respond to a mass casualty event during the crucial first hours, until significant external resources arrive and become operational. One of the goals of the MMRS program in fiscal year 2008 is to "increase collaboration with the U.S. Department of Health and Human Services, specifically the Assistant Secretary for Preparedness and Response (ASPR) Hospital Preparedness Program and the Healthcare Facilities Partnership Program." In addition to the MMRS Program, the State Homeland Security Program (SHSP) and the Urban Area Security Initiative (UASI) can also support planning, coordination, and facility needs related to "surge capacity." In addition, the fiscal year 2008 MMRS Guidance provides guidance to the 124 eligible MMRS jurisdictions to give priority attention to improving Emergency Triage and Pre-Hospital Treatment capability within the Target Capabilities List.

## QUESTIONS SUBMITTED BY SENATOR PETE V. DOMENICI

*Question.* Mr. Secretary, America has about 200 land ports of entry, and it has been more than 20 years since we launched a major effort to upgrade infrastructure at those ports. We took an important step towards addressing that problem in last year's Homeland Security Appropriations bill, when we required your Department and GSA to report to Congress on our land port of entry needs and vulnerabilities at least every other year.

Where is your Department in preparing this assessment?

*Answer.* CBP plans to refresh its inventory assessment, and to submit the bi-annual report as required by January 31, 2009. Specifically, beginning in 2004, to ensure CBP land ports of entry (LPOEs) continue to meet the critical dual mission of protecting our Nation's borders and facilitating lawful international trade and travel, CBP has implemented a comprehensive Capital Investment Planning (CIP) process to identify and prioritize capital projects on a national basis. The CIP includes strategic resource assessments (SRAs), a capital project prioritization method, portfolio planning tools, and a 5-year investment strategy. A critical step in the CIP is the SRA, a needs assessment process that incorporates internal and external stakeholders input, a review of existing facility conditions, workload and personnel forecasts, space capacity analyses, and recommended options to meet current and future space needs. The goal of the SRA is to gather and present data to support the prioritization of facility projects on a national level within CBP. CBP plans to refresh and build upon this assessment during 2008.

*Question.* How does your Department's fiscal year 2009 budget request address our land port of entry needs?

*Answer.* The fiscal year 2009 budget request includes \$75 million in Federal Buildings Fund appropriations for the U.S. General Services Administration (GSA) to complete Phase 1 improvements at the Nation's busiest land port of entry—San Ysidro, CA—and to address critical needs at the Portal, ND land port of entry. The fiscal year 2009 budget request also includes \$10 million that will enable CBP to begin to address requirements at outdated CBP-owned land ports of entry.

*Question.* Mr. Secretary, I was concerned and dismayed to read last week that plans to build a virtual border fence are being scaled back and delayed for years. We must get control of our borders, and these problems, on top of the failure of the America's Shield Initiative, are unacceptable.

What is the Department doing to quickly address the problems recently discovered with the virtual fence in Arizona?

*Answer.* DHS has been forthcoming about the technical deficiencies identified in the P-28 module. As good stewards of taxpayers' money, DHS held Boeing accountable for all contract deliverables, resulting in the delay in acceptance of P-28. After a period of operational testing, additional deficiencies were identified and subsequently corrected to DHS's satisfaction. DHS is building upon lessons learned to develop a new border-wide architecture that will incorporate upgraded software, mobile and fixed surveillance systems, unattended ground sensors and an improved communication system to enable better connectivity for overall performance.

*Question.* How does your Department's fiscal year 2009 budget work to rectify these problems?

*Answer.* It is important to clarify that P-28 was the initial demonstration of the feasibility of SBInet's integrated technology concept. As such, P-28 was designed to be an operational prototype that could be tested, evaluated, serve as the initial building block for the system's future technology and provide valuable lessons learned. It was not intended to be a final operational configuration. P-28 provides operational technology in an area that did not have these resources and has increased CBP's effectiveness in this area along the Arizona-Mexico border.

DHS and CBP will now take the valuable lessons learned and focus on the development of the future SBInet solution. As a matter of fact, lessons learned from P-28 have already been incorporated into the next iteration of the SBInet integrated system design including improved sensors, software and communications. These improvements will further CBP's ability to fully integrate detection, identification, and classification of border incursions within a common operating picture and will be implemented as part of the Calendar Year 2008 deployments in Arizona. One critical lesson learned that led to the deceleration of the deployment schedule is the need for a Systems Integration Lab (SIL) to evaluate new hardware being introduced into the operational environment. The lab will help determine the effectiveness of the hardware within our system of towers, sensors, communication, common operating picture hardware and software prior to fielding across the U.S. border.

Even as a technology demonstrator, P-28 provides agents with a much greater degree of constant surveillance and a shared situational awareness of operations in

the field. CBP personnel in the command center now receive additional alerts and notifications of potential illegal activity cued by radar and then further examined by the integrated cameras before deploying agents to respond. Agents deployed in the field using vehicle mounted Mobile Data Terminals (MDTs) have an improved picture of the location of “blue and red forces” in their vehicle. P-28 uses a variety of technologies including cameras and radar to give agents the information they need to make deployment and interdiction decisions in their area of responsibility. Today, P-28 is providing operational value which has assisted in the apprehension of over 2,500 illegal aliens and smugglers since late September 2007.

DHS is building upon lessons learned to develop a new border-wide architecture that will incorporate upgraded software, mobile and fixed surveillance systems, unattended ground sensors and an improved communication system to enable better connectivity for overall performance. There have not been changes to DHS’s overall plan to deploy a tower-based integrated sensor and common operating picture concept. DHS is confident that this type of technology solution will be used in other selected border locations where it makes sense. Along with other tools and techniques, this solution will contribute to CBP’s efforts to secure our Nation’s borders.

*Question.* Are you considering revising your request to provide more funding for actual border fencing because of problems with virtual fencing?

*Answer.* No. Requests for additional funding are based on operational requirements for additional fence, which are based on traffic trends and patterns provided by OBP.

Much of the land on the New Mexico/Mexico international border is Federal land. In the last 2 years, the Bureau of Land Management (BLM) has received a \$2.5 million increase to its Law Enforcement budget and has requested an additional \$1 million increase in its Hazardous Materials Management budget to address border issues and environmental degradation associated with illegal immigration on its lands in the Southwest.

*Question.* What type of support and funding is your Department providing BLM and other agencies that manage Federal lands for their work associated with illegal immigration and border security matters such as conducting NEPA studies for the construction of border fencing?

*Answer.* CBP/OBP does not fund BLM or other Federal agencies for their costs for environmental remediation resulting from illegal immigration and border security matters. CBP/OBP works closely and cooperatively, with Federal agencies, State agencies and tribes in the region regarding environmental aspects of border security efforts within each agency’s own mission, legal and budget authorities. CBP does pay for environmental costs directly related to Tactical Infrastructure in compliance with applicable environmental laws. Also, under the Economy Act, CBP reimburses the BLM and other Federal agencies for their services provided to CBP. These reimbursement arrangements are pre-negotiated and defined—typically using inter-agency agreements.

*Question.* How are funding and responsibilities on these issues divided between your Department and the Departments that have responsibilities for Federal lands?

*Answer.* CBP funds direct costs for construction of the fence and associated costs for mitigating environmental impacts such as testing and protecting archeological sites within the construction corridor and mitigation costs for impacts to endangered species. In addition, CBP funded USFWS to provide direct support to CBP regarding ESA compliance for the SBInet programs. This included funding toward a web based planning tool to assist CBP sectors to streamline planning for projects and potential impacts to endangered species.

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QUESTIONS SUBMITTED BY SENATOR RICHARD C. SHELBY

*Question.* The Center for Domestic Preparedness (CDP) at Fort McClellan, in Anniston, Alabama, is the cornerstone of our Nation’s emergency responder training facilities and the only civilian live-agent training facility in the country. The CDP is one of several facilities across the country where we are training our Nation’s first responders in a variety of disciplines. This year it is expected that CDP will train approximately 75,000 people through on-site, mobile and train the trainer programs. In the President’s Budget request, the Center for Domestic Preparedness’ base budget is reduced by \$15.5 million from the enacted level of \$62.5 million in fiscal year 2008 to \$47 million for fiscal year 2009. This reduction brings about several questions:

Why are you proposing such a drastic decrease in funding? Please give me a detailed justification for this change.

Answer. The Department of Homeland Security (DHS) and the Federal Emergency Management Agency (FEMA) fully recognize the importance of the training conducted at the Center for Domestic Preparedness (CDP). CDP is a key member of the National Domestic Preparedness Consortium (NDPC) and the only Federal chartered weapons of mass destruction (WMD) training facility.

CDP's budget has undergone continuous review since the facility was transferred to FEMA from DHS last year. That review has resulted in the detailed examination of redundancies in the collective training offered by the CDP and its fellow NDPC and FEMA training centers, while simultaneously reaffirming the importance of the CDP core mission of providing live chemical agent training at its Chemical, Ordnance, Biological, and Radiological Training Facility (COBRATF). As a result, FEMA believes that CDP will be able to meet its core program requirements and goals with the President's \$47 million request. FEMA is dedicated to continuing to look for ways to effectively manage the resources provided to CDP, as well as all other training facilities, to gain the greatest advantages for training partners and the taxpayer.

*Question.* Does this reduction in funding reflect a trend within the administration toward reducing preparedness training?

Answer. Please see previous response.

*Question.* The Center for Domestic Preparedness is a unique facility. It is the only live agent training program in the country. A training center like this could not be built today. This budget in effect reduces funding for a critical piece of our first responder training that cannot be done anywhere else in the country. Please explain to me why the President's budget in effect calls for the curtailing of live agent training?

Answer. The fiscal year 2009 President's budget provides the Center for Domestic Preparedness with \$47 million to fund its operations. DHS and FEMA continue to review CDP spending since transferred to FEMA this past year. We have provided enhanced management, in the process of streamlining contracts with vendors and training contractors, providing greater oversight of expenditures and stipends and believe that this request is adequate to support CDP's requirements for fiscal year 2009. FEMA continues to look for ways to effectively manage the resources provided to CDP to gain the best advantage for our training partners and the taxpayer.

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#### QUESTIONS SUBMITTED BY SENATOR LARRY CRAIG

*Question.* Mr. Secretary, the use of National Guard members on the border in my opinion has been a big help in assisting our border patrol agents secure parts of our border. Although they do not play an active role in detaining illegals crossing the border, they are certainly playing a major role in deterrence. Although I am not in favor of permanent Guard duty on the border, there is certainly a need right now. How much longer do you envision us needing to have National Guard on our southern border?

Answer. The end of Operation Jump Start should not be associated with an end to the partnership between the Border Patrol and the National Guard. This partnership pre-dates Operation Jump Start and is expected to continue. Operation Jump Start was intended as a short term "bridge" to fill the gap until the Border Patrol could hire additional agents and put additional tactical infrastructure in place.

Operation Jump Start was originally staffed with over 6,000 National Guard members. On June 15, 2007, these forces were reduced to 3,000. The force reduction was a smooth transition and had little impact on operations. As the National Guard begins to transition out of Operation Jump Start, the National Guard will continue to support the Border Patrol through "counter-drug" missions and by participating in annual training projects that are mutually beneficial.

*Question.* DHS is steadily moving towards full implementation of the Western Hemisphere Travel Initiative. However, as has been mentioned, Congress mandated that full implementation cannot take place until DHS certifies that it is ready to handle implementation of June of 2009, which ever comes first. As of now, is DHS planning on taking until June, 2009 before full implementation or do you believe that DHS will be able to certify to Congress it is ready for full implementation before then? If before then, what timeframe are you looking at for certification?

Answer. In the most recent Consolidated Appropriations Act, Congress delayed the WHTI implementation, mandating that WHTI not be implemented until at least June 1, 2009. The Department is complying with the Act by not implementing WHTI before that date. DHS and CBP anticipate meeting all the requirements for certification this summer.

*Question.* Certainly the Western Hemisphere Travel Initiative was designed to secure our borders and allow us to know who is coming across our borders. However, both our northern and southern borders are simply too vast to man with border patrol agents alone. I applaud DHS for utilizing new technologies such as UAV's (unmanned aerial vehicles) and other emerging technologies. While I recognize that the virtual border fence, or Project 28, has received some negative reporting from the GAO, what does the future look like for this type of "virtual" monitoring and inspection for use along our northern border? Also, what other steps are being done now to ensure that we are able to track people coming across the border by foot, atv's or other means whereby they can avoid going through border crossings?

*Answer.* As part of the fiscal year 2007 Appropriations Act, Congress directed that \$20 million be used "to begin addressing needs along the northern border." A demonstration project was planned and has been approved to achieve the following objectives:

- Develop a prototype that demonstrates an integrated air, land, and maritime security solution in an area of the northern border; areas selected is the St. Clair River/northern Lake St. Clair border zone in the Detroit Sector;
- Improve situational awareness and increase target detection with an integrated air, land, and maritime tactical picture; and
- Improve Port of Entry (POE) security by integrating existing cameras and installing additional security fencing to funnel pedestrian traffic into the POE.

Although successful completion of these objectives may improve operational capabilities and provide technical insight for a final SBInet solution, the Northern Border Demonstration is not meant to uncover the final solution for the Detroit Sector or for the rest of the northern border, provide 24/7 surveillance or total situational awareness of the AOR, or enable operational control of the AOR. The project will demonstrate the technology that will enable coordinated CBP A&M and BP operations for control of the northern maritime border. The demonstration will include integrating sensors and air assets with a C2 Center to create a COP for improved situational awareness. This demonstration, combined with the requirements analysis and system engineering being conducted in Program Management Task Order (PMTO) and its follow-on task order, will be used to update the system-level requirements to address the northern border challenges.

The project will be managed in phases, called spirals. Each spiral will develop capabilities and test those capabilities over time with agents and officers in the field. This approach reduces risk and allows time for the system to mature and better meet the operational needs of the people using it.

Current plans are to deploy the SBInet integrated technology solution to two locations in Arizona by the end of CY 2009, barring any major shifts in the cross-border threat. CBP has completed technology requirement assessments of the Yuma and Tucson Sectors and will look to fill those needs first as they are presently the highest threat areas. But expanding the integrated tower-based system is not all CBP is doing in the interim for technology between our ports of entry. For example, CBP currently has 4 Mobile Surveillance Systems (MSS) in operation and plans to deploy an additional 36 MSS this year to the Southwest border to serve as primary detection platforms. While some MSS will eventually be replaced by a more cost-effective, integrated radar/camera tower under SBInet the highly mobile MSS units can be used to "fill gaps" of surveillance coverage, temporarily replace a sensor tower down for maintenance, or rapidly deploy to a "hot" area needing extra coverage. By October, 2,500 new unattended ground sensors will replace and add to our existing numbers, for a total of nearly 8,500 sensors deployed across our Southwest and Northern Borders.

*Question.* The 2008 Homeland Security Grant Program places IED prevention at a top priority but provides little specific guidance for equipment purchases and other eligible expenditures (training, plan development, etc.). How does DHS intend to ensure that the funds do not get spent on large dollar items (i.e. operations center software, communications systems, GIS, etc.) and instead are used to enhance the capabilities of bomb-squads? Is the Department going to task the Office for Bombing Prevention and FEMA to issue specific guidance out on what equipment should be a priority for purchase under this program?

*Answer.* DHS employs a number of monitoring and tracking systems and protocols in order to help ensure that Federal homeland security funds are expended in accordance with our grant guidance. With the fiscal year 2008 Homeland Security Grant Program (HSGP), DHS is requiring grantees to spend a portion of their funds towards three priorities, including IED prevention. Grantees will be able to identify proposed funding investments relative to IED as part of their grant application process. A rigorous peer review component is part of the HSGP application process that helps to ensure projects, including those for IED prevention, are sound investments.

Once awards are made, grantees will be required to input their funding activities into the Department's Grants Reporting Tool (GRT). The Department will review GRT data inputs in order to ensure that grantees are in compliance with the IED spending priorities identified in fiscal year 2008 HSGP.

Each State is directly monitored on an annual basis (and each UASI biannually) to ensure compliance with grants guidance regulations and also to gauge the overall progress of activities undertaken with Federal homeland security funds. Monitoring systems and protocols will be updated to ensure that the DHS personnel engage in discussions with grantees and systematically track progress (both ongoing and achieved) relative to IED deterrence, prevention, and response capabilities.

FEMA and OBP will be closely engaged at all levels of monitoring to ensure both coordination and transparency and measurable outcomes.

DHS's Office for Bombing Prevention (OBP) is using its National Capabilities Analysis Database, which gathers and analyzes State and local IED security capabilities, to support FEMA and its grantees in identifying investments that will improve needed capabilities. In addition, OBP has, since 2003, been working directly with the National Bomb Squad Commanders' Advisory Board to assess operational gaps and develop roadmaps for technology development to meet those gaps.

In addition, OBP and FEMA are working in concert to develop supplemental guidance which will provide the emergency response community with a comprehensive approach to strengthening the capabilities needed to deter, prevent against, and respond to the threat of improvised explosive devices (IED). Specifically, the supplemental guidance will identify appropriate planning, organization, equipment, training, and exercise activities that address counter-IED capability gaps. DHS expects the supplemental guidance to be released within the next few weeks.

*Question.* DHS has stopped the training programs previously provided by the Officer for Bombing Prevention; we have heard from many first responders that the training was important and well received. Is another part of the Department providing this training now? If so, how many courses have been taught since the programs were transferred? What is the level of funding dedicated to this training?

*Answer.* Two advanced training courses that were sponsored by the Office for Bombing Prevention (OBP) are now sponsored by the State of California: Weapons of Mass Destruction/Improved Explosive Device Electronics and Underwater Hazardous Device Search. These courses are listed in the catalogue of Federal Emergency Management Agency (FEMA)—approved, State-sponsored training courses, and funding for first responders associated with accessing this training is available through FEMA's Homeland Security Grant Program.

Furthermore, OBP created the Underwater Terrorism Prevention Program (UTPP), which frequently incorporates the Underwater Hazardous Device Search course as part of its planning activity. The UTPP has been transferred to the U.S. Coast Guard and is ongoing.

*Question.* A large amount of money has gone into research and development for explosives detection for TSA and other DHS components; however there seems to be little effort underway to develop and field equipment for bomb squads and other local responders that may have to deal with the potential of a wave of bombings in the homeland. Can you tell the committee what specific efforts are underway to develop and field equipment to non-Federal entities such as bomb squads; what is the dollar value of those efforts; what specific pieces of equipment have been fielded? Does the Department have a process for identifying technology requirements of local bomb squads and other responders based on an operational gap analysis and technology roadmap?

*Answer.* Beyond providing State and local governments and private-sector partners with the information and knowledge to meet the Improvised Explosive Device (IED) threat, the Department of Homeland Security (DHS) is investing heavily in developing technologies and building capabilities. This year alone, more than \$1.7 billion is available through the Federal Emergency Management Agency (FEMA's) Homeland Security Grant Program (HSGP), which has identified IED preparedness as one of its three funding priorities. These funds will support State and local authorities in purchasing advanced equipment, such as robotic platforms, diagnostic tools, and render-safe technologies, as well as communications and protective equipment needed for a safe and effective response. HSGP funds, along with funding from the Transit Security Grant Program, can also be used to build detection capabilities, such as training and deploying additional explosives detection canine teams or other detection technologies.

The Department of Homeland Security's (DHS's) Office for Bombing Prevention (OBP) is using its National Capabilities Analysis Database (NCAD), which gathers and analyzes State and local Improvised Explosive Device (IED) security capabilities, to support the Federal Emergency Management Agency and its grantees in



identifying investments that will improve needed capabilities. NCAD uses a task-based capability analysis and assessment methodology that is aligned with the Universal Task List and Target Capabilities List. In addition, OBP has been working directly with the National Bomb Squad Commanders' Advisory Board since 2003 to assess operational gaps and develop roadmaps for technology development to meet those gaps.

The Department of Homeland Security's (DHS's) Science and Technology Directorate (S&T) has been designated to lead the Federal effort to develop domestic counter-IED technologies. S&T has set up a special Counter-IED Integrated Product Team (IPT), co-chaired by OBP and the Secret Service, to leverage existing multi-agency research and investments to deter, predict, detect, defeat, and mitigate the impact of IED attacks. The IPT process links customers, such as State and local first responders, with industry and academic research to ensure that needed technologies are being developed and that those technologies meet the requirements of their customers. S&T and OBP are also working with the Department of Defense to transfer technologies developed for the international counter-IED fight to domestic applications. In fiscal year 2007, \$2.5 million was allocated to the Technical Support Working Group to develop technologies to deploy to State and local bomb squads. Technologies developed with these funds include robotic platforms, electronic countermeasures (ECM) kits, and tool characterization. Over the past year, S&T has accelerated and bolstered its research and development of counter-IED technologies and products. Counter-IED innovations under development and deployed include ECM; vehicle-borne IED render-safe tools; blast-mitigation protective measures; IED, homemade explosives, and hostile-intent detection technologies; and explosives-neutralization methodologies.

*Question.* Customs and Border Protection (CBP) has proposed a rule to require certain information from general aviation international flights and this information must be electronically transmitted to CBP. Many pilots—including many in Idaho—fly to and from remote areas with no internet access.

Customs and Border Protection (CBP) has proposed a rule to require certain information from general aviation international flights and this information must be electronically transmitted to CBP. Many pilots—including many in Idaho—fly to and from remote areas with no internet access. How does CBP and the Department plan to address this issue? Have you met with the general aviation community to address this problem? When does CBP plan to issue a final rule?

*Answer.* The proposed rule published in the Federal Register on September 18, 2007, requires the pilot to submit information electronically no later than 60 minutes before an arriving private aircraft departs from a foreign location and no later than 60 minutes before a private aircraft departs the United States for a foreign port or place. The pilot may authorize another party with internet access to submit the information on their behalf. In addition, while the pilot must submit the information no later than the 60 minutes prior to departure, there is no maximum time frame for submission. Thus, a pilot may submit the required information to CBP days, even months in advance of travel. This would allow the pilot to file the required information from less remote locations with internet access well in advance of traveling to, or returning from, remote locations that may lack internet access.

CBP has met with the general aviation community to discuss this issue. A total of 2,907 comments were received in response to the proposed rule, published on September 18, 2007, in the Federal Register, during the comment period. CBP is working to address these concerns.

CBP will not issue a final rule regarding Advance Information on Private Aircraft Arriving and Departing the United States until the rule is reviewed and cleared by the Department of Homeland Security and the Office of Management and Budget. As the rule is still undergoing review, CBP at this time does not have an anticipated publication date.

#### CONCLUSION OF HEARING

Senator INOUE. Thank you very much. Mr. Secretary, on behalf of the committee, I thank you very much for your presence, and for your testimony, and your responses.

[Whereupon, at 11:59 a.m., Tuesday, March 4, the hearing was concluded, and the subcommittee was recessed, to reconvene subject to the call of the Chair.]



## DEPARTMENT OF HOMELAND SECURITY APPROPRIATIONS FOR FISCAL YEAR 2009

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

### NONDEPARTMENTAL WITNESSES

[The following testimonies were received by the Subcommittee on Homeland Security for inclusion in the record. The submitted materials relate to the fiscal year 2009 budget request for programs within the subcommittee's jurisdiction.]

#### PREPARED STATEMENT OF THE AMERICAN PUBLIC TRANSPORTATION ASSOCIATION

Mr. Chairman, thank you for this opportunity to provide testimony to the Senate Appropriations Subcommittee on Homeland Security on the security and safety of public transportation systems. I appreciate your interest in improving security for the millions of Americans who use transit daily, and look forward to working with the subcommittee as it develops the fiscal year 2009 appropriations bill for the Department of Homeland Security (DHS). I offer this testimony to request \$750 million in transit security funding in the fiscal year 2009 Department of Homeland Security Appropriations bill and provide our comments on DHS's 2008 Transit Security Grant Program guidance.

#### ABOUT APTA

The American Public Transportation Association (APTA) is a nonprofit international association of more than 1,500 public and private member organizations, including transit systems and commuter rail operators; planning, design, construction, and finance firms; product and service providers; academic institutions; transit associations and State departments of transportation. APTA members serve the public interest by providing safe, efficient, and economical transit services and products. More than 90 percent of the people using public transportation in the United States and Canada are served by APTA member systems.

#### FUNDING REQUEST

Mr. Chairman, public transportation is a critical component of our Nation's infrastructure. Americans take more than 10.3 billion transit trips each year. People use public transportation vehicles more than 34 million times each weekday. This is eighteen times the number of daily boardings on the Nation's domestic airlines.

Both the Administration and Congress have fully acknowledged that terrorist threats to transit agencies are real, and have not diminished. The Government Accountability Office (GAO) released a 2002 report which said "about one-third of terrorist attacks worldwide target transportation systems, and transit systems are the mode most commonly attacked." On February 29, 2008, the Office of Intelligence of the Transportation Security Administration (TSA) released a report concluding that public transportation in America remains vulnerable to terrorist attack. The report States, "The volume of previous attacks and recent plotting against mass transit systems overseas demonstrates continued strong terrorist interest in targeting this sector." The report further States that, "Previous rail attacks in Madrid, London, and Mumbai could inspire terrorists to conduct similar attacks in the United States."

Safety and security have always been the top priority of the public transportation industry. Since 9/11, transit systems have taken many steps to further improve se-

curity. Public transit agencies with State and local governments, have invested billions of dollars on security and emergency preparedness programs. While we are pleased that Congress recognizes the importance of investing in the safety of public transportation, Federal investment in transit security has been minimal when compared to other transportation modes. For example, since 9/11 the Federal Government has spent over \$24 billion on aviation security and only \$898 million for transit security.

In 2004, APTA surveyed U.S. transit agencies to determine what actions were needed to improve security for their customers, employees and facilities. In response to the survey, transit agencies around the country identified in excess of \$6 billion in transit security investment needs. State and local governments and transit agencies are doing what they can, but it is important for the Federal Government to increase support for transit security.

Last August, President Bush signed into law H.R. 1, the 9/11 Commission Recommendations Act of 2007. The legislation authorizes \$3.4 billion in transit security funding over a four year period. We ask that Congress provide \$750 million in the Homeland Security Appropriations bill, consistent with the authorized level for fiscal year 2009 in H.R. 1. We are extremely disappointed that the Administration proposed only \$175 million for transit security in the fiscal year 2009 DHS budget proposal, which would be a cut of \$225 million from the \$400 million that Congress appropriated for transit security for fiscal year 2008, and significantly less than the \$750 million authorized in H.R. 1. Federal funding for transit security needs should provide for both hard and soft costs as described below and be separate from investments in the Federal transit capital program.

In addition, we urge Congress to provide \$600,000 to maintain and operate the Public Transit Information Sharing Analysis Center (ISAC). Funding for this program was authorized under the 9/11 Commission bill under Section 1410(d), which provides for the sharing of security information between transit agencies and DHS. The ability to share vital information is crucial in preventing and mitigating potential terrorist attacks.

We also urge Congress to provide \$500,000 to DHS for the APTA security standards program. APTA is recognized as a Standards Development Organization (SDO) for the public transportation industry. H.R. 1 requires that DHS work with the transit industry. We are applying our growing expertise in standards development to transit industry safety and security, best practices, guidelines and standards. Over the last several years, APTA has worked closely with the Department of Transportation (DOT), DHS and industry leaders to develop standards that help transit agencies use available resources as effectively as possible. We request \$500,000 in the DHS Appropriations bill to continue this important work.

#### FISCAL YEAR 2008 TRANSIT SECURITY GRANT PROGRAM GUIDANCE

Last year, Congress enacted H.R. 1, the 9/11 Commission Recommendations Act of 2007. That law authorizes significant increases for transit security grants, and gives specific instructions on how DHS must distribute funds. APTA was pleased to have the opportunity to form a working group among our members to help the Administration deliver grants in the most efficient manner, while fully complying with the intent of the statute. Regrettably, DHS failed to consider our input. In fact, the current distribution process not only ignores the industry's recommendations, but in many cases violates the statute.

First, H.R. 1 included conference report language directing DHS to distribute grants directly to transit agencies. However, DHS has chosen to ignore this directive. Instead, DHS has distributed transit security funds to States who continue to administer the program and retain 3 percent in management and administrative costs while providing no additional value in the distribution of the grant program.

In addition, the new guidance requires a local cost share. For operational costs, the maximum Federal share is 66 percent of the total cost. The fiscal year 2009 guidance reduces the Federal share to 50 percent. The guidance also imposes a 25 percent local match for the purchase of equipment, management and administration activities. As you know, there is no local cost share requirement authorized in H.R. 1.

Furthermore, the new grants guidance specifically excludes items in H.R. 1 that should be considered for funding such as chemical-biological detection, and redundant Operation Control Centers. We appreciate the flexibility that H.R. 1 provided in allowing a broad range of items for consideration of funding, yet DHS is ignoring this legislative language and restricting the use of Federal funds.

APTA appreciates the challenges that DHS faces in implementing the new authorizing statute, and hopes that the agency will fully consider the transit industry's

recommendations in the future. We look forward to working with Congress in the upcoming year to ensure that the grants distribution process complies with H.R. 1, and allows transit agencies maximum flexibility to implement the transit security improvements.

#### SECURITY INVESTMENT NEEDS

Mr. Chairman, since the events of 9/11, the transit industry has invested billions of its own funds for enhanced security measures, building on the industry's already considerable efforts. At the same time, our industry conducted comprehensive reviews to determine how we further improve on existing security practices. This effort has included a range of activities, which include research, best practices, education, information sharing in the industry, and surveys. As a result we have a better understanding of how to create a more secure environment for our riders and of the most critical security investment needs.

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

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

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

Priority examples of security capital investment improvements include:

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

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

Mr. Chairman, the Department of Homeland Security issued directives for the transit industry in May 2004 which would require that transit agencies beef up security and to take a series of precautions to set the stage for more extensive measures without any Federal funding assistance. Transit agencies have already carried out many of the measures that Transportation Security Administration (TSA) has called for, such as drafting security plans, removing trash bins and setting up procedures to deal with suspicious packages. The cost of these measures and further diligence taken during times of heightened alert is of particular concern to us. We look forward to working with you in addressing these issues.

#### CONCLUSION

Mr. Chairman, in light of the Nation's heightened security needs since 9/11, we believe that increased Federal investment in public transportation security is critical. The public transportation industry has made great strides in transit security improvements since 9/11 but much more needs to be done. We need the Federal Government to increase its support for transit security grants that help transit systems address the \$6 billion in identified transit security investment needs. We urge this subcommittee to provide \$750 million in the fiscal year 2009 Department of Homeland Security Appropriations bill. We urge Congress to fund the Public Transit ISAC and the APTA security standards program as previously described. We urge Congress to include legislative language to correct the DHS's implementation of the fiscal year 2008 grant program guidance to reflect the authorization law.

We have also found that investment in public transit security programs, resources and infrastructures provides a direct benefit in preparation and response to natural disasters as well. We look forward to building on our relationship with the Department of Homeland Security and Congress to better address these needs. We thank you and the subcommittee for allowing us to provide testimony on these critical

issues and look forward to working with you to improve safety and security for the millions of people who use transit every day.

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PREPARED STATEMENT OF THE ASSOCIATION OF STATE FLOODPLAIN MANAGERS

The Association of State Floodplain Managers (ASFPM) and its 26 State Chapters represent over 11,000 State and local officials as well as other professionals engaged in all aspects of floodplain management and hazard mitigation. This includes floodplain management, mapping, engineering, hydrology, flood mitigation, forecasting, water resources, planning, community development, emergency response and insurance. All ASFPM members are concerned with reducing our Nation's flood-related losses. Our State and local officials are the Federal Government's partners in implementing flood mitigation and flood insurance programs and working to achieve our shared objectives. Our State members head offices that are designated by the State governors to coordinate the National Flood Insurance Program (NFIP) with local jurisdictions.

In general, the Association of State Floodplain Managers is pleased with the funding requested for an on-going flood mapping program and with the funding requested for the repetitive flood loss grant programs that are funded under the National Flood Insurance Program. We would urge the Committee to fully fund the Flood Mitigation Assistance grant program at its authorized level of \$40 million. In addition, we urge that the Pre-Disaster Mitigation grant program under the Stafford Act be funded at a level significantly higher than the budget request of \$75 million.

FLOOD MITIGATION ASSISTANCE PROGRAM (SEC. 1366)

The budget request includes \$35.7 million from the National Flood Insurance Fund for the regular Flood Mitigation Assistance (FMA) program. The program was authorized at \$40 million in the Flood Insurance Reform Act of 2004 to incorporate an enhanced capability to mitigate repetitive flood loss properties in addition to its support of local mitigation planning and other projects.

In the past, FEMA had determined that FMA could be funded only from Federal policy fee income rather than from premium income and funds were provided by transfer from the National Flood Insurance Fund to the Flood Mitigation Assistance Fund. The explanation for funding the program at \$34 million in fiscal year 2008 referenced the amount available from fee income. For fiscal year 2009, the budget proposes to eliminate the FMA Fund and to fund the program directly from the NFIF.

This would appear to provide for funding from premium income, in the same manner that the two repetitive loss mitigation programs are funded (Sections 1361A and 1323 of FIRA 2004). The rationale for limiting FMA because of the availability of fee income seems to be no longer valid.

ASFPM urges the Committee to provide the full authorized amount of \$40 million for the Flood Mitigation Assistance Program.

FLOOD MAPPING

The budget request includes \$150 million in appropriated funds and funds derived from Federal policy fees for a total mapping program level of approximately \$248 million in fiscal year 2009, thus approaching the fiscal year 2008 funding level.

ASFPM is very pleased that the budget request includes provision for a substantial on-going mapping program. The final funding year for the 5 year Map Modernization Initiative was fiscal year 2008. While the Map Modernization effort made a major contribution to improving the Nation's flood risk maps, much mapping work remains to support FEMA's risk identification and risk reduction (mitigation) responsibilities for working with States and localities to reduce flood losses. Many areas require new engineering (hydrology and hydraulics) studies; many areas have yet to be mapped; and risk identification in many areas is being affected by decertification of levees. Keeping flood maps current is a dynamic process since the hazard changes due to development, natural events and other topographic changes. Flood insurance reform legislation pending in the Congress would add additional mapping tasks to FEMA's risk identification activities. It is critical to the National Flood Insurance Program and to Federal, State and local flood risk reduction efforts that FEMA continue its mapping activities at a robust level.

ASFPM strongly supports the requested funding level for flood risk mapping.

## PRE-DISASTER MITIGATION GRANTS

ASFPM is concerned about the reduced funding of \$75 million requested for fiscal year 2009 for the Pre-Disaster Mitigation Grant program (PDM). The program was funded at \$114 million in fiscal year 2008 and up to \$150 million in some prior years. FEMA reports that this nationwide, multi-hazard competitive program regularly draws applications that represent needs much greater than the available funding can address. There is demonstrated need for much more mitigation activity than this program can support, even at \$150 million.

The Congressionally requested report of the Multi-Hazard Mitigation Council (MMC) of the National Institute of Building Sciences released in 2006 found an overall benefit-to-cost ratio of 4 to 1 for mitigation investment. The ratio was 5 to 1 for flood mitigation projects. The Pre-Disaster Mitigation grant program generates local mitigation funding through its cost-share. It is evident that mitigation is a wise investment and good public policy.

A significant number of applications submitted each year cannot be approved due to lack of funds. These applications are a product of focused work at the local level, often with State involvement, to develop projects that are consistent with local and State hazard mitigation plans and meet the many other important program eligibility requirements. FEMA has developed, and then refined, an evaluation process for grant applications that is rigorous and involves mitigation officials from all over the country participating in review panels.

The process of developing hazard mitigation plans and of working locally to put together mitigation grant applications has the important corollary benefit of building local commitment to risk reduction. Utilizing a significant portion of limited PDM funds in funding directives outside of the competitive grant application process can have the unfortunate effect of reducing impetus to utilize that awareness and commitment building process at the local level. We urge the Committee to avoid use of funding directives and instead to encourage the local planning and project development that leads to local commitment to hazard mitigation and to the most cost effective mitigation projects.

To enhance the development of eligible and good quality grant applications from the many jurisdictions that do not necessarily have mitigation expertise locally or the funds to hire such expertise, the Committee may wish to consider setting aside a portion of PDM funds for allocation to States to support technical assistance to communities. Many communities nationwide could improve their hazard mitigation activities with even minimal technical assistance.

ASFPM urges increased funding for Pre-Disaster Mitigation grants; urges encouragement of local mitigation awareness and commitment by not funding projects through directives and suggests consideration of a set-aside for allocations to States so that they can provide technical assistance to communities.

## OTHER

FEMA has been working collaboratively with the U.S. Army Corps of Engineers on assessment of flood control structures (usually levees) and the reflection of that work on FEMA's flood maps. ASFPM notes that the interagency collaboration is most effective and important.

FEMA has embarked on a unification of requirements and applications procedures for its five mitigation grant programs. ASFPM supports this effort as it will very likely simplify and streamline the grant application process for States and communities.

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 PREPARED STATEMENT OF THE INTERNATIONAL ASSOCIATION OF EMERGENCY MANAGERS

Chairman Byrd, Ranking Member Cochran, and distinguished members of the Subcommittee, thank you for allowing IAEM the opportunity to provide testimony on fiscal year 2009 Appropriations for the Federal Emergency Management Agency.

I am Larry Gispert, and I serve Hillsborough County on the West Coast of Florida as Director of Emergency Management—a position I have held for 14 of my 27 years in the field. I have the privilege of serving nearly 1.2 million folks who call Hillsborough County and the City of Tampa home. I am currently serving as the President of the International Association of Emergency Managers.

I want to express my sincerest gratitude to this subcommittee for your support for increasing the funding for the Emergency Management Performance Grant Program—the major source for building State and local emergency management capacity—and for reforming the Federal Emergency Management Agency.

IAEM has over 4,000 members including emergency management professionals at the State and local government levels, tribal Nations, the military, colleges and universities, private business and the nonprofit sector in the United States and in other countries. Most of our members are U.S. city and county emergency managers who perform the crucial function of coordinating and integrating the efforts at the local level to prepare for, mitigate the effects of, respond to, and recover from all types of disasters including terrorist attacks. Our membership includes emergency managers from large urban areas as well as rural areas.

*Emergency Management Performance Grants (EMPG)*

We urge that EMPG funding be increased to \$487 million to address the historically documented shortfall as indicated by the NEMA biennial report; the program be maintained as a separate account; and bill language indicate the funding is for all hazards and can be used for personnel. We urge you to reject the explanatory language which stated EMPG was for State and urban areas.

The entire emergency management community is grateful to this committee for recognizing the importance of building basic emergency management capacity at the State and local level. The major source for this capacity building is funding from the Emergency Management Performance Grant program. We are grateful for your \$50 million supplemental in fiscal year 2007 and for the increase to \$300 million in fiscal year 2008 to begin addressing the shortfall. We appreciate the fact that you recognize that EMPG is different from the entire host of post September 11, 2001 Homeland Security grants. Specifically, EMPG has existed since the 1950s. It was created to be a 50–50 cost share program to ensure participation by State and local governments to build strong emergency management capability, and it is a performance grant. We are certainly pleased that 50 Senators signed a letter to the committee recommending that EMPG be funding at \$487 million.

*Principal Federal Official (PFO)*

We urge the committee to include bill language prohibiting the funding of any position designated as a Principal Federal Official (PFO) or Senior Federal Official in a Presidentially declared disaster or emergency.

We appreciated the Conferees including such language in the fiscal year 2008 Act. IAEM has consistently opposed the appointment of PFOs. It leads to confusion. Instead, our members want the Federal Coordinating Officer (FCO) to have unambiguous authority to direct and manage the Federal response in the field. It is absolutely critical for State and local officials to have one person empowered to make decisions and coordinate the Federal response in support of the State.

*Pre-Disaster Mitigation (PDM)*

IAEM supports both pre and post hazard mitigation. The PDM program will sunset on September 30, 2008. We will be working with the authorizing committees to encourage the continuation of the program, and we respectfully request this committee to fund PDM at an appropriate level. For the fiscal year 2008 cycle 446 sub-applications were received from 43 States, 1 territory, and 5 federally recognized Indian tribal governments which would have totaled over \$317 million for the Federal share. However, only approximately \$52 million was available to fund grants in the competitive program.

*Emergency Management Institute (EMI)*

We urge the Committee to establish a separate line item for EMI in the FEMA budget so that EMI can have a consistent funding stream. We would also urge you to engage in discussions with FEMA on the funding needed to develop new courses and update the current ones. We believe an estimate would be a minimum of \$2,200,000 annually.

We strongly support the Emergency Management Institute (EMI)—once the “crown jewel” of the emergency management profession. More recently, however, it has fallen on hard times. For decades, EMI was charged with establishing and promoting the principles and doctrine of the comprehensive emergency management approach. Lack of funding and a loss of focus on the primary objectives of the Integrated Emergency Management System (IEMS) have left EMI adrift without an up-to-date, cohesive, professional EM curriculum.

*EMI's Emergency Management Higher Education Project*

We urge the Committee to provide additional funding to the Higher Education Project for two additional positions and a minimum of an additional \$400,000 annually for course development, the Higher Education Conference, and related activities.



The Emergency Management Higher Education Project although consistently under funded has produced significant improvements in the preparation of professional, college educated, emergency managers who represent the future of effective disaster policy and practice at the over 130 colleges and universities now offering emergency management degrees. The financial resources to accomplish these worthy goals are a prudent investment in the development of our emergency management system.

*Post Katrina Reform Act Implementation*

We remain concerned about the role of FEMA within DHS, whether FEMA truly has been given all the responsibility for preparedness and managing disaster response as the law requires, and whether DHS has truly “bought” into the all hazards doctrine which is so vital. Congress in the Post Katrina Act tried to empower and strengthen FEMA within DHS. It bears watching to be certain that this is not undercut by Presidential directives not in keeping with the law.

Congress made it clear when the Post Katrina Reform Act was passed that they want a strong FEMA with an Administrator with clear authority for managing all aspects of disasters and emergencies. Some specific examples from the Act which we believe are not being followed include:

—Section 611(12)(B) is of particular importance. This amended the Homeland Security Act of 2002 by “striking the matter preceding paragraph (1)” which contained the language, “the Secretary acting through . . .” and inserted instead the following language. “In General.—The Administrator shall provide Federal Leadership necessary to prepare for, protect against, respond to, recover from or mitigate against a natural disaster, act of terrorism and other man-made disaster including . . . managing such response. “Congress acted intentionally to transfer these responsibilities from the Secretary to the Administrator.

—Section 503 Federal Emergency Management Agency

—(b)(2) Specific Activities—In support of the primary mission of the Agency, the Administrator—

—(A) Lead the Nation’s efforts to prepare for, protect against, respond to, recover from, and mitigate against the risk of natural disasters, acts of terrorism, and other man-made disasters, including catastrophic accidents.

—(H) develop and coordinate the implementation of a risk-based, all hazards strategy for preparedness that builds on those common capabilities necessary to respond to natural disasters, acts of terrorism, and other man-made disasters while also building the unique capabilities necessary to respond to specific types of incidents that pose the greatest risk to our Nation

—Section 503(c)(4)(A) In General.—The Administrator is the principal advisor to the President, the Homeland Security Council, and the Secretary for all matters relating to emergency management in the United States.

—Sec. 503(c)(5) Cabinet Status—

—(A) In General.—The President may designate the Administrator to serve as a member of the Cabinet in the event of natural disasters, acts of terrorism, or other man-made disasters.

—(B) Retention of Authority.—Nothing in the paragraph shall be construed as affecting the authority of the Secretary under this Act.

We believe that DHS frequently and mistakenly quotes Section 502(c)(5)(B) regarding the authority of the Secretary and the Administrator as being applicable across the entire act when, in fact, it is limited in scope only to paragraph (5).

We strongly request the committee to provide continual oversight of DHS on these matters to ensure they are following the clear and direct law on these issues.

Congress also rejected the DHS Stage 2 Reorganization and clearly and unambiguously moved all Preparedness functions and personnel to FEMA. IAEM believes that Section 506(c)(1) and (2) of the Homeland Security Act as amended by the Post Katrina Reform Act clearly prohibits the transfer of any asset, function or mission from FEMA without a specific Act of Congress. A major function of FEMA is to rebuild relationships with State and local officials. Therefore, the Intergovernmental Affairs function assumes a much higher level of importance. Despite the clear prohibition on moving this function from FEMA, we understand there are 17 positions performing this vital role still under the National Protection and Programs Directorate (outside of FEMA) on a non-reimbursable detail. We urge this committee to insist that these positions and funding should be immediately transferred to FEMA for intergovernmental.

Another of our areas of our concern focuses on the Office of Operations Coordination—which was created after the Post Katrina Reform Act, was signed into law—and whether the role this office will perform is consistent with the implementation of the Post Katrina Reform Act. Subtitle C of the Post Katrina Reform Act clearly

assigned the FEMA Administrator responsibility for the National Preparedness System, including the National Planning Scenarios and the planning system yet these functions appear to have been placed under the authority of the Office of Operations Coordination.

Yet another area of potential concern is a growing internal discussion within DHS regarding the perceived differences between Incident Management and Emergency Management. Emergency Management is the broader, overarching and systematic approach to the issue of dealing with all disasters and emergencies, whether natural, technological, or homeland security. Incident management, while important, is a much more narrowly focused sub-element of response, one of the four phases of emergency management (mitigation, preparedness, response and recovery). To insist otherwise is to ignore the evidence of reality—and, a tacit acknowledgement on the part of DHS that they fail to understand the broader implications of the overall emergency management system. We urge the committee to reject what appears to be “sleight of hand” by DHS in moving functions clearly and unambiguously assigned to FEMA by law outside of FEMA.

#### *Perspectives*

IAEM realizes there are differences in the way we approach things based on our perspectives—that of the DHS /OMB view from 50,000 feet and that of the local government view from our boots on the ground. An example is in the EMPG program. The Guidance for fiscal year 2008 appears to be overly restrictive by requiring 25 percent devoted to planning. The failures manifested during Hurricane Katrina were not entirely rooted in a lack of planning. Many would say the failure was due to a lack of execution of existing plans. EMPG is authorized by the Stafford Act and the authorization is broad for a reason—because one size does not fit all.

We are concerned about the National Planning Scenarios which are narrowly focused, primarily on terrorism. As a result, they don't reflect the full range of threats to which we are subject. The solution to this situation is not to develop more scenarios, but to use the scenarios properly—in the development of a single Emergency Operations Plan identifying the functions and capabilities common to all emergencies as well as the roles and responsibilities of government. Utilizing a multi-plan military-style approach is great—if you are the military and funded and equipped with the resources of the military. State and local governments do not have that luxury.

It bears watching to be certain that what is important to be done to truly improve capacity to respond and recover at the local level is not undercut by overly restrictive one-size-fits-all policies, overly complex systems and emphasis on things that can be counted.

#### *Conclusion*

In summary, we urge the committee to continue to build emergency management capacity by increasing EMPG to \$487 million. We urge the committee to continue to insist on the appropriate implementation of the Post Katrina Act, to protect and strengthen FEMA and to empower its Federal Coordinating Officers. We urge continuing support for EMI and the vitally important Higher Education Project.

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### PREPARED STATEMENT OF THE NATIONAL EMERGENCY MANAGEMENT ASSOCIATION

#### *Introduction*

Thank you Chairman Byrd, Ranking Member Cochran, and distinguished members of the Committee for allowing me the opportunity to provide you with a statement for the record on the Department of Homeland Security's (DHS) fiscal year 2009 budget. In my statement, I am representing the National Emergency Management Association (NEMA), whose members are the State emergency management directors in the States, the U.S. territories, and the District of Columbia. NEMA's members are responsible to their Governors for emergency preparedness, homeland security, mitigation, response, and recovery activities for natural, man-made, and terrorist caused disasters.

In 2007, FEMA declared 63 major disasters; 13 emergency declarations; and 60 fire management assistance declarations. Overall, 40 States and one territory were impacted. The multi-hazards emergency management system continues to be the means to practice and exercise for devastating acts of terrorism, while at the same time preparing the Nation for hurricanes, tornadoes, earthquakes, hazardous materials spills, and floods. We respectfully ask for your serious consideration of additional Federal support for the only all-hazards Emergency Management Performance Grant (EMPG) to build State and local emergency management capacity.

EMPG is the only State and local matching grant program supporting preparedness efforts.

The Department of Homeland Security budget provides critical support to State and local emergency management programs. NEMA would like to address three critical issues regarding the proposed Federal budget for the Department of Homeland Security:

- Concern for addressing the shortfall and total need for the Emergency Management Performance Grant (EMPG) level while requirements increase for State and local governments;
- Federal support for the Emergency Management Assistance Compact (EMAC); and
- Significant deficits for improving State and local Emergency Operations Centers (EOCs).

#### EMERGENCY MANAGEMENT INFRASTRUCTURE FUNDING

##### *EMPG is the Only Program for All-Hazards Preparedness*

Natural disasters are certain and often anticipated. Every State must be able to plan for disasters as well as build and sustain the capability to respond. EMPG is the only source of funding to assist State and local governments with preparedness/readiness activities associated with natural disasters. At a time when our country is continuing to recover from one of the largest natural disasters in history and making strides to improve the Nation's emergency preparedness/readiness, we cannot afford to have this vital program be cut or just maintained. EMPG is the backbone of the Nation's all-hazards emergency management system and the only source of direct Federal funding to State and local governments for emergency management capacity building. EMPG is primarily used to support State and local emergency management personnel who are responsible for writing plans; conducting training, exercises and corrective action; educating the public on disaster readiness; and maintaining the Nation's emergency response system.

The State and local government partnership with the Federal Government to ensure preparedness dates back to the civil defense era of the 1950s, yet increased responsibilities over the last decade have fallen on State and local governments. NEMA's 2006 Biennial Report shows that the shortfall in EMPG funding has reached \$287 million.

##### *State and Local Match*

EMPG is the only all-hazards preparedness program within the Department of Homeland Security that requires a match at the State and local level. The 50/50 match is evidence of the commitment by State and local governments to make public safety and security a top priority. According to the NEMA 2006 Biennial Report, States were continuing to over match the Federal Government's commitment to national security protection through EMPG by \$96 million in fiscal year 2005, which is an 80 percent State and 20 percent Federal contribution.

##### *Appropriate Support Needed to Strengthen Program*

We appreciate all of the efforts of members of Congress and the Administration to allow for increases to the EMPG program; however, adjusted over the last fifteen years the increases have not kept pace with inflation at a time when capacity is supposed to be increasing. Continued funding increases are necessary to make up for over a decade of degradation of funding and increased state and local commitments. The increased flexibility of EMPG is offset by funding shortfalls estimated in the NEMA 2006 Biennial Report to be over \$287 million for all 50 States. The current total need is \$487 million. The 9/11 Implementation Act authorized EMPG at \$535 million for fiscal year 2009.

##### *EMPG as a Separate Account*

The President's budget proposal for fiscal year 2009 suggests combining the EMPG account with the other accounts in the State and local account. NEMA strongly disagrees with this approach, as EMPG must be maintained as a separate line item account as Congress has affirmed since fiscal year 2003. Congress agreed at that time that the EMPG account needed to be visible and easy to find in the budget because of the importance of the program. The separate account is critical because the EMPG program is the only all-hazards grant program being administered through the DHS/FEMA Grants Office to emergency management agencies. Additionally, NEMA suggests that Congress maintain the method of distribution for EMPG, similar to the language in the fiscal year 2006 appropriations; however continuing to allocate the funding through the State Administrative Agencies (SAAs) continues to cause delays in some States. NEMA supports language that would ex-

pressly restore the direct allocation and administration of the EMPG grants to State emergency management agencies. This will facilitate the process of expediting funding to State and local emergency management agencies without adding unnecessary steps.

The fiscal year 2008 Grant Guidance made several changes to the EMPG program that are not consistent with the Congressional intent for the program. While we have been successful in making sure the grants can be used retroactively to the start of the Federal fiscal year, the grant guidance still limits the use of EMPG funds for emergency operation centers improvements, and requires 25 percent for planning purposes. Additionally, another change to the EMPG program last year is the 3 percent allowable for management costs. Previously, States could use up to 5 percent of the grants to manage the program. This means the State has to make a larger contribution to the match to just manage the program. We urge Congress to consider these issues when completing work on the fiscal year 2009 appropriations bills and to be very specific on how FEMA should administer the EMPG program.

#### BUILDING OUR NATION'S MUTUAL AID SYSTEM THROUGH EMAC

The response to Hurricanes Katrina and Rita resulted in the largest deployment of interstate mutual aid in the Nation's history through the Emergency Management Assistance Compact (EMAC). EMAC deployed personnel comprised of multiple disciplines from all member States to respond to Louisiana, Mississippi, Alabama, Florida, and Texas. The process enabled National Guard, search and rescue teams, incident management teams, emergency operations center support, building inspectors, law enforcement personnel, and other disciplines to immediately assist the requesting States in need of support. In October 2006, Congress, under The Post-Katrina FEMA Reform Act authorized FEMA to appropriate up to \$4 million annually in grants in fiscal year 2008 to support EMAC operations and coordination activities, but no funds were appropriated.

EMAC has a five year strategic plan to put lessons learned into practice. The After-Action process from Hurricane Katrina allowed EMAC to examine how to improve the system after unprecedented disasters and an unparalleled growth in the use of the system.

Examples of improvements to be made with current and future funding as a result of lessons learned are outlined below:

- NEMA has been working with first responder disciplines to provide EMAC educational and training materials. This includes training on integration with State Emergency Operations Centers, Incident Command Systems, resource typing, and credentialing;
- NEMA has established an EMAC Advisory Group that is working to better integrate mutual aid partners into the EMAC system before future disasters occur. The group includes representatives from State and local government associations, the National Guard Bureau, emergency responder associations, public utility associations, the private sector, DHS/FEMA, and the Centers for Disease Controls and Prevention. The discussions and interactions of this group serve to assist in adding local government assets to the scope of resources and other disciplines that can be readily plugged into the system;
- EMAC has evolved in the tracking of resources through administrative management through NEMA. EMAC is working towards an integrated system to allow for swifter approvals from the requesting and responding States, which will ultimately allow for improved tracking and faster response to requests for assistance; and
- EMAC will also be providing briefings and managing coordination activities for the Federal Government through the National Response Coordinating Center, Federal Coordinating Officers, Principal Federal Officials, and Emergency Support Functions.

While Emergency Management Performance Grants and homeland security grants are helping to build capabilities, the National Strategy for Homeland Security counts on the fact that mutual aid is going to be put to use in a disaster. The support of EMAC is critical to helping offset the costs of disasters and building costly infrastructure at the Federal level that could sit unused until a disaster. In order to meet the ever-growing need for and reliance on interstate mutual aid, NEMA is seeking reauthorization at \$4 million annually for 2009 and beyond and an annual \$2 million line item for building EMAC capabilities and our Nation's mutual aid system.

## IMPROVING STATE AND LOCAL EMERGENCY OPERATION CENTERS

During emergencies and disasters, emergency operations centers (EOCs) serve as the nerve center for State and local coordination. Federal agencies as well use these facilities to act as a central point for communication during response and recovery phases. After the 2001 terrorist attacks, Congress provided some funding to States to update their EOCs. Additionally, Congress temporarily changed the state-local cost share from 50–50 to 75–25 for these funds.

States continue to require more monies to enhance State primary and alternate EOCs. According to data in the NEMA 2006 Biennial Report, it is estimated that almost \$393 million would be needed to build, retrofit and upgrade the facilities. For local EOCs, that number increases to \$1.1 billion, for a total of almost \$1.5 billion. This includes the costs to upgrade equipment and software, train personnel, and conduct operations during emergency and non-emergency situations. We appreciate Congress' recognition of the need for EOC improvements through a \$15 million appropriation in the fiscal year 2008 appropriations. The fiscal year 2008 investment is a down payment towards addressing this critical shortfall.

A separate line item is needed in the budget for EOC improvements. We respectfully request that Congress should make a \$160 million commitment to upgrading EOCs as a downpayment to address the significant deficits.

As mentioned earlier, the fiscal year 2008 grant guidance eliminated the ability to continue to use EMPG funds for EOC improvements, despite the Congressional intent. While the investment in EOCs is appreciated in the separate program, Congress must be clear to continue to allow EMPG to be used for EOC improvements as well. With so many State and local governments who are likely to compete for the \$15 million, EMPG can and should be used as previously allowed for retrofits, equipment purchase, renovations, and updates of existing EOCs. Maintaining the flexibility of EMPG and having the separate program continue as priorities for emergency management.

## CONCLUSION

Congress has affirmed their support for ensuring preparedness for our Nation's continuous vulnerability against all-hazards with additional investments to EMPG, EMAC, and emergency operations centers improvements. We must continue to build national preparedness efforts with a multi-hazard approach. In this year's appropriations process, Congress will make critical decisions that shape the future of emergency management in this country. As you consider these matters, we ask you to recognize the importance of adequately funding the EMPG program in building capacity through personnel resources at the State and local level for all disasters. I thank you for the opportunity to testify on behalf of NEMA and appreciate your partnership.

## PREPARED STATEMENT OF THE NATIONAL TREASURY EMPLOYEES UNION

Chairman Byrd, Ranking Member Cochran, distinguished members of the Subcommittee; I would like to thank the Subcommittee for the opportunity to provide this testimony. As President of the National Treasury Employees Union (NTEU), I have the honor of leading a union that represents over 22,000 Customs and Border Protection (CBP) Officers and trade enforcement specialists who are stationed at 327 land, sea and air ports of entry (POEs) across the United States. CBP employees make up our Nation's first line of defense in the wars on terrorism and drugs. In addition, CBP trade compliance personnel enforce over 400 U.S. trade and tariff laws and regulations in order to ensure a fair and competitive trade environment pursuant to existing international agreements and treaties, as well as stemming the flow of illegal contraband such as child pornography, illegal arms, weapons of mass destruction and laundered money. CBP is also a revenue collection agency, expecting to collect an estimated \$29 billion in Federal revenue next year according to fiscal year 2009 revenue estimates.

First, NTEU would like to thank the Committee for including language in its fiscal year 2008 Department of Homeland Security (DHS) Appropriations bill that provides an enhanced retirement benefit to all eligible CBP Officers to address the concern that CBP was losing valuable law enforcement personnel to other agencies due to the disparity in retirement pay. The final funding bill included \$50 million to cover the fiscal year 2008 costs associated with this enhanced retirement benefit. Nothing that the Committee has done since the creation of the Department has had a more positive effect on the morale of the CBP Officer.

NTEU was alarmed that the President in his fiscal year 2009 budget request sought to repeal this new law and rescind the \$50 million appropriated in fiscal year 2008 to begin this new program. NTEU members are grateful that, despite the President's request, Congress remains firmly committed to this new program and fully supportive of funding it.

#### FUNDING FOR DHS HUMAN RESOURCES MANAGEMENT SYSTEM

NTEU continues to have concerns about funding priorities at DHS. The President's 2009 Budget request includes an increase of \$29.3 million for the Office of Chief Human Capital from \$18.8 million in fiscal year 2008 to \$48.1 million in fiscal year 2009 to fund the DHS personnel system. In a number of critical ways, the personnel system established by the Homeland Security Act and the subsequent regulations issued by DHS have been a litany of failure because the law and the regulations effectively gut employee due process rights and put in serious jeopardy the agency's ability to recruit and retain a workforce capable of accomplishing its critical missions.

When Congress passed the Homeland Security Act in 2002 (Public Law 107-296), it granted the new department very broad discretion to create new personnel rules (5 U.S.C. 9701). It basically said that DHS could come up with new systems as long as employees were treated fairly and continued to be able to organize and bargain collectively. The regulations DHS came up with were subsequently found by the Courts to not even comply with these two very minimal and basic requirements. In July 2005, a District Court ruled illegal the labor relations portion of the proposed DHS personnel regulations. The Appellate Court rejected DHS's appeal of this District Court decision and DHS declined to appeal the ruling to the Supreme Court.

Title 5, Sec. 9701(h) states that, after passage of 5 years following the completion of the "transition period," DHS/OPM will have no authority to issue regulations pertaining to the new human resource management system (formerly called MaxHR) authorized by Sec. 9701, including regulations that would modify, supersede, or terminate any regulations that were already issued. In other words, the regulations in place at the end of the 5-year period would stay in place and no new regulations could be issued without new statutory authority.

Right now, DHS drafted regulations are in place for adverse actions, appeals, performance management, and pay and classification. Assuming nothing changes between now and the end of the 5-year period (January 2009), the adverse action, appeals, performance management, pay, and classification regulations would be frozen in place and remain applicable.

NTEU has the following concerns about the remaining MaxHR regulations and requests that no funding be appropriated to implement any part of the regulations promulgated pursuant to Title 5, Section 9701.

#### *Classification, Pay, and Pay Administration (Subparts B and C) Classification, Pay, and Pay Administration (Subparts B and C)*

- Secretary has final say over allocation of pay between performance based pay and across-the-board General Schedule pay;
- Pay-for-performance schemes entail significant risk of discrimination in violation of Title VII and the Age Discrimination in Employment Act;
- Proposed pay system is vague and extremely subjective and will undermine employee morale.

#### *Performance Management (Subpart D)*

- DHS' proposed Performance Management regulations abandon Title 5, Chapter 43's requirement that a reasonable performance improvement period (PIP) be provided before imposing an adverse action based on unacceptable performance;
- A PIP provides employees with a chance for rehabilitation and, if successful, obviates the need for the employer to incur the time and expense of hiring and training a replacement.

#### *Adverse Actions and Appeals (Subparts F and G)*

- Proposed regulations unnecessarily extend the current 1 year probationary period;
- Includes no independent review of Mandatory Removal Offenses—Secretary appoints panel;
- Unreasonably shortens response time for adverse action appeals;
- Includes mitigation standards that are impossible to meet, but have been ruled "unripe" by the District Court.

Despite Congress' clear intent to stop implementation of the failed DHS Human Resources Management System, DHS persists in seeking funds to implement these

personnel regulations. NTEU urges the Appropriations Committee to ensure that no funding can be expended in fiscal year 2009 to implement this failed, discredited personnel program.

#### CBP STAFFING AT THE PORTS OF ENTRY

*CBP Officer and CBP Agriculture Specialists Staffing.*—CBP’s own staffing model, completed and delivered to Congress last summer, concludes that the agency needs to hire 1,600 to 4,000 more CBP Officers and CBP AS positions (Washington Post, November 6, 2007) in order to perform its dual anti-terrorism and trade and travel facilitation mission. The President, however, requested funding to hire only 539 additional CBP Officers and no additional CBP AS hires in his fiscal year 2009 Budget, far short of the 4,000 additional hires needed.

Also, according to GAO (GAO–08–219, page 31), CBP’s staffing model “showed that CBP would need up to several thousand additional CBP Officers and agriculture specialists at its ports of entry.” And GAO testimony issued on October 3, 2007 stated that, “as of mid-August 2007, CBP had 2,116 agriculture specialists on staff, compared with 3,154 specialists needed, according to staffing model.” (See GAO–08–96T page 1.) This is unacceptable. CBP needs to dramatically increase Agriculture Specialist staffing levels.

NTEU also recommends that Congress, through oversight and statutory language, make clear that the agricultural inspection mission is a priority and require DHS to report to them on how it is following U.S. Department of Agriculture procedures on agriculture inspections. The report should include wait times for clearing agricultural products and what measures could be implemented to shorten those wait times.

NTEU calls on the Committee to fund staffing levels for CBP Officers and CBP Agriculture Specialists at the ports of entry as specified in CBP’s own workforce staffing model.

*CBP Trade Operations Staffing.*—Section 412(b) of the Homeland Security Act of 2002 (Public Law 107–296) mandates that “the Secretary [of Homeland Security] may not consolidate, discontinue, or diminish those functions . . . performed by the United States Customs Service . . . on or after the effective date of this act, reduce the staffing level, or reduce the resources attributable to such functions, and the Secretary shall ensure that an appropriate management structure is implemented to carry out such functions.”

In Section 402 of the SAFE Port Act, Congress mandated CBP to prepare a Resource Allocation Model (RAM) to determine optimal staffing levels required to carry out the commercial operations of CBP, including commercial inspection and release of cargo. The RAM was delivered to Congress in July 2007 and proposes increases from the current floor of 2,263 customs revenue function employees, which includes Fine, Penalty and Forfeiture Specialists, Import Specialists, International Trade Specialists, Customs Attorneys, Customs Auditors, Chemists and CBP Technician positions, but notes that the Model is not tied to any specific budget request and does not reflect the Department’s, CBP’s, or the President’s funding priorities.

Customs revenues are the second largest source of Federal revenues that are collected by the U.S. Government. The Committee depends on this revenue source to fund Federal priority programs. The Committee should be concerned as to how much CBP trade enforcement staffing shortages cost in terms of revenue loss to the U.S. Treasury.

NTEU urges the Committee to ensure that CBP trade enforcement personnel is increased to staffing levels sufficient to ensure effective performance of customs revenue functions as determined by CBP in its own July 2007 Trade Resource Allocation Model.

#### ONE FACE AT THE BORDER

In 2006, Congress requested that the Government Accountability Office(GAO) evaluate the “One Face at the Border” initiative and its impact on legacy customs, immigration and agricultural inspection and workload. GAO conducted its audit from August 2006 through September 2007 and issued its public report, *Border Security: Despite Progress, Weaknesses in Traveler Inspections Exist at Our Nation’s Ports of Entry* (GAO–08–219). An unredacted version of this report is available only to Congress.

The conclusions of the public report echo what NTEU has been saying for years—CBP needs several thousand additional CBP Officers and Agriculture Specialists, staffing challenges force ports to choose between port operations and providing critical training necessary for employees to do their jobs, and not having sufficient staff contributes to morale problems, fatigue, and safety issues for CBP Officers and CBP

Agriculture Specialists. It is clear that CBP sees its "One Face at the Border" initiative as a means to "increase management flexibility" without increasing staffing levels.

NTEU again calls for Congress to end the failed One Face at the Border experiment and ensure that expertise is retained with respect to customs, immigration, and agriculture inspection functions.

Each year, with trade and travel increasing at astounding rates, CBP personnel have been asked to do more work with fewer personnel, training and resources. The American public expects its borders and ports be properly defended. Congress must show the public that it is serious about protecting the homeland by fully funding the staffing needs of the CBPOs at our 327 POEs. Thank you for the opportunity to submit this testimony to the Committee on their behalf.



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