

AN EXAMINATION OF THE PRESIDENT'S
FISCAL YEAR 2013 BUDGET REQUEST FOR
THE DEPARTMENT OF HOMELAND SECURITY

HEARING

BEFORE THE

COMMITTEE ON HOMELAND SECURITY

HOUSE OF REPRESENTATIVES

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AN EXAMINATION OF THE PRESIDENT'S FISCAL YEAR 2013 BUDGET REQUEST FOR THE DEPARTMENT OF HOMELAND SECURITY

Wednesday, February 15, 2012

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

The committee met, pursuant to call, at 2:45 p.m., in Room 311, Cannon House Office Building, Hon. Peter T. King [Chairman of the committee] presiding.

Present: Representatives King, Smith, Lungren, Rogers, McCaul, Bilirakis, Miller, Walberg, Cravaack, Walsh, Meehan, Rigell, Long, Duncan, Farenthold, Turner, Thompson, Sanchez, Jackson Lee, Cuellar, Clarke of New York, Richardson, Davis, Higgins, Richmond, Clarke of Michigan, Keating, Hochul, and Hahn.

Chairman KING. The Committee on Homeland Security will come to order. The committee is meeting today to hear testimony from Secretary Napolitano relating to the President's fiscal year 2013 budget request for the Department of Homeland Security. At the outset, I want to thank the Secretary for her flexibility in rescheduling this hearing. Before I go onto an opening statement, I discussed this with the Secretary, I would like to acknowledge that the President has just recently signed into law Public Law 112-86. It is Congressman Cravaack's bill, which calls on the TSA to set up expedited procedures for active duty service personnel.

I would now, at the request of the White House, like to present you with the bill and the President's pen. Madam Secretary, I will now recognize myself for an opening statement. I would just like to, at the outset, thank you for the cooperation you have given to this committee over the last 3 years now. Life flies when you are having a good time.

Secretary NAPOLITANO. It does indeed.

Chairman KING. Seriously, I want to thank you for again meeting with, I know, our side of the aisle, and I know Ranking Member Thompson and his Members as well. I also want to thank you for the level of cooperation you have given to me in my capacity representing New York, and the extensive cooperation you have had. I know you spoke to Commissioner Kelly earlier this week and the mayor. So I want to thank you very much for that. Today we are going to be examining the President's request, which is roughly the same as it was last year, as a practical matter. I think it is down from 39.7 to 39.5. The fact is, in this time of budget austerity, I commend you for fighting to get that amount because I be-

lieve almost all the money in here, all the funding in here is required. These are difficult times. But the threats are still there.

Obviously, we have now an emerging threat with Hezbollah, which I will discuss with you later. We also have the threats we have had over the years. Anyone who looks and gets the briefings knows it is a very dangerous world we live in. So it is essential that the Department have the funding it needs and the Department do the job it has to do, and also work with local and State governments as they try to counter these threats that are against us.

I also know that with budget moneys being cut back, it is more of a burden on you, makes it more difficult to allocate the money. Everyone wants some piece of it, I understand that. It is your job to allocate it to the areas that are most severely threatened. I know the extensive effort you put into that. I, again, commend you on that.

I know that you have changed the funding, the grant system this year. I will have questions for you on that as well as to how that is going to be implemented regarding State governments, city governments, et cetera. I know you are trying to fine-tune it and make it more responsive after 9 years of doing it one way, and now going to another way. But again I want to make sure that as we do that that things don't fall between the cracks. Also we have the cybersecurity legislation which this committee should be marking up before the end of March. Chairman Lungren has worked very extensively on that. I know there is at least five or six other committees as well. It is intended to try to move that this spring to get a combined bill to go to the floor. Again, we will work with your Department and the administration to ensure that we cover it as well as we can. I know in your appearance before the Homeland Security Appropriations Subcommittee this morning, you had an exchange with Congresswoman Lowey on the Department's efforts in working with the financial services industry on cybersecurity.

As you know, the financial services industry is vital to the economy of New York and the Nation. I have a few concerns that we could be doing more in fostering a seamless relationship between DHS and the private sector on the issue of cybersecurity. You can answer that in your own statement or during the questions. One area which I think many of us have concerns about, and that is the significant decrease in funding for the Coast Guard of approximately \$600 million from the fiscal year 2012 funding levels. I don't know of any agency of the Federal Government which has had to respond more since September 11 than the Coast Guard. I mean, their duties have just increased geometrically. By all accounts, have done an outstanding job. I am really concerned that that large a cut, which would eliminate over a thousand personnel and decommission numerous front-line operational units, and also significant reductions in operational hours could have, again, a very detrimental effect on our security.

So anyway, I look forward to hearing—I am not going to go on with a long statement—I look forward to hearing your views on basically your priorities as far as combating radicalization, strengthening border security, and implementing management reforms within the Department to avoid duplication and find cost savings. Again, also discuss with you the really almost imminent threat

from Hezbollah, which some see as being almost imminent, and what the Department will be doing on that.

With that, I yield to the distinguished Ranking Member, the gentleman from Mississippi, Mr. Thompson.

Mr. THOMPSON. Thank you very much, Mr. Chairman. Good afternoon, Madam Secretary. It is good to have you back before the committee. It has been a while. Welcome. I expect that you will answer a wide range of questions today about the fiscal year 2013 budget request. I certainly have quite a few questions myself. But before we turn to the fiscal year 2013 request, I think it is important that we take a moment to acknowledge your starting point, the fiscal year 2012 appropriations law. That measure, which many of us opposed, short-changed Homeland Security in a number of troubling ways. It was predicated on the belief that we can demand that DHS carry out a wide range of homeland security and non-security commissions without providing the resources. From my perspective, it was tantamount to Congress running up a long tab, ordering more robust Homeland Security efforts, particularly with respect to border security, aviation security, and immigration enforcement, and then stiffing you when the bill arrived.

With this backdrop and the prospect of an even less favorable budget environment for fiscal year 2013, I can understand your desire to submit a proposal that comes in \$1.3 billion less than last year's budget. The fact that you were able to do so and for the first time, fund the disaster relief fund at \$6 billion is really remarkable. I do not imagine that doing so was an easy task. I also expect that getting all the components on the same page without cutting on expenses and leveraging resources was not easy either. It seems unlikely, however, that efficiency savings account for the full \$1.6 billion reduction.

We need to know which programs will be losing capacity or even capabilities under your request. If you are not going to have the resources under this budget to fully implement certain programs within the mandated period, you need to tell us. We are your authorizing committee. We have a stake in seeing programs like CFATS, TWIC, US-VISIT, and the Coast Guard fleet modernization implemented. We need to know if time lines will have to be adjusted or more resources will be necessary from the appropriations process. I am concerned that the budget does not seek enough for Coast Guard fleet modernization acquisition to keep pace with the decommissioning. I am concerned that the budget seeks to consolidate 16 State and local grant programs into one small pot. I have trouble understanding how \$1.5 billion will stretch to sustain and develop new core capabilities. I am concerned that while new resources are appropriately being provided to end PPD for cybersecurity, the other side of the House, the infrastructure protection side seems to be short-changed.

Given the problems at CFATS have only begun to be understood, it is troubling to see that the budget is asking for less money in fiscal year 2013. Before I close, I have to acknowledge that the budget proposes a number of organizational changes. While the rationale behind some of these changes is not as of yet clear, I must commend you for taking the committed advice and finally transferring the US-VISIT program out of NPPD. It floundered there. At

CBP and ICE, I believe that this border program may actually be positioned to achieve its mission and finally allow us to identify and prevent overstays.

Again, Madam Secretary, thank you for appearing today. I look forward to discussing the budget proposal and working with you to ensure that we keep our Nation secure during the difficult economic times. With that, Mr. Chairman, I yield back.

Chairman KING. Thank you, Mr. Thompson.

Other Members of the committee are reminded that opening statements may be submitted for the record. I would also remind our witness that your entire written statement will appear in the record. Now would ask you to summarize your statement at this time, and now recognize the Secretary of Homeland Security, Secretary Napolitano.

**STATEMENT OF HON. JANET NAPOLITANO, SECRETARY,
UNITED STATES DEPARTMENT OF HOMELAND SECURITY**

Secretary NAPOLITANO. Thank you, Mr. Chairman, Representative Thompson, Members of the committee, for the opportunity to discuss President Obama's fiscal year 2013 budget for the Department of Homeland Security. Ten years after the September 11 attacks, America is stronger and more secure today, thanks to the strong support of the President and of the Congress, thanks to the work of the men and women of the Department of Homeland Security, and to local, State, and Federal partners across the Homeland Security enterprise. While we have made significant progress, threats from terrorism, including, but not limited to al-Qaeda and al-Qaeda-related groups, persist and continually evolve, and the demands on DHS continue to grow. Today's threats are not limited to any one individual, group, or ideology, and are not defined nor contained by international borders. Terrorist tactics can be as simple as a homemade bomb and as sophisticated as a biological threat or a coordinated cyber attack.

We have had success in thwarting numerous terrorist plots, including the attempted bombings of the New York City subway and Times Square, foiled attacks against air cargo, and other attempts across the country. Nonetheless, continued threats from abroad and at home demonstrate how we must constantly remain vigilant and prepared. The President's fiscal year 2013 budget for DHS allows us to continue to meet these evolving threats and challenges by preserving core front-line operational priorities through the redirection of over \$850 million in base resources from administrative and mission support areas. This continues our unprecedented commitment to fiscal discipline, which has led us to over \$3 billion in cost avoidances and reductions over the past 3 years through our efficiency review and other initiatives.

Given the fiscal challenges to the Department's State and local partners, DHS is also approaching these partnerships in new and innovative ways. For 9 years, DHS has been supporting State and local efforts across the Homeland Security enterprise to build capabilities, awarding more than \$35 billion in funding over that period. As we look ahead in order to address evolving threats and make the most of limited resources, the administration has proposed a new vision for Homeland Security grants through the Na-

tional Preparedness Grant Program to create a robust National preparedness capacity based on cross-jurisdictional and readily deployable State and local assets.

Using a competitive risk-based model, this grants program will use a comprehensive process to assess gaps, identify and prioritize deployable capabilities, put funding to work quickly, and require grantees to regularly report their progress. My written testimony includes a comprehensive list of the operational priorities in our budget. Today, I would like to highlight a few more of them: One, preventing terrorism and enhancing security. This was the founding mission of DHS, and remains our top priority today. The fiscal year 2013 budget safeguards the Nation's transportation systems through a layered detection system focused on risk-based screening, enhanced targeting, and information-sharing efforts to interdict threats and dangerous people at the earliest possible point.

The budget supports the administration's global supply chain security strategy across air, land, and sea modes of transportation by strengthening efforts to prescreen and evaluate high-risk containers before they are shipped to the United States. We also continue our strong support for State and local partners through training, fusion centers, and intelligence analysis and information sharing on a wide range of critical Homeland Security missions.

Second, to secure and manage our borders, this budget continues the administration's unprecedented focus on border security, travel, and trade, by supporting our Border Patrol agents and CBP officers on the front lines, as well as the continued deployment of proven, effective surveillance technology along the highest-trafficked areas of the Southwest Border, and continued security improvements along the Northern Border. To secure the Nation's maritime borders, the budget invests in recapitalization of Coast Guard assets, including the sixth National security cutter, fast response cutters, as well as the renovation and restoration of shore facilities.

Third, the budget request also continues the Department's focus on smart and effective enforcement of our country's immigration laws. In fiscal year 2013, we will complete Nation-wide implementation of Secure Communities. Through this initiative and our continued collaboration with the Department of Justice, we are expected to continue to increase the number of criminal aliens and other priority individuals who are identified and removed. This budget provides the resources needed to address this changing population, while continuing to support alternatives to detention, detention reform, and immigrant integration efforts.

The budget also focuses on monitoring and compliance, promoting adherence to worksite-related laws through criminal prosecutions of egregious employers and expansion of E-Verify.

Next, to safeguard and secure cyberspace, this budget makes significant investments to strengthen cybersecurity, including funds to expedite the deployment of Einstein 3 to prevent and detect intrusions on Government computer systems, increase Federal network security across the Federal Government, and continue to develop a robust cybersecurity workforce to protect and respond to National cybersecurity threats.

In 2011, the Department responded to a record number of disasters. So to ensure continued resilience to disasters, our next major

mission, the President's budget focuses on a whole-of-community approach to emergency management. It includes resources for the disaster relief fund, which provides a significant portion of the Federal response to victims in Presidentially-declared disasters or emergencies, and is funded largely through authority under the Budget Control Act. This budget also continues to provide essential support to National and economic security by supporting the Coast Guard's operations in the polar regions, and by continuing to support ICE and CBP's efforts to protect U.S. intellectual property rights and collection of customs revenue.

The fiscal year 2013 budget proposal reflects this administration's strong commitment to protecting the homeland and the American people through the effective and efficient use of DHS resources.

As outlined in my testimony today, we will continue to preserve front-line priorities across the Department by cutting costs, sharing resources across components, and streamlining operations wherever possible. Chairman King, Ranking Member Thompson, Members of the committee, thank you for the opportunity to be here today, and I am happy to answer your questions.

[The statement of Secretary Napolitano follows:]

PREPARED STATEMENT OF HON. JANET NAPOLITANO

FEBRUARY 15, 2012

Chairman King, Ranking Member Thompson, and Members of the committee: Let me begin by saying thank you to this subcommittee for the strong support you have provided me and the Department over the past 3 years. I look forward to continuing to work with you in the coming year to protect the homeland and the American people.

I am pleased to appear before the subcommittee today to present President Obama's fiscal year 2013 budget request for the Department of Homeland Security (DHS).

Ten years after the September 11 attacks, America is stronger and more secure today, thanks to the strong support of the President and Congress; the work of the men and women of the Department of Homeland Security (DHS) and local, State, and Federal partners across the homeland security enterprise.

While we have made significant progress, threats from terrorism—including, but not limited to al-Qaeda and al-Qaeda-related groups—persist and continually evolve, and the demands on DHS continue to grow. Today's threats are not limited to any one individual, group, or ideology and are not defined nor contained by international borders. Terrorist tactics can be as simple as a homemade bomb and as sophisticated as a biological threat or a coordinated cyber attack. We have had success in thwarting numerous terrorist plots including the attempted bombings of the New York City subway and Times Square, foiled attacks against air cargo, and other attempts across the country. Nonetheless, the recent threat surrounding the 10th anniversary of the September 11 attacks and the continued threat of home-grown terrorism demonstrate how we must constantly remain vigilant and prepared.

To continue to address these evolving threats, DHS employs risk-based, intelligence-driven operations to prevent terrorist attacks. Through a multi-layered detection system focusing on enhanced targeting and information sharing, DHS works to interdict threats and dangerous people at the earliest point possible. DHS also works closely with its Federal, State, and local law enforcement partners on a wide range of critical homeland security issues in order to provide those on the front lines with the tools they need to address threats in their communities.

Strengthening homeland security also includes a significant international dimension. To most effectively carry out DHS's core missions—including preventing terrorism, securing our borders, and protecting cyberspace—we must partner with countries around the world. This work ranges from strengthening cargo, aviation, and supply chain security to joint investigations, information sharing, and science and technology cooperation. Through international collaboration, we not only enhance our ability to prevent terrorism and transnational crime, we also leverage the

resources of our international partners to more efficiently and cost-effectively secure global trade and travel. Today, DHS works in more than 75 different countries—the third-largest foreign footprint of any civilian U.S. Government agency—in order to address and respond to evolving threats before they reach our shores.

Domestically, over the past several years, DHS has deployed unprecedented levels of personnel, technology, and resources to the Southwest Border. At the same time, the Department has made critical security improvements along the Northern Border while strengthening efforts to increase the security of the Nation's maritime borders. DHS is also focused on smart and effective enforcement of U.S. immigration laws while streamlining and facilitating the legal immigration process.

To strengthen the Nation's cybersecurity posture, DHS leads the Federal Government's efforts to secure civilian government computer systems and works with industry and State, local, Tribal, and territorial governments to secure critical infrastructure and information systems.

Additionally, DHS continues to coordinate disaster response efforts Nation-wide. In 2011, the Department responded to a record number of disasters, including Hurricane Irene, which impacted 14 States; wildfires in the Southwest; severe flooding in the Mississippi and Missouri river systems; and devastating tornadoes that hit the Midwest and the South. The Department's response to these and other disasters shows how far it has come in just a few years. Rather than wait until a request for disaster assistance has been received and approved, the Federal Emergency Management Agency (FEMA) and agencies across the Federal Government work actively with communities to prepare before disasters occur and to maintain a constant readiness posture.

MAXIMIZING EFFICIENCY AND EFFECTIVENESS

The fiscal year 2013 budget for DHS is \$58.6 billion in total budget authority, \$48.7 billion in gross discretionary funding, and \$39.5 billion in net discretionary funding. Net discretionary budget authority is 0.5 percent below the fiscal year 2012 enacted level. An additional \$5.5 billion for the Disaster Relief Fund (DRF) is provided under the disaster relief cap adjustment, pursuant to the *Budget Control Act of 2011* (BCA).

The Department has implemented a variety of initiatives to cut costs, share resources across Components, and consolidate and streamline operations wherever possible. To preserve core front-line priorities in fiscal year 2013, we have redirected over \$850 million in base resources from administrative and mission support areas, including contracts, personnel (through attrition), information technology, travel, personnel moves, overtime, directed purchasing, professional services, and vehicle management. Through the Department-wide Efficiency Review (ER), which began in 2009, as well as other cost-saving initiatives, DHS has identified over \$3 billion in cost avoidances and reductions, and redeployed those funds to mission-critical initiatives across the Department.

At the same time, the Department challenged its workforce to fundamentally rethink how it does business—from the largest to smallest investments. In 2011, DHS conducted its first-ever formal base budget review for fiscal year 2013, looking at all aspects of the Department's budget to find savings within our current resources and to better align those with operational needs. Through its annual "Think Efficiency Campaign," DHS solicited employee input on creative cost-saving measures and will implement six new employee-generated initiatives in early 2012.

Given the fiscal challenges to the Department's State and local partners, DHS is also approaching these partnerships in new and innovative ways. The administration has proposed a new homeland security grants program in fiscal year 2013 designed to develop, sustain, and leverage core capabilities across the country in support of National preparedness, prevention, and response. The fiscal year 2013 National Preparedness Grant Program (NPGP) will help create a robust National preparedness capacity based on cross-jurisdictional and readily deployable State and local assets. Using a competitive, risk-based model, the NPGP will use a comprehensive process for identifying and prioritizing deployable capabilities, limit periods of performance to put funding to work quickly, and require grantees to regularly report progress in the acquisition and development of these capabilities.

In fiscal year 2011, DHS achieved a milestone that is a pivotal step towards increasing transparency and accountability for the Department's resources. For the first time since fiscal year 2003, DHS earned a qualified audit opinion on its Balance Sheet—highlighting the significant progress we have made in improving our financial management in the 8 years since DHS was founded. Through these and other efforts across the Department, we will continue to ensure taxpayer dollars are managed with integrity, diligence, and accuracy and that the systems and processes

used for all aspects of financial management demonstrate the highest level of accountability and transparency.

The fiscal year 2013 President's budget supports these significant efforts to increase transparency, accountability, and efficiency. Following are some key initiatives and proposals included in the budget that continue to streamline Departmental operations:

- *US-VISIT*.—In order to better align the functions of US-VISIT with the operational Components, the budget proposes the transfer of US-VISIT functions from the National Protection and Programs Directorate (NPPD) to U.S. Customs and Border Protection (CBP) and U.S. Immigration and Customs Enforcement (ICE). Currently, CBP operates numerous screening and targeting systems, and integrating US-VISIT within CBP will strengthen the Department's overall vetting capability while also realizing efficiencies.
- *Strategic Sourcing*.—Through the ER and Component initiatives, DHS has used strategic sourcing initiatives to leverage the purchasing power of the entire Department for items such as software licenses, wireless communication devices, furniture, and office supplies. In fiscal year 2013, DHS expects to save more than \$264 million through the use of these contracts.
- *Acquisition Management and Reform*.—A major management priority in fiscal year 2013 is the continued improvement of the DHS acquisition process. The Under Secretary for Management is leading an effort to improve the overall acquisition process by reforming the early requirements development process and enhancing our ability to manage the implementation and execution of acquisition programs.
- *Strengthening the Efficiency of IT Programs*.—The Department is committed to improving performance of IT programs, implementing a "Cloud First" policy, reducing the number of Federal data centers, and consolidating IT infrastructure. On the basis of these initiatives, the overall fiscal year 2013 budget (including all DHS Components) for IT infrastructure is reduced by 10 percent below fiscal year 2012 enacted levels.
- *Common Vetting*.—In order to increase the efficiency and effectiveness of its screening efforts and leverage capabilities across the Department, the budget includes funding to continue to enhance the Department's biographic and biometric screening capabilities. As part of this effort, DHS has initiated implementation of an enhanced biographic exit program, which will better aggregate the information within existing data systems, enhance review of potential overstays, increase automated matching, incorporate biometric elements, and provide the foundation for a future biometric exit solution.
- *Common Airframes*.—DHS is also examining how to leverage joint requirements for aviation assets between CBP and the U.S. Coast Guard. A senior leadership working group has performed a baseline analysis of the various roles and missions of DHS's aviation assets and is working to increase the effectiveness of Departmental aviation assets through continued coordination and collaboration. Complementing this effort, DHS recently began an ER initiative which will increase cross-component collaboration for aviation-related equipment and maintenance by establishing excess equipment sharing, maintenance services, and contract teaming agreements, as well as other opportunities for aviation-related efficiencies.
- *Information Sharing and Safeguarding*.—DHS is embarking on a Department-wide effort to increase efficiencies and reduce redundancies through the implementation of key information-sharing and safeguarding capabilities such as Identity, Credentialing, and Access Management. Significant future cost savings will be realized with the continued consolidation of Sensitive But Unclassified portals, streamlining of classified networks and the alignment of Common Operating Picture investments. Working through a Department-wide information-sharing governance structure, DHS is addressing requirements resulting from post-Wikileaks reforms, and ensuring that information on both classified and unclassified networks is properly protected to preserve privacy and civil liberties.
- *Aviation Passenger Security Fee*.—The fiscal year 2013 budget includes the administration's proposal to restructure the Aviation Passenger Security Fee (Security Fee) to achieve total collections of \$2.239 billion. The proposal would generate an additional \$317 million in new collections in 2013, of which \$117 million would be used to further offset the cost of Federal aviation security operations and \$200 million would contribute to Federal deficit reduction. Following the Security Fee restructuring, passengers would pay a fee of \$5.00 per one-way trip beginning in the fourth quarter of fiscal year 2013, rather than a separate fee for each enplanement under the current construct. The restructuring would

provide TSA with the flexibility to meet increasing aviation security costs and better aligns the costs associated with passenger security to the direct beneficiaries. The Security Fee has not changed or been adjusted for inflation since the TSA was established in 2002, even while the overall cost of aviation security has grown by more than 400 percent. The administration's proposal makes progress towards fulfilling the intent of the *Aviation and Transportation Security Act* to cover the costs of aviation security through fees and not by the general taxpayers.

BUDGET PRIORITIES

The fiscal year 2013 President's budget prioritizes the mission areas outlined in the Department's 2010 Quadrennial Homeland Security Review and the 2010 Bottom-Up Review, the first complete effort undertaken by the Department to align its resources with a comprehensive strategy to meet the Nation's homeland security needs.

The budget builds on the progress the Department has made in each of its mission areas while also providing essential support to National and economic security.

Mission 1: Preventing Terrorism and Enhancing Security.—Protecting the United States from terrorism is the cornerstone of homeland security. DHS's counterterrorism responsibilities focus on three goals: Preventing terrorist attacks; preventing the unauthorized acquisition, importation, movement, or use of chemical, biological, radiological, and nuclear materials and capabilities within the United States; and reducing the vulnerability of critical infrastructure and key resources, essential leadership, and major events to terrorist attacks and other hazards.

Mission 2: Securing and Managing Our Borders.—DHS secures the Nation's air, land, and sea borders to prevent illegal activity while facilitating lawful travel and trade. The Department's border security and management efforts focus on three interrelated goals: Effectively securing U.S. air, land, and sea borders; safeguarding and streamlining lawful trade and travel; and disrupting and dismantling transnational criminal and terrorist organizations.

Mission 3: Enforcing and Administering Our Immigration Laws.—DHS is focused on smart and effective enforcement of U.S. immigration laws while streamlining and facilitating the legal immigration process. The Department has fundamentally reformed immigration enforcement, focusing on identifying and removing criminal aliens who pose a threat to public safety and targeting employers who knowingly and repeatedly break the law.

Mission 4: Safeguarding and Securing Cyberspace.—DHS is the Federal Government lead agency for securing civilian government computer systems and works with industry and State, local, Tribal, and territorial governments to secure critical infrastructure and information systems. DHS analyzes and mitigates cyber threats and vulnerabilities; distributes threat warnings; and coordinates the response to cyber incidents to ensure that our computers, networks, and cyber systems remain safe.

Mission 5: Ensuring Resilience to Disasters.—DHS provides the coordinated, comprehensive Federal response in the event of a terrorist attack, natural disaster, or other large-scale emergency while working with Federal, State, local, and private-sector partners to ensure a swift and effective recovery effort. The Department's efforts to build a ready and resilient Nation include fostering a community-oriented approach, bolstering information sharing, improving the capability to plan, and providing grants and training to our homeland security and law enforcement partners.

In addition to these missions, DHS leads and supports many activities that provide essential support to National and economic security, including, but not limited to, maximizing collection of customs revenue, maintaining the safety of the marine transportation system, preventing the exploitation of children, providing law enforcement training, and coordinating the Federal Government's response to global intellectual property theft. DHS contributes in many ways to these elements of broader U.S. National and economic security while fulfilling its homeland security missions.

The following are highlights of the fiscal year 2013 budget:

Preventing Terrorism and Enhancing Security

Guarding against terrorism was the founding mission of DHS and remains our top priority. The fiscal year 2013 budget safeguards the Nation's transportation systems through a layered detection system focusing on risk-based screening, enhanced targeting, and information-sharing efforts to interdict threats and dangerous people at the earliest point possible. The budget supports the administration's Global Supply Chain Security Strategy across air, land, and sea modes of transportation by strengthening efforts to prescreen and evaluate high-risk containers before they are

shipped to the United States and annualizing positions that provide the capacity to address security vulnerabilities overseas. Funding is included for Securing the Cities to protect our highest-risk cities from radiological or nuclear attack and continues efforts to support National bio preparedness and response efforts. The budget also continues strong support for State and local partners through a new consolidated grant program, training, fusion centers, and intelligence analysis and information sharing on a wide range of critical homeland security issues.

- *Strengthening Risk-Based Aviation Security.*—The fiscal year 2013 budget supports DHS's effort to employ risk-based, intelligence-driven operations to prevent terrorist attacks and to reduce the vulnerability of the Nation's aviation system to terrorism. These security measures create a multi-layered system to strengthen aviation security from the time a passenger purchases a ticket to arrival at his or her destination. The fiscal year 2013 budget:
 - Supports trusted traveler programs, such as TSA Pre-Check and the CBP Global Entry program, which are pre-screening initiatives for travelers who volunteer information about themselves prior to flying in order to potentially expedite screening at domestic checkpoints and through customs.
 - Continues support for passenger screening canine teams included in the fiscal year 2012 enacted budget, an important layer of security to complement passenger checkpoint screening at airports, assist in air cargo screening, and enhance security in the mass transit environment.
 - Funds the continued operation of technology to screen passengers and baggage through 1,250 Advanced Imaging Technology units, which safely screen passengers for metallic and non-metallic threats, and 155 new state-of-the-art Explosives Detection Systems to efficiently screen baggage for explosives which will reduce the number of re-scans and physical bag searches.
 - Expands Secure Flight to cover the Large Aircraft and Private Charter Standard Security Program, screening an estimated 11 million additional passengers annually. Through Secure Flight, TSA pre-screens 100 percent of all travelers flying within or to the United States against terrorist watch lists before passengers receive their boarding passes.
- *Enhancing International Collaboration.*—In our increasingly globalized world, DHS continues to work beyond its borders to protect both National and economic security. The fiscal year 2013 budget supports DHS's strategic partnerships with international allies and enhanced targeting and information-sharing efforts to interdict threats and dangerous people and cargo at the earliest point possible.
 - Through the Immigration Advisory Program and enhanced in-bound targeting operations, CBP identifies high-risk travelers who are likely to be inadmissible into the United States and makes recommendations to commercial carriers to deny boarding. The fiscal year 2013 budget also supports initiatives to interdict and apprehend criminals and persons of National security interest, and disrupt those who attempt to enter the United States with fraudulent documents.
 - Through the Visa Security Program and with Department of State concurrence, ICE deploys trained special agents overseas to high-risk visa activity posts to identify potential terrorist and criminal threats before they reach the United States. The fiscal year 2013 budget supports efforts to leverage IT solutions and the capabilities of our law enforcement and intelligence community partners to increase ICE's efficiency in screening visa applications in order to identify patterns and potential National security threats.
 - Through pre-clearance agreements, CBP screens passengers internationally prior to takeoff through the same process a traveler would undergo upon arrival at a U.S. port of entry, allowing DHS to extend our borders outwards while facilitating a more efficient passenger experience. The fiscal year 2013 budget continues to support CBP's pre-clearance inspection efforts, which are designed to determine compliance with admissibility of agriculture, customs, and immigration requirements to the United States.
- *Supporting Surface Transportation Security.*—The transit sector, because of its open access architecture, has a fundamentally different operational environment than aviation. Accordingly, DHS helps secure surface transportation infrastructure through risk-based security assessments, critical infrastructure hardening, and close partnerships with State and local law enforcement partners. The fiscal year 2013 budget supports DHS's efforts to bolster these efforts.
 - The new fiscal year 2013 National Preparedness Grants Program, described in more detail below, is focused on building National capabilities focused on preventing and responding to threats across the country, including the surface transportation sector, through Urban Search & Rescue teams, canine ex-

plosive detection teams and HAZMAT response as well as target hardening of critical transit infrastructure.

- Conduct compliance inspections throughout the freight rail and mass transit domains; critical facility security reviews for pipeline facilities; comprehensive mass transit assessments that focus on high-risk transit agencies; and corporate security reviews conducted in multiple modes of transportation on a continuous basis to elevate standards and identify security gaps.
- Fund 37 Visible Intermodal Prevention and Response (VIPR) teams, including 12 multi-modal teams. VIPR teams are composed of personnel with expertise in inspection, behavior detection, security screening, and law enforcement for random, unpredictable deployments throughout the transportation sector to prevent potential terrorist and criminal acts.
- *Strengthening Global Supply Chain Security.*—The fiscal year 2013 budget supports the administration’s Global Supply Chain Security Strategy announced in early 2012, which presents a unified vision across air, land, and sea modes of transportation.
 - Supports increased targeting capabilities by updating rules in real time and providing CBP with 24/7 targeting capability.
 - Strengthens the Container Security Initiative, enabling CBP to pre-screen and evaluate high-risk containers before they are shipped to the United States.
 - Continues support for positions to improve the coordination of cargo security efforts, accelerate security efforts in response to the vulnerabilities, ensure compliance with screening requirements, and strengthen aviation security operations overseas.
- *Support to State and Local¹ Law Enforcement (SLLE).*—The fiscal year 2013 budget continues support for State and local law enforcement efforts to understand, recognize, prevent, and respond to pre-operational activity and other crimes that are precursors or indicators of terrorist activity through training, technical assistance, exercise support, security clearances, connectivity to Federal systems, technology, and grant funding. Specifically, the budget focuses on:
 - Maturation and enhancement of State and major urban area fusion centers, including training for intelligence analysts and implementation of Fusion Liaison Officer Programs;
 - Implementation of the Nation-wide Suspicious Activity Reporting (SAR) Initiative, including training for front-line personnel on identifying and reporting suspicious activities;
 - Continued implementation of the “If You See Something, Say Something™” campaign to raise public awareness of indicators of terrorism and violent crime; and
 - State, local, Tribal, and territorial efforts to counter violent extremism, in accordance with the Strategic Implementation Plan to the National Strategy on Empowering Local Partners to Prevent Violent Extremism in the United States.

The budget also supports efforts to share intelligence and information on a wide range of critical homeland security issues. The budget continues to build State and local analytic capabilities through the National Network of Fusion Centers, with a focus on strengthening cross-Department and cross-Government interaction with fusion centers. Through the Fusion Center Performance Program, DHS will assess capability development and performance improvements of the National Network of Fusion Centers through annual assessment and targeted exercises. Resources also enable the Office of Intelligence and Analysis, in partnership with the Office of Civil Rights and Civil Liberties and the Privacy Office to provide privacy, civil rights, and civil liberties training for fusion centers and their respective liaison officer programs. The Secretary’s focus on SLLE includes elevating the Office of State and Local Law Enforcement to a stand-alone office and a direct report.

- *Biological, Radiological, and Nuclear Threat Detection.*—Countering biological, nuclear, and radiological threats requires a coordinated, whole-of-Government approach. DHS, through its Domestic Nuclear Detection Office and Office of Health Affairs, works in partnership with agencies across Federal, State, and local governments to prevent and deter attacks using nuclear and radiological weapons through nuclear detection and forensics programs and provides medical and scientific expertise to support bio preparedness and response efforts. The fiscal year 2013 budget supports the following efforts:

¹“Local” law enforcement includes all law enforcement at the municipal, Tribal, and territorial levels.

- *Securing the Cities.*—\$22 million is requested for Securing the Cities to continue developing the domestic portion of the Global Nuclear Detection Architecture, the multi-layered system of detection technologies, programs, and guidelines designed to enhance the Nation's ability to detect and prevent a radiological or nuclear attack in our highest-risk cities.
- *Radiological/Nuclear Detection.*—Supports the procurement and deployment of Radiation Portal Monitors and Human Portable Radiation Detection Systems, providing vital detection equipment to CBP and the U.S. Coast Guard to scan for radiological and nuclear threats. Included within the fiscal year 2013 budget is an increase of \$20 million to procure mobile rad/nuc detection technology for front-line operators.
- *Technical Nuclear Forensics.*—Funds for the DNDO National Technical Nuclear Forensics Center support pre-detonation nuclear forensics, the integration of nuclear forensics capabilities across the interagency and National priorities for deterrence, attribution, and prosecution.
- *BioWatch.*—Funds continued deployment of the Gen 1/2 BioWatch detection network, a Federally managed, locally operated, Nation-wide bio-surveillance system designed to detect the intentional release of aerosolized biological agents. Continues development of the next generation technology to expedite response times.
- *National Bio and Agro Defense Facility (NBAF).*—The fiscal year 2013 budget provides \$10 million to complement on-going research at the Plum Island Animal Disease Center by accelerating research programs focused on African Swine Fever and Classical Swine Fever at Kansas State University. This effort will also identify and prioritize future research needs for the existing Biosecurity Research Institute and the proposed National Bio and Agro-Defense Facility. Funding will support identifying high-priority agents from potential terrorist threats and emerging global foreign animal diseases; developing and executing the steps necessary for the facility to receive select agent certification and the waivers necessary to study the high-priority agents; and developing public outreach plans to ensure that all stakeholders surrounding the facility understand the value of the proposed work and the safeguards in place. To complement its on-going research, beginning in 2012, DHS's Science and Technology Directorate (S&T) will convene an expert and stakeholder taskforce, in conjunction with the interagency taskforce, to conduct a comprehensive assessment of whether and for what purpose a Biosafety Level 4 facility should be stood up, taking into account the current threats from terrorism, foreign animals, and the global migration of zoonotic diseases to the United States. The assessment will review the cost, safety, and any alternatives to the current plan that would reduce costs and ensure safety within the overall funding constraints established by the BCA.
- *Presidential Candidate Nominee Protection and Inauguration Protection.*—The fiscal year 2013 budget funds critical Secret Service operations and countermeasures to protect the First Family and visiting dignitaries, including the conclusion of the 2012 Presidential campaign (October–November 2012) and Presidential inaugural events. The budget also continues support for the replacement of protective equipment, vehicles, training of personnel, and other infrastructure to allow the Secret Service to improve the execution of its protective and investigatory missions.

Securing and Managing Our Borders

Protecting our Nation's borders—land, air, and sea—from the illegal entry of people, weapons, drugs, and contraband is vital to homeland security, as well as economic prosperity. Over the past several years, DHS has deployed unprecedented levels of personnel, technology, and resources to the Southwest Border. At the same time, DHS has made critical security improvements along the Northern Border while strengthening efforts to increase the security of the Nation's maritime borders.

The fiscal year 2013 budget continues the administration's unprecedented focus on border security, travel, and trade by supporting 21,370 Border Patrol agents and 21,186 CBP Officers at our ports of entry as well the continued deployment of proven, effective surveillance technology along the highest-trafficked areas of the Southwest Border. To secure the Nation's maritime borders, the budget invests in recapitalization of Coast Guard assets and provides operational funding for new assets coming on line.

- *Law Enforcement Officers.*—The budget annualizes border security personnel funded through the fiscal year 2010 Emergency Border Security Supplemental Act (Pub. L. 111–230) and the Journeyman pay increase, totaling 21,370 CBP

Border Patrol agents and 21,186 CBP Officers at ports of entry who work around the clock with Federal, State, and local law enforcement to target illicit networks trafficking in people, drugs, illegal weapons, and money and to expedite legal travel and trade.

- *Border Intelligence Fusion Section (BIFS).*—The budget supports efforts to integrate resources and fuse information from DHS, the Department of Justice (DOJ), the Department of Defense, and the intelligence community at the El Paso Intelligence Center, providing a common operating picture of the Southwest Border and Northern Mexico.
- *Technology.*—Funding is requested to support the continued deployment of proven, effective surveillance technology along the highest-trafficked areas of the Southwest Border. Funds will be used to procure and deploy commercially available technology tailored to the operational requirements of the Border Patrol, the distinct terrain, and the population density within Arizona.
- *Infrastructure.*—CBP is updating and maintaining its facilities infrastructure to support its dual mission of securing the border and facilitating trade and travel. Currently, CBP's facilities plan calls for the following land border ports of entry (LPOEs) to be completed in fiscal year 2013: Nogales West/Mariposa, Arizona; Guadalupe, Texas; Van Buren, Maine; and Phase I of San Ysidro, California. Additionally, design and construction is planned to commence on Phase II of San Ysidro, California, and CBP will begin implementing the Tier III Outbound Infrastructure program across 10 Southwest Border LPOEs in order to implement a range of outbound infrastructure improvements. This work bolsters CBP's southbound inspection capabilities while facilitating processing efficiency and ensuring port security and officer safety.
- *Northern Border Security.*—To implement the U.S.-Canada Beyond the Border Plan, which articulates a shared vision to work together to address threats at the earliest point possible while facilitating the legitimate movement of people, goods, and services, the budget provides \$10 million to support Northern Border technologies, such as the continuation of procurement/testing and evaluation efforts for Low Flying Aircraft Detection, the deployment of Maritime Detection Project, and Aircraft Video Downlink.
- *CBP Air and Marine Procurement.*—To support CBP Air and Marine's core competencies of air and marine law enforcement, interdiction, and air and border domain security, funding is requested for the continuation of the P-3 Service Life Extension Program, a UH-60 A-L Black Hawk helicopter recapitalization, a new KA-350 CER Multi-Role Enforcement aircraft, and various marine vessels.
- *U.S. Coast Guard Recapitalization.*—The fiscal year 2013 budget fully funds the sixth National Security Cutter (NSC), allowing the Coast Guard to replace its aged, obsolete High Endurance Cutter fleet as quickly as possible. The budget supports the procurement of 2 Fast Response Cutters, funding for a Maritime Patrol Aircraft, 4 cutter boats, and makes a significant investment in the renovation and restoration of shore facilities. The budget also provides funds to crew, operate, and maintain 2 Maritime Patrol Aircraft, 30 45-ft Response Boats—Medium, and 2 Fast Response Cutters acquired with prior-year appropriations.

Enforcing and Administering our Immigration Laws

DHS is focused on smart and effective enforcement of U.S. immigration laws while streamlining and facilitating the legal immigration process. Supporting the establishment of clear enforcement priorities, recent policy directives, and additional training for the field, the budget continues the Department's efforts to prioritize the identification and removal of criminal aliens and repeat immigration law violators, recent border entrants, and immigration fugitives. Nation-wide implementation of Secure Communities and other enforcement initiatives, coupled with continued collaboration with DOJ to focus resources on the detained docket and priority cases on the non-detained docket, is expected to continue to increase the number of criminal aliens and other priority individuals who are identified and removed. The budget provides the resources needed to address this changing population, while continuing to support Alternatives to Detention, detention reform, and immigrant integration efforts. The budget also focuses on monitoring and compliance, promoting adherence to worksite-related laws through criminal prosecutions of egregious employers, Form I-9 inspections, and expansion of E-Verify.

- *Secure Communities.*—The fiscal year 2013 budget includes funding to complete Nation-wide deployment in fiscal year 2013 of the Secure Communities program, which uses biometric information and services to identify and remove criminal and other priority aliens found in State prisons and local jails. Secure

Communities is an important tool in ICE's efforts to focus its immigration enforcement resources on the highest-priority individuals who pose a threat to public safety or National security. While we continue to focus our resources on our key priorities, DHS is committed to ensuring the Secure Communities program respects civil rights and civil liberties. To that end, ICE is working closely with law enforcement agencies and stakeholders across the country to ensure the program operates in the most effective manner possible. We have issued guidance regarding the exercise of prosecutorial discretion in appropriate cases, including cases involving witnesses and victims of crime, and implemented enhanced training for State and local law enforcement regarding civil rights issues related to the program, among other recent improvements.

- *Immigration Detention.*—Under this administration, ICE has focused its immigration enforcement efforts on identifying and removing criminal aliens and those who fall into other priority categories including repeat immigration law violators, recent border entrants, and immigration fugitives. As ICE continues to focus on criminal and other priority cases, the agency anticipates reducing the time removable aliens spend in detention custody. Consistent with its stated enforcement priorities and recent policy guidance, ICE will continue to focus detention and removal resources on those individuals who have criminal convictions or fall under other priority categories. For low-risk individuals, ICE will work to enhance the effectiveness of Alternatives to Detention (ATD), which provides a lower per-day cost than detention. To ensure the most cost-effective use of Federal resources, the budget includes flexibility to transfer funding between immigration detention and the ATD program, commensurate with the level of risk a detainee presents.
- *287(g) Program.*—In light of the Nation-wide activation of the Secure Communities program, the budget reduces the 287(g) program by \$17 million. The Secure Communities screening process is more consistent, efficient, and cost-effective in identifying and removing criminal and other priority aliens. To implement this reduction in 2013, ICE will begin by discontinuing the least productive 287(g) task force agreements in those jurisdictions where Secure Communities is already in place and will also suspend consideration of any requests for new 287(g) task forces.
- *Detention Reform.*—ICE will continue building on current and on-going detention reform efforts in 2013. ICE will implement its new Risk Classification Assessment Nation-wide to improve transparency and uniformity in detention custody and classification decisions and to promote identification of vulnerable populations. In addition, ICE will continue implementation of the new Transfer Directive, which is designed to minimize long-distance transfers of detainees within ICE's detention system, especially for those detainees with family members in the area, local attorneys, or pending immigration proceedings. ICE will also continue implementation of revised National detention standards designed to maximize access to counsel, visitation, and quality medical and mental health care in additional facilities.
- *Worksite Enforcement.*—Requested funds will continue the Department's focus on worksite enforcement, promoting compliance with worksite-related laws through criminal prosecutions of egregious employer violators, Form I-9 inspections, civil fines, and debarment, as well as education and compliance tools.
- *E-Verify.*—\$112 million is provided to sustain funding for the E-Verify Program operations and enhancements to help U.S. employers maintain a legal workforce. The fiscal year 2013 budget includes funding to support the expansion of the E-Verify Self Check program, a voluntary, free, fast, and secure on-line service that allows individuals in the United States to check their employment eligibility status before formally seeking employment. Consistent with funding the continued operation of E-Verify for the benefit of U.S. employers, the budget also extends E-Verify authorization for an additional year.
- *Immigrant Integration.*—The fiscal year 2013 budget includes \$11 million to continue support for U.S. Citizenship and Immigration Services (USCIS) immigrant integration efforts through funding of citizenship and integration program activities including competitive grants to local immigrant-serving organizations to strengthen citizenship preparation programs for permanent residents.
- *Systematic Alien Verification for Entitlements (SAVE).*—The fiscal year 2013 budget includes \$20 million in appropriated funding to continue support for USCIS SAVE operations and enhancements to assist local, State, and Federal agencies in determining individuals' eligibility for public benefits on the basis of their immigration status. The funding will supplement the collections derived from the SAVE query charges.

- *USCIS Business Transformation.*—The fiscal year 2013 budget continues the multi-year effort to transform USCIS from a paper-based filing system to a customer-focused electronic filing system. This effort is funded through the Immigration Examinations Fee Account.

Safeguarding and Securing Cyberspace

DHS leads the Federal Government's efforts to secure civilian Government computer systems and works with industry and State, local, Tribal, and territorial governments to secure critical infrastructure and information systems. The fiscal year 2013 budget makes significant investments in cybersecurity to expedite the deployment of EINSTEIN 3 to prevent and detect intrusions on Government computer systems; increases Federal network security of large and small agencies; and continues to develop a robust cybersecurity workforce to protect against and respond to National cybersecurity threats and hazards. The budget also focuses on combating cyber crimes, targeting large-scale producers and distributors of child pornography and preventing attacks against U.S. critical infrastructure through Financial Crimes Task Forces.

- *Federal Network Security.*—\$236 million is included for Federal Network Security, which manages activities designed to enable Federal agencies to secure their IT networks. This funding supports Federal Executive Branch civilian departments and agencies in implementing capabilities to improve their cybersecurity posture in accordance with the Federal Information Security Management Act, while enabling improved continuous monitoring of network activity and other capabilities to address evolving cyber threats.
- *National Cybersecurity Protection System (NCPS).*—\$345 million is included for Network Security Deployment, which manages the NCPS operationally known as EINSTEIN. NCPS is an integrated intrusion detection, analytics, information-sharing, and intrusion prevention system that supports DHS responsibilities within the Comprehensive National Cybersecurity Initiative mission. In fiscal year 2013, the program will continue to focus on intrusion prevention while taking steps to improve its situational awareness of evolving cyber threats to Federal networks and systems through a Managed Security Services (MSS) solution. Under the MSS solution, each internet service provider will use its own intrusion prevention services that conform to DHS-approved security, assurance, and communication requirements.
- *US-Computer Emergency Readiness Team (US-CERT Operations).*—\$93 million is included for US-CERT Operations. As the operational arm of the National Cyber Security Division, US-CERT leads and coordinates efforts to improve the Nation's cybersecurity posture, promote cyber information sharing, and manage cyber risks to the Nation. US-CERT encompasses the activities that provide immediate customer support and incident response, including 24-hour support in the National Cybersecurity and Communications Integration Center. As more Federal network traffic is covered by NCPS, additional US-CERT analysts are required to ensure cyber threats are detected and the Federal response is effective.
- *Multi-State Information Sharing and Analysis Center.*—Funding is included to expand the Multi-State Information Sharing and Analysis Center to 25 States to provide the capacity to cover all States by fiscal year 2015.
- *Cybersecurity Workforce.*—The fiscal year 2013 budget includes \$12.9 million to provide high-quality, cost-effective virtual cybersecurity education and training to develop and grow a robust cybersecurity workforce that is able to protect against and respond to National cybersecurity threats and hazards.
- *Cybersecurity Research and Development.*—The fiscal year 2013 budget includes \$64.5 million for S&T's research and development focused on strengthening the Nation's cybersecurity capabilities.
- *Cyber Investigations.*—The fiscal year 2013 budget continues to support cyber investigations conducted through the Secret Service and ICE. In fiscal year 2013, ICE will continue to investigate and provide computer forensics support for investigations into domestic and international criminal activities, including benefits fraud, arms and strategic technology, money laundering, counterfeit pharmaceuticals, child pornography, and human trafficking, occurring on or through the internet. The Secret Service's Financial Crimes Task Forces will continue to focus on the prevention of cyber attacks against U.S. financial payment systems and critical infrastructure.

Ensuring Resilience to Disasters

The Department's efforts to build a ready and resilient Nation focus on a whole community approach to emergency management by engaging partners at all levels

to ensure that we work together to build, sustain, and improve our capability to prepare for, protect against, respond to, recover from, and mitigate all hazards. In the event of a terrorist attack, natural disaster, or other large-scale emergency DHS provides the coordinated, comprehensive Federal response while working with Federal, State, local, and private-sector partners to ensure a swift and effective recovery effort.

To ensure that FEMA is able to support these efforts, the DRF, which provides a significant portion of the total Federal response to victims in Presidentially-declared disasters or emergencies, is funded largely through an authority provided under the BCA. To support the objectives of the National Preparedness Goal and to leverage limited grant funding in the current fiscal environment, the administration proposes a new homeland security grants program in fiscal year 2013 to create a robust National response capacity based on cross-jurisdictional and readily deployable State and local assets. The fiscal year 2013 budget also funds FEMA's continued development of catastrophic plans, which include regional plans for response to biological events and earthquakes.

State and Local Grants.—The fiscal year 2013 budget includes \$2.9 billion for State and local grants, over \$500 million more than appropriated by Congress in fiscal year 2012. This funding will sustain resources for fire and emergency management grants while consolidating all other grants into the new, streamlined National Preparedness Grant Program (NPGP). The fiscal year 2013 NPGP will:

- Focus on the development and sustainment of core National Emergency Management and Homeland Security capabilities.
- Utilize gap analyses to determine asset and resource deficiencies and inform the development of new capabilities through a competitive process.
- Build a robust National response capacity based on cross-jurisdictional and readily deployable State and local assets.

Using a competitive, risk-based model, the NPGP will use a comprehensive process for identifying and prioritizing deployable capabilities; limit periods of performance to put funding to work quickly; and require grantees to regularly report progress in the acquisition and development of these capabilities.

- *Assistance to Firefighters Grants.*—The fiscal year 2013 budget provides \$670 million for Assistance to Firefighter Grants. Included in the amount is \$335 million for Staffing for Adequate Fire and Emergency Response (SAFER) Grants to retain and hire firefighters and first responders—totaling more than 1,700 firefighter positions Nation-wide—and \$335 million for equipment, training, vehicles, and related materials. Whereas in prior years, a management and administration allowance has been carved out of the top line, the fiscal year 2013 budget proposes to fund it elsewhere, effectively increasing the funding available for actual awards by more than \$28 million. The administration proposed \$1 billion as supplemental SAFER appropriations in fiscal year 2012 as part of the American Jobs Act. This proposal included the authority for the Secretary to waive certain restrictions on the award and expenditure of SAFER grants to assist State and local firefighting agencies in the current economic environment and prevent unnecessary job losses. If economic conditions warrant, the administration will once again work with Congress in fiscal year 2013 to seek authority to waive these restrictions.
- *Emergency Management Performance Grants (EMPG).*—The fiscal year 2013 budget includes \$350 million to support emergency managers and emergency management offices in every State across the country. Just as with the Assistance to Firefighter Grants, a management and administration allowance has historically been carved out of the top line. The fiscal year 2013 budget proposes to fund management and administration elsewhere, effectively increasing the funding available for actual awards by approximately \$10.5 million. EMPG supports State and local governments in developing and sustaining the core capabilities identified in the National Preparedness Goal and achieving measurable results in key functional areas of emergency management.
- *Disaster Relief Fund (DRF).*—A total of \$6.1 billion is provided for the DRF. Of this amount, \$608 million is included in the Department's base budget with the remainder provided through the disaster relief cap adjustment, pursuant to the BCA. The DRF provides a significant portion of the total Federal response to victims in Presidentially-declared disasters or emergencies.
- *National Flood Insurance Program (NFIP).*—The NFIP is funded entirely by policy fees and provides funding to reduce the risk of flood damage to existing buildings and infrastructure by providing flood-related grants to States, communities, and Tribal nations. The fiscal year 2013 budget includes \$120 million for three interrelated mitigation grant programs to increase America's resiliency to floods.

- *Training/Exercises.*—The fiscal year 2013 budget includes \$183.5 million for training and exercise activities to support Federal, State, and local officials and first responders. In fiscal year 2013, the Department expects to train more than 100,000 first responders and will begin the first full 2-year exercise cycle under the revised National Exercise Program (NEP). The NEP will leverage more than a dozen exercises across the country and will build progressively to a capstone exercise in calendar year 2014.
- *Emergency Management Oversight.*—The fiscal year 2013 request includes \$24 million in base resources for the Office of the Inspector General to continue its Emergency Management Oversight operations.

Providing Essential Support to National and Economic Security

DHS provides essential support to many areas of National and economic security. In addition to supporting Coast Guard's current operations in the Polar Regions, the budget initiates acquisition of a new polar icebreaker to address Coast Guard emerging missions in the Arctic. The budget also continues to support ICE's and CBP's enforcement and investigative efforts to protect U.S. intellectual property rights and collect customs revenue.

- *Polar Icebreaking Program.*—The budget provides \$8 million to initiate acquisition of a new Polar Icebreaker to ensure the Nation is able to maintain a surface presence in the Arctic Region well into the future and \$54 million to fund operation and maintenance of Coast Guard's existing Polar Icebreakers, CGC HEALY and CGC POLAR STAR (POLAR STAR to be re-activated in 2013).
- *Arctic Mission Support.*—New funding is requested for recapitalization and expansion of helicopter hangar facilities in Cold Bay and recapitalization of aviation re-fueling facilities at Sitkinak, both in Alaska. These investments will sustain DHS's ability to establish effective presence in the Bering Sea and Aleutian Chain, the "Gateway to the Arctic".
- *Collect Customs Revenue.*—Funds are requested to support CBP's role as a revenue collector for the U.S. Treasury—customs revenue remains the second-largest source of revenue for the Federal Government. These resources support effective internal controls that protect the duties and taxes (over \$37 billion in 2011) collected by CBP.
- *Protect Trade & Intellectual Property Rights Enforcement.*—The fiscal year 2013 budget includes funds to support ICE's and CBP's enforcement programs to prevent trade in counterfeit and pirated goods, enforce exclusion orders on patent-infringing goods and goods in violation of Intellectual Property Rights (IPR), and investigate the smuggling and distribution of counterfeit goods and products that pose risks to public safety and security. The budget also provides \$10 million to CBP for IPR supply/distribution chain management which will transform IPR risk assessment, increase efficiency, and support U.S. economic competitiveness. This CBP-private-sector partnership program aims to improve IPR targeting by enabling CBP to identify and release shipments of authentic goods without inspection. Additional funds will expand CBP's Industry Integration Centers to address issues within critical trade sectors by increasing uniformity of practices across ports of entry, facilitating the timely resolution of trade compliance issues Nation-wide, improving enforcement efforts, and further strengthening critical agency knowledge on key industry practices.

CONCLUSION

The fiscal year 2013 budget proposal reflects this administration's strong commitment to protecting the homeland and the American people through the effective and efficient use of DHS resources. As outlined in my testimony today, we will continue to preserve front-line priorities across the Department by cutting costs, sharing resources across Components, and streamlining operations wherever possible.

Thank you for inviting me to appear before you today. I look forward to answering your questions and to working with you on the department's fiscal year 2013 budget request and other homeland security issues.

Chairman KING. Thank you for your statement, Secretary Napolitano. As I stated, your full statement will be included in the record.

We will now begin the round of questions. We have been faced with a series of threats for the past 10½ years. Now, within the last several months, the threat of Hezbollah seems to have emerged more than it was during that previous time. We had the

indictments in Washington regarding the attempted assassination—the plot to assassinate the Saudi ambassador, to blow up Cafe Milano. Now with the increased tension in the Middle East, I believe that there is a growing, growing threat from Hezbollah. Certainly, I know I have been contacted by local police, also by local houses of worship, especially synagogues. Can you tell us what the Department is doing to address this pending or possible threat from Hezbollah? Specifically, are you reaching out at all to religious institutions?

Secretary NAPOLITANO. Yes, Mr. Chairman. We share your concern about Hezbollah. We are constantly monitoring their activities around the world. We are working very closely with the FBI and the intel community in this regard. In addition, we are reaching out to particularly Jewish, the Jewish community across the country, who have been the intended targets in the past. We have just, this past week, convened a very large conference call with leaders of the Jewish community from around the country. We remain in constant touch with them. Right now we have no specific or credible threat against any organization or target in the United States. But this is certainly a situation that bears watching.

Chairman KING. Thank you, Secretary. You referenced this in your opening statement, but the changing in the grant system which basically you are taking, I guess it is 16 former programs and merging them into one, the National Preparedness Grant Program. Now, in going through the budget justification documents, it appears to only mention States and territories as recipients of the funding. So are high-threat urban areas, transit authorities, port authorities, will they be eligible to apply for the funding?

Secretary NAPOLITANO. Mr. Chairman, what we have put in the budget documents is our vision for how these grant programs will be consolidated and organized. We will work with the Members of the committee in terms of how you see the appropriate recipients to be. Right now as envisioned, we don't envision any changes. But because this is such a major alteration on how we handle grants, we would probably need to work with the committee on that.

Chairman KING. I would think so. Because again, you have got large States like California and New York, and to have it just going through the State, to me it is important that we have, again, local urban areas, certainly port authorities, transit authorities, all of whom could have unique problems to their area of the State, including large numbers of people, millions of people perhaps. So I would ask that as it goes forward that you find ways to work with all those entities.

Secretary NAPOLITANO. Indeed. To accomplish our vision, we will require legislative change. So we will be working with the committee on that.

Chairman KING. Also I am pleased to see that the Secure the Cities program is being fully funded again this year. But as it goes forward, how do you see DHS monitoring it, coordinating it, perhaps using it in other cities in the country rather than just where it is located now?

Secretary NAPOLITANO. Well, we saw Securing the Cities, it was a pilot program originally in New York. What we are asking for now, and what the budget has money for, is to add a second site

to it. I think a lot of lessons learned, good lessons learned, actually, from the experience in New York so we can begin the process of expansion.

Chairman KING. If I can go back to the point I raised before about the grant system. We were contacted by a number of local organizations, International Association of Emergency Managers, International Association of Counties, National League of Cities who are concerned that the grant funding may be too State-centric. So again, I would just emphasize that we have been contacted just in the last 24 hours by any number of these groups who have a real concern about that funding.

Secretary NAPOLITANO. It is our intent that the funding be consolidated to streamline, simplify, remove administrative costs. But we want to focus on meeting the National preparedness goal. How do we leverage resources around the country? How do we make sure that there is a basic Homeland Security net so to speak, building on the \$35 billion of capability that the Congress already has invested in? My view is that this should be primarily a risk-based grant, and that we ought to continue to inform grant decisions by evaluation of risk.

Chairman KING. Okay. Again, I would just use an example here, you have Ms. Hochul and myself on opposite parts of the State. She has real security concerns on the Northern Border. We have different concerns down in the Long Island/New York City area. Both legitimate. I don't know if the State, with all due respect to Governor Cuomo, whether the State is fully equipped to appreciate the distinctions and differences between various parts of the State. So I would just ask you to keep that in mind as it goes forward.

Secretary NAPOLITANO. Yes.

Chairman KING. With that I recognize the Ranking Member.

Mr. THOMPSON. Thank you, Mr. Chairman. As well as the other States in the United States other than New York, we join you in that concern, Mr. Chairman. With respect to the reference the Chairman made of the letter from the National Association of Counties, National League of Cities, U.S. Conference of Mayors, International Association of Fire Chiefs and others, I would like to have it entered into the record.

Chairman KING. Without objection, so ordered.

[The information follows:]

LETTER SUBMITTED BY RANKING MEMBER BENNIE G. THOMPSON

FEBRUARY 2, 2012.

The Honorable PETER KING,
*Chairman, Committee on Homeland Security, U.S. House of Representatives, H2-176
Ford House Office Building, Washington, DC 20515.*

The Honorable BENNIE THOMPSON,
*Ranking Member, Committee on Homeland Security, U.S. House of Representatives,
H2-117 Ford House Office Building, Washington, DC 20515.*

DEAR CHAIRMAN KING AND RANKING MEMBER THOMPSON: We write on behalf of the elected and appointed officials of our Nation's cities and counties and their fire services and emergency managers to urge the U.S. Department of Homeland Security and Congress to engage in a direct conversation with all local and State partners before considering any proposals to change how the State and Local Homeland Security Grant Program (HSGP) is implemented, or how appropriated funds are administered by the Department.

Everyone—the administration, Congress, and State and local officials—wants to ensure the Nation's homeland security and emergency management programs are

successful. We are concerned, however, that recent proposals to restructure the HSGP would move us in the wrong direction and make it harder to achieve the goal of protecting Americans in their, local communities.

As FEMA begins to implement changes to HSGP as required by both the fiscal year 2012 appropriations law and the Presidential Policy Directive 8 (PPD-8), and as you consider the fiscal year 2013 budget request, we respectfully ask that you keep in mind the following principles:

1. *Any proposals to change homeland security grant programs must be developed in concert with all stakeholders.*—The suite of State and local homeland security grant programs were the result of significant negotiations not only between the Executive Branch and Congress, but also among the intergovernmental organizations and stakeholders. This includes local elected and appointed officials, as well as those who play a key role in executing street-level terrorism prevention and preparedness activities in our neighborhoods—our Nation’s fire services, law enforcement, and other front-line personnel. Failure to include these key stakeholders in decisions related to proposed changes to the homeland security grants may result in less effective homeland security programs at the State and local levels.

2. *Grant recipients must be transparent on distribution of Federal funds, and sub-grantees must not be overburdened with additional requirements.*—This will allow for better oversight, ensuring that funds are not only distributed by the letter of the law, but also in its spirit. We believe that to the maximum extent possible, funding should be distributed to prepare local first responders with planning, training, exercise, and equipment activities, particularly those that foster a regional and coordinated emergency response. Grant funds should be used to address risks and vulnerabilities in communities and help build National capabilities.

The current fiscal constraints that localities are facing are forcing our members to make very difficult programmatic and personnel choices. When coupled with the reduction in State and local homeland security funding both last year and this year, it has become even more important that the limited dollars available be spent as effectively as possible so that localities can protect the public.

We would appreciate the opportunity to meet with you or your staff to discuss the path ahead for intergovernmental partnerships to prevent, deter, and respond to terrorism in the United States. Mitchel Herckis, Principal Associate for Human Development and Public Safety at the National League of Cities, will be in touch with your office to schedule a meeting and respond to any questions regarding this letter. Thank you in advance for your consideration.

NATIONAL ASSOCIATION OF COUNTIES
NATIONAL LEAGUE OF CITIES
THE U.S. CONFERENCE OF MAYORS
U.S. COUNCIL OF THE INTERNATIONAL ASSOCIATION OF EMERGENCY MANAGERS
INTERNATIONAL ASSOCIATION OF FIRE CHIEFS
INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS
NATIONAL VOLUNTEER FIRE COUNCIL

Mr. THOMPSON. Also, with respect to FEMA grants, there is some concern that these stakeholders have not been included in the process of developing guidance from grants in the consolidation proposals. Will you commit to the committee that if it has not been the best, you will make your best effort to work with those groups?

Secretary NAPOLITANO. Yes. We have had a lot of discussions with stakeholders over the last year. Some of them have actually, I think, already said they support the vision. The question is going to be the details. How do we fill it out? That, again, will be something we will work on not just with the stakeholder community, but with the Congress.

Mr. THOMPSON. We have the record. I will ask also that we will provide you with a copy of the letters from the stakeholders. With respect to TWIC, your best guess as to when we will come with some guidance on the readers for the TWIC card.

Secretary NAPOLITANO. I think they are right on the verge of the guidance for the readers. I am putting a lot of, quite frankly, pressure on this to get this guidance out. Because as you know, the cards deadlines is coming up. We want to avoid the situation, to

the extent we can, where people are having to renew cards before the readers, or at least the guidance for the readers is out.

Mr. THOMPSON. Well, if we get to the deadline and it is time to renew, do you see yourself extending the cards rather than having people come back and pay \$133.50?

Secretary NAPOLITANO. I have asked my staff to give me a set of options on what we can do if that were to happen, yes. That would certainly be an option.

Mr. THOMPSON. We have a lot of communities that are port-connected and others. They are hearing from a number of people that they paid the money for the cards, they are no more than just a flash card right now because there is no reader that goes with them. I would encourage you to look seriously that if the Department does not meet the time line for producing the readers that that period be extended until the readers are in place. The other point is we would like for you to look at not requiring people who apply for a TWIC card to come back and pick it up. That second trip for a lot of individuals costs a lot of money. Some people have to take off a day's work to pick up the card. There are some alternatives out there. We understand the security challenges around it. But it is a concern. We would like for you to look at it.

Secretary NAPOLITANO. I would be happy to. I share those concerns. We are going to work through all available options within the Department. We will certainly keep your office informed.

Mr. THOMPSON. For the sake of the record, is the problem with the readers the Department, or where has the breakdown been for the last 4-plus years?

Secretary NAPOLITANO. You know, it is hard to say where, in fact. There have been just a lot of operational issues with some of the test readers and with respect to their viability and their ruggedness and the like. So there has been just—I mean, there have been things tested that haven't played out. So it has been a real process to finally arrive at something that will be good guidance.

Mr. THOMPSON. So your testimony is you are close?

Secretary NAPOLITANO. That is my understanding, yes.

Mr. THOMPSON. Mr. Chairman, I would love to get something back from the Secretary as to her best guess as to when we can expect something from the Department.

Chairman KING. We can make that a joint request of the Secretary right now.

Secretary NAPOLITANO. I will be happy to get something back to you.

Mr. THOMPSON. I yield back.

Chairman KING. Thank the gentleman for yielding. Also in mentioning Ms. Hochul, I didn't want to slight Mr. Higgins, who is also from western New York. You are just in my line of vision there. How can we ignore Brian Higgins?

Mr. THOMPSON. We have got another New Yorker here, too, now.

Chairman KING. I am talking about upstate. I mentioned upstate. We are well aware of you, too.

Ms. CLARKE of New York. I want to be sure.

Chairman KING. Even though we don't always agree on the NYPD. With that, I recognize the gentleman from Alabama, Chairman of the Transportation Security Subcommittee, Mr. Rogers.

Mr. ROGERS. Thank you, Mr. Chairman. I would like to offer for the record a letter that the Alabama delegation sent to the Secretary. It was delivered yesterday. If there is no objection.

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

LETTER SUBMITTED BY HONORABLE MIKE ROGERS

FEBRUARY 14, 2012.

The Honorable JANET NAPOLITANO,
Secretary, Department of Homeland Security, Washington, DC 20528.

DEAR SECRETARY NAPOLITANO: We write to express our serious concerns about the Department of Homeland Security's decision to suspend the implementation of the Secure Communities Program in the 30 remaining counties in Alabama. As you have noted, Secure Communities is "an effective tool to identify and remove dangerous criminals who pose a threat to public safety." We are certain you would agree that the program is also an efficient use of both Federal and State resources to combat illegal immigration and has proven invaluable to law enforcement agencies across the country. For these reasons, it is critical that every county in Alabama participate in the program.

On August 22, 2011, Alabama Attorney General Luther Strange personally delivered to you a written request for a Section 287(g) Memorandum of Agreement between your Department and certain Alabama State and local law enforcement agencies for Federal Training and certification to enforce Federal immigration laws. On September 23, 2011, DHS Assistant Secretary Betsy Markey replied that "ICE and the Alabama Department of Public Safety have mutually benefited from our ongoing 287(g) memorandum of agreement, and we will continue to foster this partnership." However, she denied Attorney General Strange's request to extend the training to other law enforcement agencies pending the activation of Secure Communities in the remaining counties in Alabama. It is our understanding that individual Alabama counties have made similar requests directly to Immigration and Customs Enforcement Director John Morton.

On September 23, 2011, Director of the Alabama Department of Homeland Security Spencer Collier informed you that the State desired to fully participate in Secure Communities by implementing the program in every county. Following that meeting, Director Morton called Director Collier to advise him that DHS intended to complete implementation of the program in every county in Alabama by the end of November, and that the deadline was being "expedited" following Director Collier's meeting with you. As that deadline approached, the DHS Office of Intergovernmental Affairs informed Director Collier that the previously-promised November deadline was being pushed back to the end of December due to budgetary and logistical issues. Just prior to that new deadline, Assistant Secretary Markey informed Director Collier that DHA would not meet the new deadline, again citing budgetary and logistical issues, but reiterating your Department's commitment to fully implement the program in every county in Alabama.

When Congressman Aderholt learned of and questioned the claimed issues, your Department admitted there were no budgetary and logistical concerns. As you know, Secure Communities had been fully supported by Congress since its launch, including increases above the request in fiscal years 2010 and 2012.

The Department then revealed that the delay was due to the Justice Department's efforts to invalidate Alabama's immigration enforcement law in Federal court. Senator Sessions' office received the same explanation, which is set forth, in part, below:

"Although the federal courts have enjoined several parts of H.B. 56, certain provisions were not enjoined and are currently in effect . . . While these provisions of Alabama's state immigration enforcement law, which conflict with ICE's immigration policies and programs, remain the subject of litigation, ICE does not believe it is appropriate to expand deployment of Secure Communities, one of its central enforcement programs, in Alabama."

Setting aside the dubious notion that an immigration enforcement law is somehow inconsistent with the policies and programs of the Nation's top immigration law enforcement agency, we question the basis for your Department's assertion that it is not "appropriate" to expand deployment of Secure Communities in Alabama due to on-going litigation concerning H.B. 56. While implementation of the program in Alabama has been halted since July, your Department has fully implemented the program in every other State with similar immigration enforcement laws that are cur-

rently being challenged in Federal court by the Department of Justice on the same or similar grounds.

It is our understanding that up until this abrupt reversal of course, Alabama law enforcement had a positive working relationship with DHS. Your Department's decision to cease assisting Alabama in the removal of dangerous illegal aliens is wholly inconsistent with this administration's stated position of focusing on the removal of those very individuals. There is no legitimate reason why Alabama law enforcement should be denied critical 287(g) training or the citizens of Alabama should be denied the protection of the Secure Communities program.

For these reasons, we demand that 287(g) training be made available to those State and local agencies that have requested such training, and that Secure Communities be implemented in every county in Alabama by March 15, 2012. We believe this is a reasonable deadline given that your Department initially intended to complete implementation in November 2011.

We look forward to your timely response.

Sincerely,

JEFF SESSIONS,
United States Senator,
RICHARD SHELBY,
United States Senator,
ROBERT ADERHOLT,
United States Senator,
MIKE ROGERS,
United States Representative,
SPENCER BACHUS,
United States Representative,
JO BONNER,
United States Representative,
MO BROOKS,
United States Representative,
MARTHA ROBY,
United States Representative.

Mr. ROGERS. Thank you. Thank you, Madam Secretary, for being here. Thank you for your service to our country. I know yours is not a 40-hour-a-week job and low pressure. So we appreciate your service. I want to talk to you about Secure Communities and 287(g). Now, my understanding from looking at the memo on the budget is that the 287(g) program was reduced by 25 percent, which has basically halted any additional training of additional communities going forward. Is that correct?

Secretary NAPOLITANO. For task forces, yes. We are moving to—we began this migration last year. But we are really moving toward, as we install Secure Communities throughout the country, that is really the preferred way to identify those in the country illegally and to get them removed.

Mr. ROGERS. Well, I agree that Secure Communities is a great way, but the 287(g) program has been just an outstanding force multiplier, relatively inexpensive, too. So I hate to see no additional communities be added.

Secretary NAPOLITANO. If I might, Representative, in terms of task forces, we are actually going to discontinue some because we have task forces in the country that over the last 1 or 2 years have picked up maybe one or two illegals. So when we actually calculate out the average cost of removing somebody who has been picked up by a 287(g) task force versus say Secure Communities, 287(g) pencils out to be about 10 times as expensive per alien. So there is a cost factor involved, you are correct.

Mr. ROGERS. That is interesting. Talk about Secure Communities. My understanding is that—well, not my understanding, I

know that we were told in Alabama that the remaining 37 counties—there has been 30 so far that have had the Secure Communities established—the remaining 37 counties were to have it installed by November of last year. Then it was backed up to December of last year. Now I am told it has been stopped. Is that, in fact, the case?

Secretary NAPOLITANO. It has been delayed, that is correct.

Mr. ROGERS. Why?

Secretary NAPOLITANO. Several reasons. But one reason is that, as you know, the Alabama State law is in litigation. It is at the Eleventh Circuit. The schedule for oral argument is coming right up. We left the program in place where it was turned on. Where it is turned on covers 75 percent of the foreign-born population in Alabama. But given the pendency of the litigation, we decided to just hold off on the remaining quarter. I will say, however, that it is our intent to finish completion of Secure Communities by the end of this year.

Mr. ROGERS. Why is that litigation relevant? My understanding is you haven't halted it in Arizona or Georgia, and they have similar legislation at the State level.

Secretary NAPOLITANO. I think in those jurisdictions, it was already turned on before the litigation commenced. So we left it there at status quo as well.

Mr. ROGERS. Okay. Talk about procurement. I have had a lot of business groups come into not only my hearings that we have been looking at procurement, but coming in, we have had kind of open sessions off the record where different groups that interact with the Department come in and talk about their experience. Uniformly, I hear across industries how difficult it is to work with DHS when it comes to procurement acquisitions. Mainly they are saying there is never really any interaction before an RFP, and oftentimes, that creates a circumstance where there is unrealistic expectations about what can be done.

I am curious, are you familiar with the problem and the concerns that the private sector has? What, if anything, are you doing about it?

Secretary NAPOLITANO. Yes. Some of the—I think probably some of the same people have visited with me as well. A couple of things. One is I have directed the under secretary for management to take on procurement. We need to centralize it more within the Department. One of the problems has been, as a new department from a lot of different legacy agencies, we had different procurement systems and different rules and people used to different things, and used to dealing with a different category of vendors. So we have taken steps to centralize, to have an acquisition approval process for acquisitions that are large, and then to reach out to the private sector. We just held, for example, kind of a procurement fair, for lack of a better term, with the under secretary for management to improve those channels of communication that we need. So Representative, we are on it.

Mr. ROGERS. Great. Thank you. I see my time has expired. I yield back.

Chairman KING. The gentleman yields back. The gentlelady from California, Ms. Sanchez, is recognized for 5 minutes.

Ms. SANCHEZ. Thank you, Mr. Chairman. Thank you, Madam Secretary, for being before us today. I have two questions for you. The first one was that I was recently in the Calexico-Mexicali border. From the Mexico side, they have poured cement, they have built new roadways to come over to make another land port, if you will, that I think was, from my understanding, was agreed to by both sides. Somehow or other, the funding has not come, or the cuts in the budget are not making this land, this new land port happen from our side, which is just amazing to see it happening on the other end and nothing from our end.

So the first thing would be the locals had asked me to come and take a look at it. Obviously, the council people and the county supervisor. So what is going on with that and what can we do? Because they tell me that it is about 3 hours standing time, if you are a pedestrian, to go across that section right now. I happen to know because I have family in Mexicali, so I asked them what do you think? They said absolutely, it is taking way too long, 2, 3 hours. Sometimes in the summer it is 130 degrees out there with no cover.

So the question, what are we doing with respect to that? Then the second question I have for you, Madam, is that this January, the media reported that two tourists from the United Kingdom were denied entry to the United States by CBP because of a comment they had posted on Twitter. So do you know anything about this incident? Is it a CBP practice to see what foreign nationals are putting on social media? Is that determining their admittance to the United States?

Secretary NAPOLITANO. With respect to the port question, I can look specifically into Mexicali, but the Southern Border ports are budgeted through the GSA, not through DHS. We get the Northern ports, but not the Southern Border ports. Kind of ironic. The GSA budget has not fared well in the Congress. That has slowed down a number of important projects, including land ports along the Southwest Border which are necessary for travel and trade. All the things that go on in that border area. I think that is probably where it is caught up. With respect to the two tourists—

Ms. SANCHEZ. So Madam, how could we—what is the mechanism, if they are necessary and if your Department deems them necessary, to get this moving?

Secretary NAPOLITANO. Well, I think the question is trying to do everything we need to do within the confines of the Budget Control Act. We are all dealing with that as a fiscal reality. We need to reduce the deficit. We all recognize that as well. But because GSA is governed by a different set of committees and a different appropriations process, it does become, you know, a little bit two ships passing in the night. We are in constant touch with GSA, working with them. They know the priorities. But they only have so much money.

Ms. SANCHEZ. Thank you. Then the question of the foreign nationals from England?

Secretary NAPOLITANO. Without getting too much in the weeds, we aren't sitting there monitoring social media looking for stuff. That is not what we do. In that instance there was a tip, and the

tip led to a secondary inspection of the individuals. That governed the judgment of exclusion, not just the Twitter or tweet.

Ms. SANCHEZ. But was the tweet taken into account as your Department was thinking of whether to let these people in or not?

Secretary NAPOLITANO. Well, it was, but I am really not at liberty to say all of the reasons. But I think the impression was left that CBP is just sitting around, you know, wandering the blogosphere looking for things. That is not what CBP does. They do, however, when they receive a specific tip, have an obligation to follow it up.

Ms. SANCHEZ. Thank you, Madam Secretary. I will yield back.

Chairman KING. The gentlelady yields back. The gentleman from Texas, the Chairman of the Subcommittee on Oversight and Investigation, Mr. McCaul.

Mr. MCCAUL. Thank you, Mr. Chairman. Madam Secretary, thank you for being here today. Thank you for your service. I think it is important to note that today marks the 1-year anniversary of the brutal killing of Agent Jaime Zapata and shooting of Agent Avila, and I think by the Los Zetas. I think it is appropriate to remember that event, and to remember them here today in this committee.

Madam Secretary, there has been some speculation that the weapons used to kill Agent Zapata may have been possibly linked to the Operation Fast and Furious. Do you have any information that would indicate there is a connection there?

Secretary NAPOLITANO. I have no information to that effect, no. I don't know one way or the other.

Mr. MCCAUL. Okay. So you can't say—it's possible, I guess, is what you are saying.

Secretary NAPOLITANO. I just don't know one way or the other.

Mr. MCCAUL. So you can't conclusively say one way or the other whether there is a link to these weapons and Fast and Furious.

Secretary NAPOLITANO. That is true.

Mr. MCCAUL. Okay. We know that the weapons were used to kill Border Patrol Agent Brian Terry, correct?

Secretary NAPOLITANO. They were certainly found at the scene of that murder.

Mr. MCCAUL. The other question I have is I know that the OCADETF essentially, Organized Crime Drug Enforcement Task Force had an ICE agent participating on the OCADETF task force that also participated in Fast and Furious. Can you tell us what the role of that ICE agent was with respect to Fast and Furious?

Secretary NAPOLITANO. Well, my understanding is it was very minimal. This is all learned after the fact. This was an ATF operation operated under the auspices of OCADETF, but it was an ATF operation.

Mr. MCCAUL. Do you believe that the ATF may have misled your organization or the ICE agent on the task force?

Secretary NAPOLITANO. I hope they did not.

Mr. MCCAUL. Do you know whether he was informed about the operation?

Secretary NAPOLITANO. I do not. I don't know whether the full extent and the number of guns being allowed to walk unsupervised into Mexico was disclosed. I believe that the size and management

of that operation, lots of serious mistakes made, and should never be repeated.

Mr. McCAUL. I certainly agree with you. I would like to follow up more on that with you in the future. The next question I have is more along the lines of management and budget. We had hearings on—we heard from several Under Secretaries within DHS. One in particular talked about—and you and I talked about this previously—the idea of the DOD model, the Goldwater-Nichols model. I believe you actually said you had a book on this, which I was impressed to hear.

Secretary NAPOLITANO. On my desk.

Mr. McCAUL. On your desk. It seems to me that there are always lessons learned from other events in the past in the Federal Government. There may be a lot to learn from the growing pains and mistakes and lessons learned that the Department of Defense had in consolidating their efforts, as you are trying to consolidate 22 different organizations, a very difficult task. They found that there were various high-risk operations that were, I think, in their words had performance problems. I think as you testified earlier to Mr. Rogers' question, the idea of centralizing acquisitions and procurement seems to make a lot of sense.

I was pleased to hear that you have made some progress in that direction. But can you just sort of tell me what your thoughts are in terms of looking at that model and trying to apply that to the Department of Homeland Security?

Secretary NAPOLITANO. Yes. In fact, I do have a volume on Goldwater-Nichols on my desk, which I guess shows you what Secretaries of Homeland Security read in their spare time. But in any event, it took about 40 years between the creation of the Department of Defense and the consolidation and management that Goldwater-Nichols represented. We are going to beat that target. We are going to take lessons learned in DOD. Not everything done in the DOD context applies in the DHS context. We also, in many respects, have a much broader set of missions that we have to perform. But things like acquisition review, particularly for large purchases, how you manage procurement in general. Things like looking at how you buy software, how you buy vehicles, designing common frames for aircraft that can be used by Coast Guard and—

Mr. McCAUL. I do want to mention at that hearing out of all the agencies in charge of homeland security, DHS only gets 50 percent of that funding. I think that was an important point that I was not aware of. I think perhaps we can change that as well.

Secretary NAPOLITANO. That is for the Congress.

Mr. McCAUL. Precisely.

Secretary NAPOLITANO. But I will say that those are the kinds of efficiencies that we can, I think, encourage and grow at DHS.

Mr. McCAUL. Thank you, Madam.

Chairman KING. The gentleman yields back. The gentleman from Texas, Mr. Cuellar, is recognized for 5 minutes.

Mr. CUELLAR. Thank you, Mr. Chairman. Thank you also the Ranking Member. Madam Secretary, it is good seeing you again. I believe you are going down to my district next week. I hope that—actually, I will be there in the same area you will be at, so I hope to see you there. I thank you. I know dealing with the budget is

always hard. But I thank you for looking at the administrative cost reductions, the duplicative programs that you have. Thank you for doing that, for making your agency more efficient, more effective. I have several questions. The first one has do with a GAO report that came out on March 2011 that talks about a \$639.4 million of unobligated balance in the customer user fees account that you know came about because of the elimination of the North American trade agreement country exceptions.

It has been going on since, I believe, 2008. There is authorization, there is no authorization. Bottom line is that is a lot of money that is available if we can use that for border, because that came in from the trade issues. What is the status on trying to get that? Why can't we just get that money out, especially in these tight money times?

Secretary NAPOLITANO. You know, I don't know, sitting here, I don't know whether there is some kind of statutory problem or whether we are holding it for a particular reason. But I will be happy to get back to you on that.

Mr. CUELLAR. Yeah. I appreciate it. Because I think GAO says you can use it. It is authorized by law. But if you can look at it and get back to the committee. The other thing is I know that because of the budget, the budget doesn't ask for any new Customs and Border Protection officers. As you know, when you go down to the border, they are going to hit you again, or talk to you about long lines, and not having enough. So at the same time, we are opening up new ports of entry, the local folks are saying that there is not enough Customs and Border Protection. I have always said we have done a good job with the men and women in green, but we need the men and women in blue to get our Customs folks, whether it is sea ports, land ports, or airports on that. Especially also since you also are cutting CBP overtime by \$20 million, how are we going to handle those lines that we have? I think that is an issue that will be brought up to you when you go down there to the border.

Secretary NAPOLITANO. Yes. In fact, that is one of the reasons I am going back to the border, is to talk with people who live there about problems that they see. You know, the problem with the lines is two-fold. One, it can be a manpower problem. It is often a lane availability issue. The ports just aren't big enough to handle the amount of traffic they have to process. We have to work on both of those things. The overtime pay issue, the Congress dealt with that last year by allowing us to use the LEAP system, among other things. That will enable us, I think, to better manage the overtime situation, keep that under control better. Second, we have in the budget, the President has annualized additional port officers that were put in in fiscal year 2012. Those are being hired and trained now. So there should be relief in that direction as well.

Mr. CUELLAR. We will be happy to work with you, especially I think you all do a \$9.1 million decrease in plant facilities management sustainment at the ports of entry. As you know, on Tallulah bridge to Laredo, and I think I got more bridges than any other Congressman in the country. So bridges are very important to me. I would look forward working with you and look at alternatives as we go up there. Because the private sector, I think Mr. Cravaack

has been talking about this, the private sector and local governments are willing to do that. The Anzalduas Bridge is one perfect example where they want to step up and do that. They want to put in some of the local income. So I would ask you to work with us on that issue.

Secretary NAPOLITANO. Absolutely.

Mr. CUELLAR. Finally, the last thing on overtime. There was a report that came out, an analysis that shows in the last 6 years we had a \$1.4 million in daily overtime by CBP. Especially now that we have the lowest border crossings in the last 40 years, I want to see—and I can understand, I understand the whole argument you never know when they have to travel to one part. But it also included your 250 agents that are assigned at the Border Patrol headquarters, where they made a combined of \$4.8 million in overtime in the District of Columbia. Now, I can understand the Border Patrol at the border, but to have 250 agents, Border Patrol in Washington, DC, and to pay them overtime is something I just don't understand. My time is almost up, but I would like to follow that, because I have been trying to get that information and they couldn't get it. I said I would directly talk to you and get this information. But I think Members of Congress want to see those Border Patrol at the border instead of having them wrack up millions of dollars of overtime at headquarters.

Secretary NAPOLITANO. Representative, I share that concern. With the number of agents as 250, something I have begun talking about with the Commissioner. I will say, however, that it makes sense to have Border Patrol agents get some headquarters rotation so they really get an appreciation of how the system works and what is going on, particularly those that are moving up the ladder.

Mr. CUELLAR. Right. I am in full agreement. But 250, I think we can work with you, and we want to work with you. Again, thank you for the good job you have been doing. I know it is a difficult job. Thank you. I look forward to working with you. Thank you, Mr. Chairman.

Secretary NAPOLITANO. You bet.

Chairman KING. The time of the gentleman has expired. The gentleman from Minnesota, Mr. Cravaack, the author of the bill.

Mr. CRAVAACK. Thank you. Again, I have got a great staff. They were essential in completing that.

Chairman KING. Chip, no one doubts that.

Mr. CRAVAACK. Thank you, sir. Thank you, Madam Secretary, for being here today. The President, in his budget, cuts the Federal Flight Deck Officer program from \$25 million down to \$12.5 million. Now, this is approximately a 50 percent decrease. This program is comprised of volunteers who ultimately pay more out of their pockets than it actually costs for them to be an FFDO to protect our Nation. In fact, to provide the protection for each flight deck officer for each FFDO flight costs the Nation \$15. That is how efficient the Federal Flight Deck Program is. I have to believe that it is probably one of the most cost-effective programs in the United States Government. These guys basically volunteer their time and money to be a vital deterrent to our country.

Quite frankly, they are the last line of defense when it comes to air piracy for flying. My question would be what prompted that?

Did you make this cut, or did it come from the President? Where did this come from?

Secretary NAPOLITANO. I think the reduction for the Federal Flight Deck Officer program is predicated on the fact that the program is not risk-based. You will have an FFDO just, you know, whether somebody is on a flight or not. We are moving in the TSA to risk-based systems. Those are the ones that we are going to put money into.

Mr. CRAVAACK. I fully agree with risk-based system. But I also fully believe a \$15 Federal Flight Deck Officer as a last line of defense on an aircraft is absolutely essential. Would you agree that the Federal Flight Deck Officer would be the last line of defense on an aircraft?

Secretary NAPOLITANO. There are many layers of defense, beginning before people even get their ticket.

Mr. CRAVAACK. Yes, ma'am.

Secretary NAPOLITANO. One of the things I continue to emphasize is, you know, the checkpoint at the gate, which has caused some concern, is only one of other many layers. So there is a lot of things. The FFDOs have been useful, that is true. I don't know about the \$15 figure. But it is a program, as we look around the universe of things that we want to do in the aviation environment, like I said before, given we have to find places to cut, that was one of them. Because it is not risk-based, that was put on the table.

Mr. CRAVAACK. Yes, ma'am. I fully understand risk-based. But again, I will ask you the question, is a Federal Flight Deck Officer the last line of defense for our traveling public?

Secretary NAPOLITANO. I think the armed cockpit door probably is.

Mr. CRAVAACK. Speaking as a 17-year pilot, ma'am, and also as a Federal Flight Deck Officer, I know about the cockpit door. I will tell you, ma'am, speaking from the position that I have flown as a pilot and also as a Federal Flight Deck Officer, you may think that the flight deck door is the last line of defense, but it is that armed pilot in the cockpit that will be the last line of defense. Thank you for your comments, though. Is your intention that this program be phased out?

Secretary NAPOLITANO. I think as the budget request shows, it is our intention to reduce it, yes. But not—we have not predicted its demise. We just think we can do it with less.

Mr. CRAVAACK. Let me expound upon that. What kind of message do you think it sends to pilots who are willing to join this program on their own dime, take personal vacation days off of work, pay for their own lodging to train for the privilege and the honor of protecting their fellow citizens? How do you think it is going to affect that program?

Secretary NAPOLITANO. Representative, obviously in a difficult budget, we had to make difficult decisions, and this was one.

Mr. CRAVAACK. Again, ma'am, going for the last line of defense for the most efficient program, I think, probably that you have in protecting the traveling public, I would strongly encourage you to reevaluate that position. Also, it has come to my attention relatively recently, in line with the President's budget request, NORAD has proposed two 24-hour Airspace Control Alert sites,

Duluth and Langley, to be eliminated. The 148th Bulldogs out of Duluth were just chosen to be an active association actually, where active duty combines with the Air National Guard there. Now they are pulling a vital mission from these two fighter wings. How is this going to affect you in responding to threats? Because after 9/11, these guys were flying 24/7. It is not only they protect the northern sector of the United States, they deploy in a lot of different places. I see my time has expired. Can you just comment on that real quickly?

Secretary NAPOLITANO. Right. There are several other similar-type things around, particularly the Northern Border. But they have, in the analysis that has been done is that those operations can be covered from a consolidated center elsewhere.

Mr. CRAVAACK. Okay. Thank you, Mr. Chairman. I will yield back.

Chairman KING. The time of the gentleman has expired. The gentlelady from New York, Ms. Clarke, is recognized for 5 minutes.

Ms. CLARKE of New York. Thank you very much, Mr. Chairman. We forgot to add Mr. Turner to our discussion about upstate-downstate New York. Mr. Turner is also a New York City, and one of our newest Members here. Let me say, Madam Secretary, that first of all, there is no doubt in my mind, and I think the mind of most New Yorkers, that your commitment to partnership and collaboration with our local law enforcement has been extraordinary. We are truly, truly grateful for that. We have had an opportunity through, unfortunately through having been the No. 1 terrorist target in the Nation, to have those partnerships strengthened over time, and built up certain capabilities that most municipalities would have no reason to, most of all, but out of necessity we have had to. I wanted to raise a couple of issues with you. Having the highest regard and respect for local law enforcement in the City of New York, whether, in fact, there is a point where the Department of Homeland Security looks at the implementation of various policies in the City of New York and its impact on the municipality. Whether, in fact, dollars that we have provided for Homeland Security have been overreaching in terms of its usage and what its impact is on the local municipality.

Why am I raising this? I am raising this because there have been a number of practices that have been highlighted most recently in our zealousness to apprehend whether it is the lone actor or anyone who has been radicalized that may be in the population. That has extended itself into the lives of average, everyday New Yorkers who just don't fit any profile under any circumstances, or who may. Because clearly there is a profile out there. They are individuals whose mosques are now, you know, open to surveillance, where individuals sit there just to observe whether, in fact, there is terrorist tendencies, I suppose. We have even seen videos produced that have high-ranking officers of our city and utilized in the training of our police officers that talk about the third jihadist.

There have been some things that I think have just gone askew. I am just wondering what role it is in the partnership, in the collaboration that we have the conversation about civil liberties and civil rights. I hope that me raising this with you today is an indi-

cator to you that there needs to be some discussions. There needs to be some very serious discussions.

We are New Yorkers, a town of diversity. To the extent where our police department has become so empowered that civil liberties become something that is secondary, then our Nation is beginning to decline. I just wanted to share that with you, and hope that you will look into that, Madam Secretary. But my question actually is that when you testified before this committee at the beginning of this Congress, you testified that the threat level was at the most heightened state since 9/11. Your testimony was often quoted by Members of this committee as a basis for many hearings on radicalization and recruitment within the Muslim community.

A recent report issued by the Triangle Center on Homeland Security says that concerns about a potential wave of home-grown terrorism have not materialized over the past 2 years, and terrorist incidents by those within the Muslim community have declined. I want to know, do we remain in that same posture at this stage given what we know, given all of the intelligence that has been gathered, and expertise? Are we still at the most heightened threat since 9/11?

Secretary NAPOLITANO. I think we live, Representative, in a very volatile world in a number of respects. As I said in my opening statement, we are dealing with evolving threats. They change all the time. They can be from al-Qaeda, al-Qaeda-related groups, Islamist groups of other types, but as I also said, terrorism and extremism is not limited by national boundaries, and it is not limited to any one particular ideology. It requires us, who are in the prevention business, to really be looking at it in a number of ways in order to maximize our ability to minimize risk within, and along with and incorporating the important protections that our Nation has under the Constitution, the Bill of Rights, and other statutes such as the Privacy Act.

So we want to make sure we incorporate those principles into how we do our work. But we do live right now in a very volatile world.

Chairman KING. Thank you. Recognize the gentleman from Illinois for 5 minutes.

Mr. WALSH. Thank you, Mr. Chairman. Let me yield to you for as much time as you would like.

Chairman KING. I would just like to state for the record that General Petraeus testified last week that the independent Inspector General of the CIA did a full and thorough investigation, and found the relationship between the NYPD and the CIA to be entirely legal, not to violate any executive law or any law whatsoever, and the NYPD to have acted lawfully in every instance involving any dealing with the CIA, and also Director Mueller has also said that the NYPD is in full compliance with the law.

With that, I yield back to the gentleman.

Mr. WALSH. Thank you, Mr. Chairman. Madam Secretary, thanks for being here today. We have seen a wide range of reports from the GAO as well as a recent report from the House Transportation and Infrastructure Committee identifying hundreds of millions of dollars in annual waste and inefficiencies at TSA. Yet, in your proposed budget you are seeking to triple the \$2.50 passenger

security tax to ultimately \$7.50, which you say would generate, I believe, \$25 billion over the next 10 years. The President's budget also proposes a \$100 user fee for every single time an airplane takes off.

It seems to be costing more and more for Americans to fly, which affects all sectors of our economy. Right now Government taxes make up around 20 percent of an airline ticket. So \$61 on a typical \$300 domestic round-trip ticket. That is more than any other item out there being taxed; cigarette, liquor, firearms, all are taxed less.

We seem to be reaching a point where, especially in the difficult economic times we are in right now, where we are singling out the airlines and airline customers and possibly even discouraging travel. How do you balance that with the need for security?

Secretary NAPOLITANO. Well, you have to do both. Travel, trade, tourism are important economic values to keep this economy moving, to propel the recovery, and the like, so we are always looking for ways to facilitate travel and trade and maintain a security posture, particularly in the aviation world, where aviation does remain a constant threat, a constant target. So we are doing it in a couple of ways. One way is, as we move to a more risk-based approach, expanding the kind of Trusted Traveler-type programs, global entry for international travel, it is called TSA Pre-Check, that we are going to be expanding to the 28 largest airports in the United States over the course of the year, O'Hare being among them.

So and as we do that, that in a way allows us to prescreen passenger before they get to the airport so they go in a separate line and we can expedite their processing, and takes pressure off of the other parts of the line for others. As we go on, in the months and years to come, it is our intention to be able to do more and more in that direction. We are going carefully and slowly because we don't have room for mistakes, but our pilot projects in this area have been very productive.

Mr. WALSH. I have heard numerous concerns from folks in and around the industry, and just airline customers in general, concerned with the exorbitant taxes on flying these days. Quickly, with my remaining time, when and how are you looking at the other aspect of the equation, the millions of potential waste and inefficiency right now, inefficiencies that have been identified within TSA?

Secretary NAPOLITANO. Well, as I said earlier, we have already identified Department-wide in this budget \$850 million worth of administrative efficiencies we believe we can take, and put that money, redeploy it into operational activity, and that is along with a \$3 billion worth we have found already. We are constantly looking for ways that we can meet our obligations and do it more cheaply.

So any avenue we have of doing that, and we listen to our employees, they have ideas. Sometimes the customer base, they have ideas. We have no monopoly on good ideas. So if people have them, we will listen.

Mr. WALSH. Thank you. Thank you, Madam Secretary. Thank you, Mr. Chairman.

Chairman KING. The gentleman yields back, and the gentleman from New York, Mr. Higgins, is recognized for 5 minutes.

Mr. HIGGINS. Thank you very much, Mr. Chairman, and the Ranking Member, and Secretary Napolitano for being here. I just want to ask you about two things relative to my home community in Buffalo. One is the Beyond the Borders Action Plan that was announced by the President and the Prime Minister Harper of Canada, which sets forth a plan for at least one pre-inspection pilot project for commercial vehicles crossing from Canada into the United States. That is a very, very important border crossing at the Peace Bridge, for commerce, for our shared communities in the United States and Canada, and I just wanted to urge you in the strongest possible terms to consider the Peace Bridge for that pilot project. It is very important.

The other issue is the urban security, or Urban Area Security Initiative Program. In fiscal year 2011, your Department removed 32 high-risk urban areas, including Buffalo, New York, and these communities didn't choose to be on that program. They met a criteria that indicated that the unique circumstances of those communities posed a considerable threat, and therefore were given the resources to work in a collaborative way with other law enforcement agencies to protect these urban areas. You have a new program, the allocation for sustainment of capabilities in high-risk areas. I would ask that those 32 communities be considered for that funding as well.

The unique situation with respect to Buffalo is that—well, it is Buffalo, but also Toronto is in close proximity, Niagara Falls a destination for 8 million people from all over the world. The Niagara power project is in that community, which produces the cleanest, cheapest electricity in all of New York State, all of which become high-impact targets for potential terrorism. So I think it is very, very important that the Department consider allowing these communities the resources they need to sustain the capabilities that they have established under this program.

I just want to echo something that the Chairman had made reference to, and that is the threat of Hezbollah. Hezbollah is a Shia group, community, violent jihad. They act as a proxy for Syria, Venezuela, and Iran. They have a presence that is pervasive and growing in the 20-country region of Latin America. They also have a presence in at least 15 American cities and 4 major cities in Canada as well.

You had indicated in response to the Chairman that you were working with the FBI and the intelligence community. We have had previous hearings here, where expert witnesses had said that, you know, we really shouldn't be all that concerned because Hezbollah's presence in the Western Hemisphere and in North America is really limited to fund-raising activity. I don't much see the distinction. I think that presence is a very severe threat, and I think it needs to be addressed.

So, any comments from you?

Secretary NAPOLITANO. Well, as I indicated to the Chairman, I believe we are constantly monitoring Hezbollah and we are in touch with, we are working with the FBI, and have provided intel to State and local law enforcement where appropriate, and we are also conducting a lot of outreach to targeted communities. So we are, you know, right there with you.

With respect to the Peace Bridge, we are working with Canada on the identification of staff to do the pre-inspection pilots. I think we envision two, not just one locale, and a strong case has been made for the Peace Bridge but no final decisions have been reached.

Mr. HIGGINS. Just finally, I want to associate myself with the prospective comments of my colleague, Kathy Hochul, in asking to replace the outdated Niagara Falls Border Patrol station with a new facility at the Niagara Falls air reserve station. I am sure my colleague will be talking about that a little bit more later on, but the two Senators have joined us, the west New York delegation as well. We think that that is a very important move for a lot of reasons, including especially the good work that the Border Patrol does in Buffalo and west New York.

Thank you, I yield back.

Chairman KING. Ms. Secretary, I should have warned you that you would be double-teamed by the New York State team here.

The gentleman from Pennsylvania, the Chairman of the Counterterrorism Subcommittee, Mr. Meehan, is recognized for 5 minutes.

Mr. MEEHAN. Thank you, Mr. Chairman, and thank you, Madam Secretary, for being with us here today, and I want to thank you in advance as well for the cooperation of your agency. Tomorrow we will be working on further inquiry into the issue of the social media and the work of DHS on that, but I am grateful for the work that you have already done in helping us to understand that. We will be exploring it more tomorrow.

I want to take a moment and follow up a little bit on some issues that Mr. McCaul raised, and it comes back—I am involved in looking at some of this issue with Fast and Furious. Now, you testified today that Fast and Furious was an ATF operation. What does that mean with respect to the cooperation or coordination with DHS?

Secretary NAPOLITANO. I think, just as it says, this was an ATF-led and -organized operation. So that is where it is.

Mr. MEEHAN. Well, that is where it is, but I mean, it is an OCDETF case, and I know from your experience as a United States Attorney you understand the significance of what an OCDETF case means, which is a multi-agency case. We have established through testimony in other committees, and an OCDETF case implies, not implies, it requires that there be collaboration among multiple agencies. Fast and Furious has been identified as an OCDETF case. To what extent are there reporting requirements within the Department of Homeland Security for the participation of your agents on OCDETF cases?

Secretary NAPOLITANO. Well, if you are asking is there a reporting requirement that any participation in any OCDETF matter at the ultimate field level has to be reported all the way up to and including Washington headquarters, no. There is way too much action for that to be feasible or wise.

If you are asking how are interagency issues handled in the OCDETF context, my understanding is, as is yours, there is a lead agency that is running the operation. In this instance it was the ATF.

Mr. MEEHAN. But there is a leads agency, but there is participation. To what extent is there reporting requirements with respect to what your agency intends to do in participation?

Secretary NAPOLITANO. Again, I don't know what you mean by participation. We have agents who are out working on matters of all types at all times, but I think in Fast and Furious, and again, I think we all recognize that serious mistakes were made there that should never be repeated. But again, this was an ATF operation.

Mr. MEEHAN. Well, that is the question. I know it was an OCDETF operation, which included the participation. Do you know who Layne France is?

Secretary NAPOLITANO. I do not.

Mr. MEEHAN. Layne France is an ICE agent. He was also the co-case agent in OCDETF.

Secretary NAPOLITANO. Again, I did not know this was a Fast and Furious hearing. I thought this was a budget hearing.

Mr. MEEHAN. Mr. McCaul opened the door. I didn't really come to get into it, but the question—

Secretary NAPOLITANO. Right, because I think there the issue is to make sure that in my shop we are not running gun-walking cases with unsupervised deliveries, and the answer is that it is against our policy to do so. We have reemphasized those policies. We don't want that kind of thing happening.

Mr. MEEHAN. But do you know whether there was any report from your case agent who was a co-case agent on this case up the chain with respect to the anticipated activities of this OCDETF case, which in the Justice Department requires approvals before the cases are undertaken?

Secretary NAPOLITANO. Again, you know, co-case agent, let's not confuse that with co-lead. I mean, you could have people that are on an OCDETF task force, and they may be listed on a piece of paper as a co-case agent and really have no operational contact with them. They are just a name down because this is the guy who does OCDETF work in a particular U.S. Attorney's office. I can't speak with specifics to the question you ask, again, because I didn't know this was a Fast and Furious hearing.

Mr. MEEHAN. Have you done any investigation yourself, your Department, into the participation of your Department in Fast and Furious?

Secretary NAPOLITANO. I instructed—when I learned about—when all of the facts came out about Fast and Furious back here, I instructed our Department to make sure that we were not running gun-walking cases, that our policies were clear, and that there was a common understanding within the Department on this.

Mr. MEEHAN. But have you investigated the activity which took place? We know with ATF in which your agent was a co-case agent, have you looked independently of what is going on in the Department of Justice? Have you looked independently at the activities of your agents with respect to Fast and Furious?

Secretary NAPOLITANO. I believe that the Director of ICE has. I again must object to the use of the phrase, "co-case agent" because it implies that everybody was equal on this.

Mr. MEEHAN. How do we know if you haven't looked into it to determine it?

Secretary NAPOLITANO. Well, I think there have been enough hearings in the House to establish that this was an ATF operation.

Mr. MEEHAN. Have you spoken to Attorney General Holder about this case, Fast and Furious?

Secretary NAPOLITANO. I have not.

Mr. MEEHAN. Why not?

Secretary NAPOLITANO. In part because it has been under investigation, here and by the Inspector General, and there was no occasion in which to do so.

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

Chairman KING. Time for the gentleman is expired. The gentleman from Louisiana, Mr. Richmond, is recognized for 5 minutes.

Mr. RICHMOND. Thank you, Mr. Chairman. Let's go back to the grant program, and then in Louisiana, especially in south Louisiana, with the largest port system probably in the world when you combine Port of South Louisiana and the Port of New Orleans and the Port of Plaquemines. Is it your expectation that the jurisdictions that currently receive the bulk of the money, pursuant to your risk assessments, would receive the same or even more support under the new program?

Secretary NAPOLITANO. I think it is difficult to prejudge. I mean, I think what we intend is that we want to look at what the \$35 billion that we have already spent on Homeland Security grants, where that has put us, so that we can look across States and regions and across the country and identify where we have gaps, where we have critical infrastructure that needs hardening, and in short, where the money best would go.

Mr. RICHMOND. Second, the threat has—identification of risk assessment would have a large part in devising a new formula, or in that analysis will go into how much or who receives money under the new formula?

Secretary NAPOLITANO. Yes. It is intended to be a risk-based, consequence-based evaluation. There will still be retained some base level of funding depending on populations, but we believe and our vision for these grants is that we ought to be building and sustaining a National capacity for terrorism and disaster prevention and mitigation and response. That is what we are combining these grants to achieve.

Mr. RICHMOND. Well, will you give the States, the local municipality, or the grantee, the ability to comment, or challenge, or appeal their risk assessment in the event that they feel that there were some things left out, some things that weren't considered in their risk assessment?

Secretary NAPOLITANO. I think our relationship with our grantees is such, and it has been on-going, that there is just an exchange all the time, even as potential grantees are preparing their applications.

Mr. RICHMOND. This one is a little bit probably outside of the realm of this particular hearing, but since we have departed from it already I might as well do it. Also, I am getting from my mayors, from my Governor, from my school boards, from everyone, our disaster loan issue that we have in Louisiana, which the Vice Presi-

dent of the United States came down to Louisiana, to St. Bernard Center, to say that the disaster loans would be forgiven for those municipalities. However, subsequent rules were promulgated where many of the municipalities, the school boards, and other agencies are not getting loan forgiveness from those disaster loans from Katrina. So I don't know if you know about it or can comment about it, but can you at least advocate on our behalf that the commitment was made, people made decisions based on it, and it would be the right thing to do to live up to the commitment to waive the repayment of those disaster loans?

Secretary NAPOLITANO. I will take a look at that, yes, sir.

Mr. RICHMOND. Mr. Chairman, I would yield back.

Chairman KING. The gentleman yields back, and now I recognize the gentleman from Texas, Mr. Farenthold, for 5 minutes.

Mr. FARENTHOLD. Thank you, Mr. Chairman, Madam Secretary. Hopefully the mic will pick me up if I can look at you.

Secretary NAPOLITANO. I can hear you fine.

Mr. FARENTHOLD. As Representative McCaul pointed out, this is the 1-year anniversary of the death of agent Jaime Zapata. Before I get to the budget I would like to just take a moment to thank you for what you have done for the Zapata family, but we are starting to receive inconsistent information from various agencies about how that progresses, and if you could help with that, the Zapata family and I would appreciate staying up-to-date on that.

Secretary NAPOLITANO. All right.

Mr. FARENTHOLD. With respect to the budget, I know Mr. Walsh talked a little bit about the fact that despite the overall budget decrease we are looking at doubling the fee passengers pay from \$2.50 to \$5 for the TSA. It seems like—I applaud you for cutting spending, but I am a little concerned about raising taxes, especially when we are not really seeing a need there. We have got the TSA actually working better than it has in the past, and we have got a lot of our technology expenditures under control. Why the need for increasing that fee?

Secretary NAPOLITANO. Well, thank you, and thank you for your kind words about TSA. I think they have made a lot of progress in the past few years. That fee—it is a fee, not a tax, and there are important differences there—has not been increased since 2002. In the mean time, the Congress has been appropriating money and dollars after dollars so we can make sure we have good technology, that we have the right number of personnel that are properly trained, and so forth. We have increased costs, as you might imagine, since 2002, in the aviation environment. Just the pure fact of charging for a checked baggage has forced more and more passengers to load up their carry-on pretty—you all travel a lot, and you know—

Mr. FARENTHOLD. If I had my way they would charge for the carry-on and make the checked baggage free.

Secretary NAPOLITANO. I see. Yeah, and like I said, I think you all are experts on airplane travel, and that we looked at last year. We think because it makes screening more complicated at the checkpoint, that in and of itself probably off-loaded about \$250- to \$270 million of costs on the TSA. We think it is time to properly scope that fee to raise it to \$5 now, but not to do it per

enplanement, which is what we proposed last year, but to do it per one-way trip, so that if you have to take different segments in a leg, people in a lot of places in the country don't have a hub airport, it is still only one fee, and then scope it up over the next year to a maximum of \$7.50. We think that that will appropriately take some of the weight off the general taxpayer and allow us to continually sustain what we have done at TSA.

Mr. FARENTHOLD. Another efficiency that I would encourage you to look at, your office provided a briefing regarding the warehousing of equipment and there seems to be a relatively, what I think to be high lag time in deploying equipment after we purchase it and getting it out to the airports.

I would encourage you all to consider following the model some technology companies do and actually drop-shiping it to the airports and including installation as part of the process rather than having them all shipped to a warehouse, stored there, and shipped out.

Secretary NAPOLITANO. Right, that is a procurement issue, and we can take a look at that. A lot of that lag time is attributable, as you suggest, you know, you have got to install the new equipment. You often have to reconfigure lanes and do a lot of new construction at the airport itself. So that has to be done before the equipment can be installed, but I think the drop-ship issue is something we can take a look at, at least for some.

Mr. FARENTHOLD. All right, I will yield back the remainder of my time. Thank you, Mr. Chairman.

Chairman KING. Thank you to the gentleman for yielding back, and I recognize the gentleman from Michigan, Mr. Clarke, for the 5 minutes.

Mr. CLARKE of Michigan. Thank you, Mr. Chairman. Secretary Napolitano, it is great to see you. First of all, as a frequent traveler, finishing my first year in Congress, I wanted to thank the hard work, daily commitment of the TSA employees to make sure that the tragedies of 9/11 never happen again.

Secretary NAPOLITANO. Thank you.

Mr. CLARKE of Michigan. Now, I represent metropolitan Detroit. Many of the communities there, they have lost a lot of revenue because of the housing crisis. People have lost their home, property values are depressed, and as a result, many local units of government have had to lay off vital first responders, including firefighters.

My question is, how can the Department of Homeland Security work with prior year SAFER grantees to help make sure that the new firefighters, new first responders that they hired with the Federal grant money can keep these employees and not have to lay them off when we really need them? They are a front-line defense against terrorism, or any other emergency that would hit our communities.

Secretary NAPOLITANO. Representative, we released the grants in that particular area on kind of a rolling basis. It is not going to be like UASI grants which will all get announced at the end of the week at one fell swoop. We have in the grant guidance for 2012, the 2012 grants which go out now for SAFER, and also were made retroactive to last year, been able to grant a waiver to allow local-

ities to put more of those grant moneys into personnel costs than they have previously been allowed to do. The reason that that waiver is important is because it helps address the problem that you have, Detroit has, a lot of places have, where they were in a layoff situation for critical first responders.

Mr. CLARKE of Michigan. Well, thank you for that assessment. We really appreciate it. It is really going to make a difference in our communities helping them stay safer. So thank you again. I yield back my time.

Secretary NAPOLITANO. You bet.

Chairman KING. The gentleman yields back. I recognize the gentleman from Virginia, Mr. Rigell, for 5 minutes.

Mr. RIGELL. Thank you, Mr. Chairman, and Secretary Napolitano, welcome back and thank you for your service. I always try to find where do we have common ground, and let's always agree on that first, and the topic today for me is the 287(g) Task Force issue and the defunding of that.

When you mentioned earlier that a program might have been in existence for a year and led to only one apprehension, you have my full agreement that that program at a minimum should be reviewed and most likely terminated. But the fact that some are being continued would lead me to believe that some of the 287(g) Task Force agreements are indeed effective, and so can you agree with me on that, that some are effective because they are being continued?

Secretary NAPOLITANO. Well, I would agree that they are relatively effective. I will, however, suggest that Secure Communities, as we activate it, is more—in the end more effective and cheaper.

Mr. RIGELL. I wouldn't dispute that. You know, the SAFER Communities Program is effective, and I will certainly agree to that. The Commonwealth of Virginia, and I have the great privilege of representing the Second District of Virginia. I certainly don't speak for the Governor, but I know that he and his administration have been very clear on this matter. They have requested it. They had intended to have 24 State troopers who are not just folks—the State troopers who would stop someone at night on the side of the road, but more this was the targeted task force, violent crimes, very violent crimes, drug dealers, rapes, murders, those areas, and they in their best judgment believed that and I do as well, that the 287(g) Task Force Program would work for them. So I am expressing my disappointment here, and in the spirit of transparency in Government, which I think we both share to the extent possible, we always have to keep some things out of the hands of the bad guys, but I don't think this is one of them. May I see the—or may the committee Members see, if a request is made to your office, the data that supported your decision on this?

Secretary NAPOLITANO. Yes. You can see that, and I would also say with respect to Virginia, that request had been pending for some time. What we have done in Virginia in the mean time is deploy more ICE agents into the areas where we were told that the task force would primarily be focused, on the theory that full-time Federal agents would actually be more productive.

So I will be happy to get you briefed up on that as well.

Mr. RIGELL. The expenses—thank you for that. The expenses related to running the 287(g) program, and I know you have a lot of things on your plate, but could you describe for us just generally what those expenses would be and what savings are being realized by discontinuing that program?

Secretary NAPOLITANO. Oh, constant training is a big expense; travel, travel for training; some overtime in those areas. So that is, you know, the little buckets. There are buckets, but they add up to a pretty substantial number when you reduce it to a cost-per-removed individual.

Mr. RIGELL. Yet, it still is just difficult for me, and I still can't fully reconcile this, and maybe it will take some additional work here, that a good Governor of, for example, the Commonwealth of Virginia, who is saying look, we are you know, we can help you here, a force multiplier, and yet you know, under the administration, not one 287(g) Task Force application has been approved, at least to my knowledge, and it is difficult to reconcile how a force multiplier, just thinking about the value of a highly-trained Virginia State trooper, for example, his or her willingness through the direction of the Governor to assist in a key law enforcement area, and here we have turned down that help.

Secretary NAPOLITANO. Well, we work a lot with State and local law enforcement, as you know, and I have had several discussions with the Governor, although not in the last week. But I have had several in the past about the 287(g) Task Force. I just think, in conclusion, we believe that making sure you have the right number of full-time Federal agents and that we have Secure Communities turned on, and we just turned on four more States last week for Secure Communities, that that is a much more effective way to go, and helps us target appropriately the population that we want to prioritize in removal, which are criminal aliens.

Mr. RIGELL. I thank you for your testimony and for your service. I yield back.

Chairman KING. The gentleman yields back. I recognize the gentlelady from upstate New York, Ms. Hochul.

Ms. HOCHUL. Thank you, Mr. Chairman. I am the other half of the tag-team as you call it. Thank you for all of your service to our country and everything you do to protect Americans and keep us safe. So we appreciate that and certainly your efforts to put together a budget during very challenging times. So thank you on behalf of all of us.

A few initiatives, some of them mentioned by my colleague Brian Higgins, and thank you for including \$10 million in your budget request for Northern Border technology, which will help implement Beyond the Border Action Plan.

I second the request to have the pre-inspection station at the Peace Bridge. This is such an important issue for us with our proximity to Canada, and not just Canada, but the largest city in Canada, Toronto. We are the source of a tremendous amount of commerce every day, which is often stifled at the border because of the inability to cross and the delays, particularly of our trucks. So this can be a huge boost to the upstate economy which is not faring so well. So we appreciate all of your attention that you can give to that as well.

We are also sending jointly from myself and Congressman Higgins and our Senators a letter to you urging to find the funds in your budget for this idea of a customs and border inspection station at the Niagara Falls Air Reserve Station. We have been told that while it is a joint unit between Air Reserve and the Air National Guard, the guard station is going to be leaving. So to us, this is an ideal opportunity to have a Federal campus, again the proximity the collaboration that already goes on between DHS and our Canadian partners right there on the border. It is already going, and I know the Air Guard has already signed off on this. We are just looking for approval from yourself as well. So you will be getting a letter from us on that.

One issue that came up earlier in our DHS authorization bill was an amendment I proposed, I was grateful to my colleagues for accepting this. That was the proposal that the Department only purchase uniforms that are made in America. The bigger picture of this is to ensure that our National security and our economic security are tied together. I had this conversation this morning during an Armed Services hearing with Secretary Panetta, who shared my belief that we do much better when we rely on our National suppliers for not just our military, but our domestic protection as well. Uniforms, all the way up to all of your procurement opportunities. So we have not—this has not been enacted, but I am wondering are there voluntary steps you can take, or can you help us do this—not just for our security, but also for the jobs that it would create back here in America? Again, an economically secure Nation is better for all of us.

So can you speak to that issue as well, and what can be done on your end?

Secretary NAPOLITANO. I agree, an economically secure Nation is better than one that is not, and that we are all interested in making sure that we are maximizing job creation in our country. Representative, I will have to look into what we were doing on the procurement or the availability of uniforms. I think you make a valid point. I don't know if there have already been steps taken to lead in that direction or not. So I will get back to you on that.

Ms. HOCHUL. Thank you very much. I also want to echo our request again, to have us included, the Buffalo and Rochester areas, if you can reconsider the Urban Area Initiative, security issues. We are off the list. Again, I think you understand the assets that we have. People come from all over the world to see our resources; Niagara Falls, the hydroelectric power source that is up there. So we always want to make sure that our portion of the State is represented very well, and we can make our best arguments on why we want to continue to have a good relationship with the Department of Homeland Security up there.

So we appreciate a reconsideration of that as well. With that, I will yield back the balance of my time, Mr. Chairman.

Chairman KING. Thank you. You got an awful lot into your minute and, let's see, 2 minutes 40 seconds.

Ms. HOCHUL. I am a fast talking New Yorker. That is for sure.

Chairman KING. I recognize the gentlelady from Michigan, the subcommittee Chairman, Mrs. Miller.

Mrs. MILLER. Thank you, Mr. Chairman. We talk fast in Michigan, too, so we will just get Evelyn Wood speed speaking here.

Secretary, welcome. We are delighted to have you here. I want to follow up on a couple of comments that have been made by some of my colleagues about various things in regards to the Department of Defense and how they might have some overlap, overlay with the Department of Homeland Security as well. I think as a Nation, particularly as I have been following some of the DOD budget hearings also this week, we miss the boat sometimes. So I don't know if I am really asking you a question, but maybe just offering some thought for as we go in the future here. I think we missed the boat during the last BRAC, the Base Realignment and Closure Commission, when we could have looked at some military facilities inventory domestically here that could have been utilized by the DHS. As we go forward and they are talking about the possibility of two additional BRACs in maybe 2013 and 2015 as well, you might just think about that a bit, if I can just throw that out there, because I do think that there is potential. I say that because I have been proponent of having regional Homeland Security facilities around the country.

Secretary NAPOLITANO. Right.

Mrs. MILLER. Tom Ridge really was the original guy that was talking about that. I am not sure if you are still contemplating that, but I personally think it still makes a lot of sense and so that might be one thing. Then as well, when we look at all of the various types of literally off-the-shelf hardware that the taxpayers have already paid for that have been utilized effectively in theater by DOD, particularly with UAVs, which are now being utilized by your Department as well, as we are out of Iraq, as we have a draw-down in Afghanistan, we want to make sure that your Department is looking at all the potential kinds of things that we will be bringing back here that may have some application that you can get sort of on the cheap, really.

Secretary NAPOLITANO. If I might, we are constantly interchanging with DOD to see if there are technologies or things they have already developed; we have already paid to have developed—

Mrs. MILLER. Exactly.

Secretary NAPOLITANO [continuing]. That we can use in our civilian missions. So that is an on-going process. With respect to materiel that was in Afghanistan, Iraq that is coming home, we are getting both helicopter and fixed-wing aircraft from that that we will be using primarily at the Southwest Border. So we have had that—we have been working that issue as well.

Mrs. MILLER. I think there is a lot more though. I just ask you to think about that a bit because whatever it is, I mean even some of the LAN systems that they have utilized there, you know, as opposed to the UAVs, the LAN systems and the robots and that that they have done, you may have some application to the Southern Border as well.

Secretary NAPOLITANO. Indeed.

Mrs. MILLER. You might want to take a look at that. Besides that, you have the personnel that are coming back that know how

to operate all of these things that you may be able to meld in your Department.

So that is one thing. In the interest of time and speaking fast, though, on our committee we have had some recent hearings in regard to the global supply chain to the scanning process, screening process at the Nation's ports. I am sure Ms. Hahn is going to follow up on this, but I would just mention, in fact just last week we had a hearing, we are going to have another hearing in 2 weeks about the current mandates, legislative mandates for 100 percent scanning. I know you have said that that is probably not possible. We had some conversation and testimony that it was about a \$20 billion item to do something like that, and that currently there is only 2 to 4 percent that is actually being scanned. So, you know, there is a big difference, and I am not—I certainly understand that circumstances happen, and the costs and all of these kinds of things. I guess what I would say is, we are looking forward to working with you for a legislative fix to that. If there is one forthcoming, maybe you could tell me. Do you have some ideas on how you might want to address that issue? Because I think you would find people that are willing to work with you on that issue.

Secretary NAPOLITANO. Well, we have—thank you for that. We have total agreement on the goal of the 100 percent scanning requirement. What we don't have is—the goal, of course, is to prevent harmful material from entering the United States. What we don't have is agreement as to whether 100 percent scanning is the best way to achieve that or whether—or is even feasible from a diplomatic and logistics point of view. It is my conclusion that it is not currently feasible, but there are other ways that get us to the same place. It means looking at targeted-shipper programs. It means working with international organizations like the IMO on common standards for moving security in the cargo environment.

The whole Global Supply Chain Initiative is designed in part, to give us a better sense, or to give us a better way to get to the goal of making sure we minimize the risk of dangerous cargo entering the United States. So we would be happy to work with the committee on some of this. My current intent will be to extend the deadline that presently is in the statute.

Mrs. MILLER. Legislatively?

Secretary NAPOLITANO. Well, the statute gives me the ability now to extend the deadline.

Mrs. MILLER. Very good, thank you. Thanks, Mr. Chairman.

Mr. LUNGREN [presiding]. The gentlelady's time has expired. The gentlelady from California, Ms. Hahn, is recognized for 5 minutes.

Ms. HAHN. Thank you, Mr. Chairman, Secretary Napolitano. It is great to have you here and listen to your testimony. I, for one, am glad that we have the additional \$5.5 billion for the Disaster Relief Fund in this budget. Representing California, you know, we seem to every year have disasters—fires, floods, occasional earthquake. Last year we had a waterless hurricane that—I never even heard of that before, but we had it. So—and even for our country, I don't think I can remember as many disasters in our country as we have had recently. So I appreciate the extra funding so that Americans have the resources they need to recover in the event of a disaster.

I also have some concern about some of the changes in the budget in your Department. I will say that I have always been a strong advocate for port security grants. Even before I came to Congress, I worked with my predecessor Jane Harman in working to change the criteria for port security grants, so that there was risk vulnerability and consequence as part of helping appropriate that. I advocated last session keeping the port security grant as a separate program. I am unhappy that the Appropriations Committee lumped them into one large grant program and am concerned that the administration is attempting to do the same thing.

I think port security is crucial. I still feel like our ports are really some of our most vulnerable entryways into this country. So I just want to go on record, and maybe you can talk a little bit about how you still think that this is an adequate way to fund, you know, security efforts at our seaports across this country.

In the same line, I have actually heard from our ports that currently they even have a hard time utilizing even some of the grants that they have been awarded. They are concerned about some of the bureaucracy, and particularly in terms of reimbursement. So sometimes they are willing to purchase equipment and programs that they know definitely are going to be reimbursable as opposed to maybe getting what they think is the most appropriate equipment or program to secure the ports because of some insecurity, if you will, on how they are going to be reimbursed. So you might want to just look at how we streamline the current grant programs in the future so that they can utilize it better, effectively, if we are going to—especially if we are going to change it.

Secretary NAPOLITANO. Well, first, you know, one of the things, and the committee was very strong on this. The cuts Congress made to grants last year were really deep. You know, we are talking 40 percent, 50 percent. My options were very limited in terms of what I could do. Now, with respect to the ports, they were really sliced very deeply. However, you know, port authorities can work with UASIS in terms of hardening infrastructure at the ports. That is another way to go about it.

With respect to red tape or bureaucracy, I will say that FEMA is now turning around applications on average in 30 days or less. So they really have tried to cut through that, and with respect to what is reimbursable and what is not, I would think that the Port of Los Angeles, and what have you, would be in regular conversations with FEMA as to what they think they need most and how it fits within the grant structure.

Ms. HAHN. You know, and Congresswoman Miller really, she convened the hearing we had last week on Pacific port security and the issue of 100 percent cargo scanning did come up. We do understand that the administration has pretty much said at this point it is not feasible.

Is that something we are even going to continue to strive towards—and I know there is a lot of levels. You know, point of origin, you know, the secure ports, Safe and Secure Ports Initiative. I hear that. I just know, you know, the Port of Long Beach and L.A., you know, 14 million of those containers coming in and out annually. I am still very concerned that, you know, we are not scanning more than 3 or 4 percent and, you know, I think what we

need to be looking at is investing in the technology that might be out there that actually could help us achieve this without slowing down commerce, and without, you know, being a burden. Because I really am still very worried about those containers coming in and out of our ports and whether or not we truly know what is inside of them.

Secretary NAPOLITANO. Well, there have been a lot of major and significant improvements made in the safety and security of cargo, particularly container shipments, over the last 6 or 7 years, and particularly in the last couple of years. Those improvements are going to continue. If somewhere down the road the technology evolves, and the international situation is such that you could get to something that looks like a 100 percent scanning, of course that would be something we would look at.

But I have to be frank with the committee, that I think that that is so down the road, and so slight a possibility that we are better off focusing on how we attain the goal of minimizing the risk that something unsafe comes into the country, and we are really looking at other avenues for getting there.

Ms. HAHN. Thank you.

Mr. LUNGREN. The gentleman from Michigan, Mr. Walberg, is recognized for 5 minutes.

Mr. WALBERG. Thank you, Mr. Chairman, and thank you, Secretary, for being here, and for enduring the long rounds of questioning.

Mr. WALBERG. I would follow up on my colleague from Michigan and concerns about the Northern Border as well as Southern Border issues, and using the tools that we are seeing reduced in the military right now, such as the C-27J which was slated for use because of its medium-sized capabilities, carrying capabilities, transport capabilities, multiple other things that, frankly, parochially had been programmed to come to a base in my district. That is not going to be there now. It has been developed. It is a worthy craft, and I would encourage Homeland Security to consider that and in relationship to the border issues, the Northern Border, it may certainly be helpful.

But having said that, let me move on to my main question I have here, that also is concerned in my district, with the President's request reducing the number of detention beds to 1,200 beds for illegal immigrants.

Secretary NAPOLITANO. Reduce it by 1,200.

Mr. WALBERG. Reduce it by 1,200, excuse me. The intent is, as I understand it, to enhance savings in the detention program, which it is less expensive when you think of \$122 per day on average for a detention bed. Yet there is concern that the alternatives to detention generally leads to higher levels of absconding, which adds additional support and security problems as well. So with the memory of some high-profile cases of alternative detention situations where an individual, for instance, in Massachusetts, took off the electronic device and absconded, will there be guarantees put into this program, stronger guarantees, stronger preventative tools to make sure that if we are going away from the beds that we are not having absconders and high-risk individuals entering our community and wasting the resources we have done already?

Secretary NAPOLITANO. Well, first of all, I think that it is important to make clear that we would only put into ATD low, low-risk individuals, that those who pose any kind of a risk to public safety would not be considered for ATD. ATD runs as variety of—you know, there are a variety of ways you can do it, anything from a kind of a reporting mechanism on a regular basis, all the way to wearing a bracelet and having to call in at certain intervals, and the like. So there is a broad range of ways that it can be done. Our goal is, obviously, not to have ATD be used as a back door to absconding. Our goal also is to make sure that we have available the beds we need for detention, and so the budget request includes language that as we go through the year, if we need to move some of those ATD resources back into detention, that I, as the Secretary, would be allowed to do so.

Mr. WALBERG. Is there any serious looking at using contracted facilities, private facilities?

Secretary NAPOLITANO. For?

Mr. WALBERG. For detention.

Secretary NAPOLITANO. We do have some private facilities used for detention. We do contract with some, yes.

Mr. WALBERG. Any expansion of that for cost purposes, as well as—of course, we would expect them to provide adequate care, but have we looked at the cost comparisons for using our own facilities versus contracted private facilities?

Secretary NAPOLITANO. Well, a lot of our contracts are actually with other public entities, like sheriff's offices who run jails, so we have a mix of private-public in that sense, not just Federally-operated facilities. But we are always looking at cost and bed cost and bed availability as we make these determinations.

Mr. WALBERG. Are there any studies on that, cost comparisons between the contracted facilities—

Secretary NAPOLITANO. I will look for you. Undoubtedly there are on a project-by-project basis because they compete, you know, they bid compete for the contracts. But whether there is kind of something overall that looks private versus public, that I don't know.

Mr. WALBERG. We would appreciate that information.

Secretary NAPOLITANO. You bet.

Mr. WALBERG. Thank you.

Thank you, I yield back.

Chairman KING [presiding]. The gentleman yields back. I recognize the gentlelady from Texas, Ms. Jackson Lee, for 5 minutes.

Ms. JACKSON LEE. Mr. Chairman, thank you very much. Let me thank the Ranking Member and thank the Secretary. Thank you for visiting Lone Star College in Houston. They expressed their appreciation.

I am also very happy of the disaster aid increase in the President's budget. I would ask publicly on the record for someone from the Department, I know FEMA, FEMA Director, on some issues that are still going on in Houston, Texas, regarding recent incidences of disaster declarations. So if I could get that I would greatly appreciate it.

You said something—and I am going to have rapid-fire questions—said something earlier that I would very much appreciate hearing again in your five points or as you opened. You said the

issue of radicalization and terrorism, and I am paraphrasing your words, is not attended to a label by any religion or any particular group. Would you want to just clarify that for us? I think it is very important to the many diverse groups in our Nation how we address the question of terrorism and terrorist threats here domestically.

Secretary NAPOLITANO. What I said was that terrorism is not narrowed to any ideology or Nation. It is Islamist, jihadist, it can be based on other ideologies, it can be internationally based, it can be home-grown. So it requires those of us that are in the terrorism prevention area to be looking at all of the known threats all of the time.

Ms. JACKSON LEE. Looking closely at behavioral characteristics. I know that intelligence looks at many factors in our war against terror and terrorist acts.

Secretary NAPOLITANO. We are looking for techniques, we are looking for behaviors, we are looking for tactics, early warning signs, anything that will enable us to prevent a terrorist act from being completed.

Ms. JACKSON LEE. I will not—

Secretary NAPOLITANO. Or committed, excuse me.

Ms. JACKSON LEE. I thank you very much for that. Some of us agree with that approach. I just wanted to be clear that our budget framed it in that way as well. I am not asking you this question, but I do know that having sat through a hearing on Fast and Furious with the Attorney General, and one being held in the Oversight Committee, I would refer my colleagues to the testimony that he gave in both those committees, along with a very astute report on Fast and Furious that would be helpful to the questions that they may be seeking to ask.

I want to go to the Transportation Security Administration. I know that through the FAA bill that I won't even say a compromise was made, but what I think is a provision that really is questionable, but it is law because we wanted to move on the FAA bill. That is to undermine the discretion of the TSA Administrator as relates to privatization. The language was "may," it is now "shall." Can you speak to the issue of the testimony given that suggests that the privatization would cost taxpayers up to 9 percent more if the entire system was not privatized, or the value of having Federal TSO officers professionally trained and under the supervision of the United States Government?

Secretary NAPOLITANO. I believe that the TSA has studies indicating that the cost of the private facilities is 3 to 9 percent more than what we would ultimately pay on the Federal side, and that given the security needs that we have and how we manage the TSO workforce, it is much easier to have them all in one chain of command. That being said, we will work with the language and we will abide by the law.

Ms. JACKSON LEE. Well, I would expect you to say that, Madam Secretary, but the law was a compromise to get a larger bill passed. I would make the point on the record I think it is disastrous. I would hope that you would use your discretion or your authority to interact with the White House on how best to address

the question of securing the Nation's airports, and to make sure that that is the case.

I also would like to ask the question about these AIT machines and the fact that there is going to be some new technology, ATR. Are you familiar with the kind of funding that you will need to retrofit these machines?

Secretary NAPOLITANO. Yes. We have planned for that. Our expectation is the ATR will be in all of the machines by the end of the year.

Ms. JACKSON LEE. Then with respect to small businesses, if I can ask a question, I know that you are moving away from total dependence on contractors. I certainly think there is value to that. There is a Balanced Workforce Initiative, and opportunities for workers being created. I hope it will be diversified. But in the course of that, small, minority, and women-owned businesses are in the eye of the storm. Many of them have worked effectively and efficiently as contractors for the Federal Government. How are you seeking to make sure that they are not disproportionately impacted when you move to this kind of approach?

Secretary NAPOLITANO. Well, we continue to work on making sure that we are conducting good outreach to the small business community, women and minority-owned businesses and the like. Last year I think almost 30 percent of our contracting dollars went to small businesses. So what we are going to do is just to make sure that as we issue RFPs and so forth that we continue to do so and look at ways that we can facilitate small business interacting with the Department to try to get some of those contracting dollars.

Ms. JACKSON LEE. I thank you. I look forward to meeting with you on this issue dealing with the TSA and TSO officers. I think this is very important.

Thank you. I yield back.

Chairman KING. The gentlelady yields back. I now recognize the gentleman from New York City, Mr. Turner, for 5 minutes.

Mr. TURNER. Thank you, Chairman King. Nice to see you again, Madam Secretary. Earlier in the hearings you and Chairman King discussed the increased threats from Iran against soft targets, some synagogues and such in New York City, where we have a large concentration of them. These organizations had been eligible and are eligible for the National Preparedness Grant Program. Can you tell me the status of that?

Secretary NAPOLITANO. Yes. We have set aside some money in the 2012 grant awards for the National Preparedness—for NGOs, excuse me, under the National Preparedness Grant Program. Our idea, or our vision is to consolidate everything under one major grant program. That would be one of the grants consolidated. So to summarize, there will be a separate carveout in 2012 as we bridge to 2013, but our vision is a lot of these separate carveouts now be merged into one umbrella grant program.

Mr. TURNER. This year versus last year, increases?

Secretary NAPOLITANO. I am not at liberty to say because the rules of the body require us to provide adequate—or a certain number of days' notice. So I have to abide by those.

Mr. TURNER. All right. We will wait for that. All right. Thank you. Just another moment, I would like your comment again. Ear-

lier Representative Rigell talked about the 287(g)s and the cooperation between local departments. As you may know in New York City, and I think this is in other municipalities as well, perhaps Chicago, the city council has directed the Department of Corrections not to inform ICE when a felon is released after serving his time. So we have a three-strike rule. Strike 1, you entered the country illegally. Strike 2, you committed a felony. Now we are giving them a third opportunity in New York. Is the Federal Government interested in this?

Secretary NAPOLITANO. Well, yes. There are a few communities, there are a few places around the country where, for a variety of reasons, Secure Communities has run into some opposition. Ninety-five percent of the country that we are in it is fine, it is doing well. We are going to be working with these localities, Cook County is one, New York City is the other, see if we can make it clear that honoring the ICE detainers, allowing there to be a seamless move from incarceration detention at the local level to our ability to remove from the country makes sense at a lot of different levels. So we will be working with those communities.

Mr. TURNER. Common sense. Very uncommon commodity. Thank you. I yield back, Mr. Chairman.

Chairman KING. The gentleman yields back. I recognize the gentlelady from California, Ms. Richardson, for 5 minutes.

Ms. RICHARDSON. Thank you, Mr. Chairman. Thank you, Madam Secretary, for your service and the steady hand that we have had with this Department. It has been noticed and greatly appreciated. My first question is, to build upon Ms. Miller's committee hearing, and you spoke a little bit about your intentions of requesting the 2-year extension for the 100 percent screening. I am sure your staff has briefed you on my concerns and other Members' concerns. Specifically, I wanted to speak to you, at that hearing it was said on the record that 4 percent of containers that are identified through the screening process as high-risk containers are then allowed to leave foreign waters and to come here to U.S. land. So my question is specifically I realize it is going to take us time to get through this 100 percent issue, but clearly I wanted to find out what were your thoughts of what we were going to do to prevent those high-risk containers that go through your process that is currently identified that is getting to our shores without being scanned and without being inspected?

Secretary NAPOLITANO. Well, there is a number of things that are underway in that regard to make sure that before those containers are unloaded in our ports and shipped across the country, what have you, that we ascertain what is in those high-risk containers, or we know with confidence what is in those high-risk containers. In our ports we have monitors, we have individuals with handhelds and so forth to look for the radiological contents, if there are any, among other things. So really from the point of time when something is put into the supply chain to the point of time it is actually put in a container, then loaded on a ship, then delivered to the United States and unloaded in the United States, there is lots of ways now under our Supply Chain Initiative that we have the opportunity to make sure that we have information and have con-

fidence in the information, and if not we have the ability to do more by way of either screening or scanning.

Ms. RICHARDSON. Madam Secretary, specifically what I am asking is can you commit or provide information to this committee that the 4 percent of the high-risk containers, which were approximately 1,700, were in fact scanned and/or inspected prior to getting on U.S. soil since they were not done so in the foreign?

Secretary NAPOLITANO. Yeah. Part of that is also randomness. One of the ways that we confound our adversaries is we always do some checking purely at random so that you never know at any one time whether something will be pulled off.

Ms. RICHARDSON. No, the question is of the ones that were identified as high-risk and should have been properly scanned or inspected had we had the resources or the relationships in place in those foreign ports, the question is for those 4 percent, what confidence, what assurance do we have in this committee that as those were unloaded on U.S. soil that they were in fact then scanned and/or inspected?

Secretary NAPOLITANO. We will get that information for you.

Ms. RICHARDSON. Perfect. Thank you. I appreciate it. If for some reason I wasn't clear in the earlier part, excuse that.

My other question has to do with you have gotten a lot of questions today about the grant program. Obviously that is near and dear to a lot of our hearts because that is our way of ensuring in our local communities that safety is there. Do you intend on maintaining the tier systems within the National Preparedness Grant Program?

Secretary NAPOLITANO. Like I said, we are evaluating. Our vision is to do things based on risk. We are not tiering in the way, thinking of tiering in the same way overall that we do for, for example, in the UASI context, but we are looking at this as primarily a risk-based grant program.

Ms. RICHARDSON. So could we anticipate that something similar to that as you evaluate risk, that you would be looking at cities and communities as they qualify of how they fall along that level?

Secretary NAPOLITANO. Yes. I think you can anticipate that we will be looking at the area of risk very thoroughly in terms of these grant dollars. Again, I want to emphasize the President has requested in the fiscal year 2013 budget \$500 million more in grant funding than Congress enacted last year. I know a number of you really were very strong in your opposition to the cuts to the grants. You see how they actually get used out in communities and how important they are. So I am hopeful as we go through the appropriations and the budget process that we get some more money to put into the grants pot to begin with.

Ms. RICHARDSON. Mr. Chairman, could I follow up?

Chairman KING. One quick question if you will, sure.

Ms. RICHARDSON. Thank you, sir. That is very kind of you. Madam Secretary, I am also the Ranking Member on Emergency Communications, Preparedness, and Response. This year FEMA did in fact conduct our first National test of the emergency alert system. The test message broadcast was successful in some areas, but Lady Gaga ruled the day in some other areas. Have you had

an opportunity to do the full review of the EAS test? If so, are you prepared to share those results with the committee at this time?

Secretary NAPOLITANO. I have not yet done a full review. I think that is still within FEMA. Obviously, there were some issues with the test. That is why you do a test, is to find out the issues. I have not yet consulted with Lady Gaga on how she achieved her results.

Ms. RICHARDSON. Thank you, Madam Secretary. Thank you, Mr. Chairman.

Chairman KING. The gentlelady yields back. I recognize the Chairman of the Cybersecurity Subcommittee, the gentleman from California, Mr. Lungren.

Mr. LUNGREN. Thank you, Madam Secretary, for being here, and thank you for your service both on the State level and on the Federal level. Of course what we are doing here is in the backdrop of the terrible economic circumstance that is facing us and the budget crisis that is facing us. As one of the top leaders in our National defense said a year or so ago, the greatest threat to National security he thought was this deficit. So I understand why you have some tough decisions to make with respect to a budget that you bring to us. I appreciate very much your emphasis on risk-based analysis all the way through. So I may disagree with you on some things, but I understand the tough job that you have got here.

Let me ask you about one area that I have got specific concern about, and that is the area of course of cybersecurity. We have been working with you and others in the administration in the area of cybersecurity. I look at your budget that you submitted, there is a large increase in funding for cybersecurity activities in the Department, which I appreciate and I applaud. That seems to be focused specifically on the responsibility that you have of coordinating the cybersecurity efforts across different Executive Branch agencies and departments. Yet there seems to be little in the budget for the coordination effort and cooperation with the private sector.

Can you tell me, does that indicate a lack of concern for that or a lessened priority for the responsibility that the DHS has? As you know, the bill that we have moved out of our subcommittee and hopefully will be considered by the full committee recently makes abundantly clear in statute that DHS would be the main focus and platform of the Federal Government working with the private sector on the civilian side.

Secretary NAPOLITANO. No, we have quite a bit in the budget for coordination with the private sector. It is a very important part. I really appreciate the work on cybersecurity. I will be testifying on the Senate side tomorrow on that area. I think it is urgent, and needed, and very, very important. I think perhaps because the coordination work across the Federal family and the deployment of—the completion of Einstein 2 and the readying of Einstein 3 are going to almost—you know, they are easily segregable from other cyber protection activities we do, they get broken out. But that is not to suggest that the work with the private sector is any less robust.

Mr. LUNGREN. Thank you. On a controversial issue that got started without Congress fully appreciating it, the SOPA, the Stop Online Piracy Act, we are starting over again in the Judiciary

Committee. I benefited greatly from assistance by people in your Department about the impact of our original proposal over there, or the original proposal over there in the Judiciary Committee on DNSSEC, which is I happen to think essential for us to ensure the integrity of the internet. I would just ask your permission to work with your people as we work in other committees to try and get an appropriate fix once we establish what the public policy ought to be. We did not do a good enough job I think of understanding the technology. You have some expertise in your Department. I would hope that we could work with them in attempting to come up with a fix that is necessary to protect against intellectual property theft, but at the same time not do unintended damage to the internet and internet security.

Secretary NAPOLITANO. We would be happy to provide technical assistance to the committee in that regard.

Mr. LUNGREN. Thank you very much. My last subject is the area of TSA, the Screening Partnership Program. We have had the head of TSA up here a couple of times. I respect him very much. I think he does an overall good job. But there does seem to be a slant in the Department against that program. I notice that in your budget you have, well, a slight decrease in that program for fiscal year 2012. It has been a very small program, I think in part because the Department has been very reluctant to expand it. In the FAA reauthorization conference report which was passed early this month by both the House and the Senate, it has language that requires the administrator to make a decision whether or not to accept SPP applications within 120 days of receiving it, and to accept any application unless a determination is made that such approval would compromise security or have a detrimental effect on cost efficiency or effectiveness of security screening at that airport. That would anticipate additional airports requesting that. I would just hope that there would not be the response that you don't have the budget to be able to respond to those requests since I am personally aware of a number of airports that wish to at least apply for that.

Secretary NAPOLITANO. As I said earlier, we understand the language in the FAA reauthorization, and we will seek to comply with it.

Mr. LUNGREN. Thank you very much. Thank you, Mr. Chairman.

Chairman KING. The gentleman yields back. The gentleman from Illinois, Mr. Davis, is recognized for 5 minutes.

Mr. DAVIS. Thank you very much, Mr. Chairman. Thank you, Madam Secretary, for being here and for your testimony, and for the tremendous service that you provide to our country. I understand from the budget that for the first time a major focus of Homeland Security grant funding will be sustainment of capabilities. Just to clarify and help me understand, does this mean that you intend to focus more on sustainment of capabilities, and will this maybe over support new developments?

Secretary NAPOLITANO. It depends, Representative. It depends on what a particular community needs. It may need to buy something new. But what we have found in the past is that there used to be a prohibition on being able to pay for maintenance over time. So there was a constant emphasis on buying new stuff, for lack of a better term. We think now, with \$35 billion out the door, that it

is time to really be looking at how we maintain those resources as well as purchasing new ones.

Mr. DAVIS. Would you see the sustainment support as being transitional or would it be perennial?

Secretary NAPOLITANO. Again, you know, with respect to the past years that are allocated and not yet out the door, we see sustainment as being part of getting those moneys out the door. Whether and how that is calculated in for 2013 and beyond is something that we will work on with the committee.

Mr. DAVIS. Earlier today you testified before the House Appropriations Committee regarding the proposed National Preparedness Grant Program. You explained that a small portion of the funding would be distributed based on a portion of the funding population, and that the rest of the money would be awarded to grantees based on risk. You suggested that States would expect to receive less money based on formula funding because the program would be primarily risk-based. Is it your expectation that the jurisdictions that currently receive the bulk of money pursuant to risk assessments would receive the same or even more support under the new program?

Secretary NAPOLITANO. Again, it depends. I don't want to be premature in saying how the awards will be given out, but unless a high-risk jurisdiction somehow becomes a low-risk jurisdiction, that would be the conclusion.

Mr. DAVIS. The budget proposes \$650 million to fund important research and development advances in cybersecurity, explosives detection, and chemical, biological response systems. Of course both Chicago and New York have had some problems. How do you see these—how optimistic are you that these new technologies and programs are going to help rectify those problems?

Secretary NAPOLITANO. Well, again, it depends. But by focusing the research and development dollars we do get to three or four areas which we plan to do, and are doing. We have actually stopped about 100 different programs and projects in order to focus and concentrate. We think we upped the odds that we will get some significantly better technologies. Again, the research cycle is not a 1-year or 2-year cycle, but over time.

Mr. DAVIS. Well, thank you very much. We have noted some what I think to be rather important advances. And again, we appreciate your work. I yield back.

Secretary NAPOLITANO. Thank you, sir.

Chairman KING. The gentleman yields back. I now recognize the gentleman from South Carolina, Mr. Duncan, for 5 minutes.

Mr. DUNCAN. Thank you, Mr. Chairman. Secretary Napolitano, thanks for sitting here. I know you have been here a long time, so I appreciate your patience. This is my second round of the President's budget request and budget hearings. I must say it has been an eye-opening experience for me. One thing that I am reminded of is that Washington loves to talk with flourishes, but generally calls for more bureaucracy as the answer to the problems. So how is it that the public rhetoric of deficit reduction and savings is so at odds with the actual action? The budget request states that guarding against terrorism was the founding mission of the Department of Homeland Security, and remains our top priority. You

state the importance of border security, but CBP has no plans to build any additional miles of fencing. It does not use the operational control as a measurement, and it fails to include an alternative standard to measure its effectiveness. In the budget proposal, the Coast Guard eliminates 1,056 personnel, including 1,000 uniform active-duty personnel and 772 people from the front line operational units. It decommissions numerous front-line operational units, which significantly lessens the interdiction of illegal aliens, the amount of drugs captured, the security operations undertaken. This budget request will result in a reduction of 10 percent of all of the 110-foot patrol boat operations. You talk about the importance of partnering with other countries around the world in your testimony, yet you include no funding to expand the visa waiver program to provide additional screening for visa applications in high-risk countries. Yet your Departmental management operation requests a \$10 million increase. Your own personal budget includes a million-dollar increase from fiscal year 2012. You have transferred and combined three other offices, including an Office of International Affairs with 44 positions and a budget of \$8 million with no real explanation as to what they will do, who they will answer to, and if I do the math right, it is about \$180,000 per employee. Now I know all that isn't associated personnel costs, but I just did some quick math here.

So my question to you is how can you justify taking people away from the field with regard to Coast Guard and other areas, the front lines of defense, to bloat the office of bureaucracy and create duplicity with the work that the State Department does? By duplicity, I mean there is a lot of things within the Office of International Affairs that I would think the State Department is already doing. So there is some redundancy and duplicity. So if you could justify that for me.

Secretary NAPOLITANO. Well, first of all, I will start with CBP, where the budget does sustain all the existing plus-ups in personnel. Our numbers at the border speak for themselves. They are very strong. We haven't seen this few illegal immigrant attempts at that border since the early 1970s. I say that as someone who was raised in a border State and who lived her adult life in a border State. The numbers continue to go down.

Mr. DUNCAN. Let me ask you that, do you think the economy has anything to do with that, the number of illegals wanting to come here for work?

Secretary NAPOLITANO. Undoubtedly. But the reports we have also with the added personnel, equipment, and the like that you will all have funded—

Mr. DUNCAN. I agree with you there.

Secretary NAPOLITANO [continuing]. It allows us to do a lot more. I go down there regularly. I will be going back in the next couple of days back, and I will go now to Arizona and south Texas. So what we have requested for CBP allows us to sustain those very, very strong efforts.

With respect to the Coast Guard, we are not laying off anyone or removing anyone. But what we are doing is not filling some attrited positions, and not hiring for positions that in the judgment of the Commandant we really don't need. Those fall within head-

quarters staff in Washington, DC, some of the recruitment staff that are unnecessary. But they are not, again, the front-line personnel that I think you are thinking about.

What was the third one that you had?

Mr. DUNCAN. We were just talking about some of the duplicity with—

Secretary NAPOLITANO. Oh, the State Department.

Mr. DUNCAN [continuing]. This International Affairs Office.

Secretary NAPOLITANO. Yeah, we have an enormous international portfolio. It is something that because we are called Homeland Security most people don't realize. But we actually have personnel in 75 countries right now. They do everything from screening cargo, they work in airports, they do training missions. They do a whole host of activities that we are required to do. One of the things we have been focused on is pushing the work of the Department out from the actual physical borders of the United States to other places in the world. If we do it, that has a number of benefits. One is it maximizes our opportunity to interrupt something. But it also takes some of the pressure off the lines at our airports and our land ports. So that international work has become more and more important as the Department has matured.

Mr. DUNCAN. For the record, I just want to say that I appreciate your not taking people out of the field, the front-line operatives. I understand the need to trim personnel, to trim budgets in these economic types. But the taxpayers expect us to make sure that every dollar is accounted for, every dollar is spent wisely. That was the purpose of the line of questioning. But I think having visited the port with Ms. Miller in Baltimore, seeing what the Coast Guard is doing, what the CBP is doing, I appreciate the efforts to keep our country safe. Thank you.

Secretary NAPOLITANO. Thank you.

Chairman KING. The time of the gentleman has expired. Madam Secretary, you have been here now for well over 2 hours. I want to thank you very much. I have one question, the Ranking Member has a question. Also for the record Mr. Smith, who is also Chairman of the Judiciary Committee, he had to leave this hearing. He has three questions he would like responses to, if possible, by the end of February. I submit them for the record upon unanimous consent. Without objection, it is so ordered. We will get those questions out to you.

A question I have myself is in October 2011 there was a select group of Mexico-based trucking carriers which was granted provisional operating authority, allowing them access throughout the United States, and eventually permanent authority. Section 703 of the SAFE Port Act requires the Secretary of Homeland Security and the Secretary of Transportation to draft guidelines for cross-border trucking no later than April 2008. The Department has yet to issue those guidelines. On November 21 of last year Chairwoman Miller and I wrote an oversight letter to you expressing security concerns about the pilot. On January 20 your staff got back to us and said that you are currently drafting guidelines, and you anticipate a timely resolution of the issue.

So I have four questions. You can answer them now or get back to us on it. Can you provide a time line when you can expect the

Department to issue these guidelines? How has the pilot impacted the volume of trucks at the border? How is CBP handling this increased volume? To the extent that you can disclose it in open setting or in a not-classified setting, are the Mexico-based carriers involved in this pilot subject to a significant level of additional scrutiny compared to American-based trucks in terms of risk-based targeting? Does the presence of Mexican trucks and personnel with access throughout the United States result in any additional vulnerability?

If so, how is this mitigated? Also the Federal Motor Carrier Safety Administration has equipped all vehicles involved in this program with a GPS device that allows for remote monitoring of the vehicles. How do you collaborate ensuring that the relevant DHS components have access to this GPS information?

You can either answer it today to the extent you wish to, or get back to us.

Secretary NAPOLITANO. Why don't we get back to you? Some of that does require us going into some classified information, Mr. Chairman. But I will be happy to send you something in writing if you wish, and we will answer those questions for you.

Chairman KING. If you would. Great. Thank you. With that, I yield to the gentleman from Mississippi, the Ranking Member.

Mr. THOMPSON. Thank you, Mr. Chairman. Madam Secretary, at several hearings we talked about recoupment and the concern that a lot of people, through no fault of their own, received reimbursements for expenses. What we needed was some clarity on whether or not those individuals would be pursued for possible prosecution. I think the appropriators saw that issue, too. I would like to thank your operation for understanding the sensitivity of what those many families went through during Katrina, and some several years later receive a bill, and the fact that since you now have devised a notification procedure and some appeal procedure of payments, I would encourage you to make that as robust as possible so that individuals who probably don't have the money to pay back can pursue the waiver provisions of it. I would encourage you to be as aggressive in public service announcements and a lot of other organizations who worked with many of those families, to include them in part of the strategy so that they can not become victims of a system that wasn't designed to make them victims. So I would encourage you to look at that.

Secretary NAPOLITANO. Yes. I appreciate that. We have the ability now to grant waivers for these older disasters, Katrina, Rita being among them. FEMA is preparing that process now. But I think we are prepared to be very robust there.

Mr. THOMPSON. Another issue is basically we have spent millions of dollars trying to design biometric entrance and exit systems, starts, stops. That is still, I believe, a wish of a lot of us that somehow we should perfect this and make it a part of the system. Do you see that happening at some point?

Secretary NAPOLITANO. I think biometric entry is well on its way. Biometric exit is a much different kettle of fish, in part because our ports were not designed to have biometric equipment in the exit lanes. That is just one of the many reasons. So that is going to be a very expensive process. To compensate for that we are, as you

know, moving US-VISIT to CBP. We want to consolidate those kind of border-vetting responsibilities, get greater leverage out of the resources that we have—CBP and ICE for overstays, but CBP at the exit stage. We also have developed now, and are able to combine a number of different databases for very layered and robust biographic information at the exit stage. It is not the same as biometric, but it is very close to the same. We think that that will give us a good bridge to when ultimately biometric becomes feasible to do.

Mr. THOMPSON. Thank you. Yield back, Mr. Chairman.

Chairman KING. The gentleman yields back. Now with some trepidation I yield to the gentlelady from Texas for one question.

Ms. JACKSON LEE. Thank you very much, Mr. Chairman. I appreciate your courtesies. Madam Secretary, I sit on two committees, subcommittees, that both deal with the issue of cargo, the Transportation Security Committee and the Border Committee that deals with border, both land and of course the ports. I am, frankly, disappointed and concerned about what we have come to in light of the situation dealing with not doing 100 percent cargo inspection. So my question is—I heard an earlier answer, but I just wanted a clearer understanding. My question is with the really concern as it relates to air cargo and the lack of 100 percent inspection. Can we, and will you set actual time frames of which we can work together as a committee and as your Department is working, to see what the alternatives are, or in fact to see whether or not the 100 percent cargo inspection is still viable even if the deadline has been pushed back?

Secretary NAPOLITANO. Well, I was talking about scanning in the maritime environment. With respect to air cargo, we are at the stage of 100 percent for cargo that is put on passenger planes leaving from U.S. domestic airports, whether they be leaving on a domestic flight or on an international flight.

Ms. JACKSON LEE. That is what I wanted you to clarify.

Secretary NAPOLITANO. Yes. We don't do screening at international airports. So we are working with the international airports or foreign-flagged carriers to cover the high-risk flights from abroad.

Ms. JACKSON LEE. Okay. With the ports, with the other aspect you will work with the committee? The other aspect of screening, you will work with the committee?

Secretary NAPOLITANO. Screening and/or scanning, yes.

Ms. JACKSON LEE. All right. Thank you. I yield back.

Chairman KING. Thank the gentlelady.

Madam Secretary, thank you very much for your testimony today. Again, thanks for accommodating our schedule. Sorry for the delay at the beginning. We were on the floor voting. So thank you for your testimony and the Members for their questions.

The Members of the committee may have some additional questions for you. We would ask you to respond to those in writing. The hearing record will be held open for 10 days.

Without objection, the committee stands adjourned.

[Whereupon, at 5:20 p.m., the committee was adjourned.]

APPENDIX

QUESTIONS SUBMITTED BY CHAIRMAN PETER T. KING FOR JANET NAPOLITANO

Question 1. Can you provide a time line when you can expect the Department to issue guidelines on cross-border trucking?

Answer. As of May 24, the guidelines were available via the internet at: <http://www.dhs.gov/files/publications/cross-border-trucking-guidelines.shtm>.

Question 2. How has the pilot impacted the volume of trucks at the border, and how is CBP handling this increased volume?

Answer. There has been not been a substantial increase in volume, since many of the program's interested applicants are undergoing the application process to be granted operating authority.

Question 3. To the extent that you can disclose it in an open setting or in non-classified setting, are the Mexico-based carriers involved in this pilot subject to a significant level of additional scrutiny compared to American-based trucks on terms of risk-based targeting?

Answer. Every company that applies to participate in the program is being vetted by CBP as well as the Federal Motor Carrier Safety Administration (FMCSA). CBP is applying the same eligibility criteria used for Customs-Trade Partnership Against Terrorism (C-TPAT) and Free and Secure Trade (FAST) to advise the Department of Transportation whether CBP has any derogatory feedback. FMCSA considers CBP's feedback as part of its deliberative process. Every truck that crosses the border, regardless of its destination, is subject to the same, layered risk assessment process. For trucks participating in this pilot, new data variables like the destination of the truck will cause the risk scoring to be adjusted.

Question 4. Does the presence of Mexican trucks and personnel with access throughout the United States result in any additional vulnerability? If so, how is it mitigated?

Answer. No, there is no additional vulnerability since the trucks, their operators, and any passengers will go through a layered risk assessment process before being allowed to cross the border and operators and any passengers will be required to have appropriate visas to proceed beyond the border zone.

Question 5. The Federal Motor Carrier Safety Administration has equipped all vehicles involved in this program with a GPS device that allows for remote monitoring of the vehicles. How do you collaborate in ensuring that the relevant DHS components have access to this GPS information?

Answer. FMCSA has indicated it will make GPS information available to DHS components upon request.

Question 6. In regards to TWIC readers, when can we expect something from the Department on TWIC reader guidance and whether the problem with the readers the Department or where has the breakdown been for last 4+ years?

Answer. Promulgation of the TWIC reader rule is a Department-wide regulatory priority. The Secretary has directed DHS components to devote the necessary resources and manpower to complete the rulemaking expeditiously but consistent with all applicable requirements and after due and careful consideration of the relevant policy and operational matters. The U.S. Coast Guard intends to publish a Notice of Proposed Rulemaking by the end of 2012 to seek comment on card reader requirements and deployment requirement plans. An Advance Notice of Proposed Rulemaking (ANPRM) on the TWIC reader requirements was published in the *Federal Register* on March 27, 2009. The ANPRM comments have been analyzed along with pilot data, and together they will help inform the NPRM. The TWIC Reader Pilot Report was completed and delivered to Congress on February 27, 2012. The Transportation Security Administration (TSA) designed and conducted a Transportation Worker Identification Credential (TWIC) Reader Pilot to test the business processes, technology, and operational impacts associated with deploying transportation security card readers at secure areas of the marine transportation system. TSA's goals

for the TWIC Reader Pilot included determining the technical and operational impacts of implementing a transportation security card reader system; determining any actions that may be necessary to ensure that all vessels and facilities to which this section applies are able to comply with such regulations; and performing an analysis of the viability of equipment under the extreme weather conditions of the marine environment.

QUESTIONS SUBMITTED BY RANKING MEMBER BENNIE G. THOMPSON FOR JANET NAPOLITANO

Question 1. For the first time in DHS' history, you are coming before Congress, requesting less money than you received in the year before. In reviewing your submission, it would appear that your efficiency efforts are, in part, responsible. While you are to be commended for your efforts at finding areas for cost savings, I cannot help but feel that some of the reduction is at the expense of vital programs. How much of the roughly \$1.3 billion reduction is attributable to efficiencies and how much is the result of reducing capacity in certain areas or eliminating programs?

Answer. Since the beginning of this administration, the Department of Homeland Security (DHS) has made an unprecedented commitment to efficiency and has implemented a variety of initiatives to cut costs, share resources across Components, and consolidate and streamline operations wherever possible in order to best support our front-line operations and build a culture of fiscal discipline and accountability. With the launch of Secretary Napolitano's Department-wide Efficiency Review (ER) in March 2009, DHS has been proactive in promoting efficiency throughout the Department. We have changed the way DHS does business, identifying over \$3 billion in cost avoidances by streamlining operations and fostering a culture of greater transparency, accountability, and fiscal discipline through 45 ER initiatives and other Department-wide initiatives. DHS has redeployed these cost avoidances to mission-critical initiatives across the Department.

To preserve core front-line priorities in fiscal year 2013, the administration's budget redirects over \$850 million in base resources from administrative and mission support areas, including contracts, personnel (through attrition), information technology, travel, personnel moves, overtime, directed purchasing, professional services, and vehicle management. Additionally, for the first time in the Department's history, we conducted a formal base budget review for fiscal year 2013, looking at all aspects of the DHS budget to find savings within our current resources and to better align those with operational needs.

Question 2. I applaud the Department's effort to move away from dependence on contractors. The Balanced Workforce Strategy seems to have some merit and, in a very short period of time, it seems that DHS has made strides, created new Federal Government job opportunities, and reduced costs. I am concerned, however, that, unless you pay a watchful eye, there's a risk that the implementation of this strategy may have some unintended consequences. Specifically, I am concerned that small and minority-owned businesses that rely on Federal contracts to survive may be disproportionately impacted. What, if any, steps are being taken to protect against such unintended consequences?

Answer. The Department has taken several steps to ensure that small and disadvantaged businesses are not unfairly affected by the Balanced Workforce Strategy.

- In keeping with OMB guidance in Policy Letter 11-01, we are not applying the Balanced Workforce Strategy to contracts with total dollar values below \$150,000, given that the values of such contracts suggest that they do not pose a significant risk to mission control and should be reserved for small and disadvantaged businesses, when possible.¹
- The Office of Small and Disadvantaged Business Utilization advises the Balanced Workforce Strategy Departmental Working Group (which approves Components' sourcing recommendations for contracts currently being performed by contractors),² focusing on all insourcing decisions with the potential to affect small and disadvantaged businesses.
- The Department encourages Components to include DHS Small Business Specialists in the deliberations of their Component-level Balanced Workforce Strategy working groups.

¹Office of Federal Procurement Policy, Policy Letter 11-01, *Performance of Inherently Governmental and Critical Functions* (Sept. 2011)

²Contracts for new or re-competed requirements are reviewed and approved by Component-level Balanced Workforce Strategy Working Groups.

Question 3. The recently released Office of Personnel Management 2011 Federal Employee Viewpoint Survey revealed that at DHS, 91.4% of the respondents believed that the work they do is important and 72% believed that DHS accomplishes its mission. That's good news. The bad news; however, is that only 32.3% believed that creativity and innovation are rewarded and only 40%, less than half, believed that they have the resources they need—people, materials, and budget—to get their job done. On the heels of this report is a budget that strips requirements down—especially in the management and administrative arena—to the bare bones. How does the Department intend to reconcile the effect of limited budget authorities with the need to boost employee morale, especially in light of this recent survey and the fact that DHS' morale remains low, as compared to other Federal agencies?

Answer. I am committed to making DHS one of the best places to work in the Federal Government and efforts are taking place across the Department—based on employee input—to achieve this goal. From highlighting employee accomplishments to strengthening leadership development opportunities at every level of the DHS workforce, we're focused on providing employees across the Department with opportunities to develop and grow. We're also holding leadership accountable. Through a new Employee Engagement Executive Steering Committee, comprised of Component leadership, we're meeting regularly to share ideas among offices and identify ways to continue to improve the work environment. In addition, I have directed Component Heads to:

- Develop and assume responsibility for employee engagement improvement plans;
- Identify and assign specific responsibilities for improved employee engagement to Component Senior Executive performance objectives;
- Identify and assign a Senior Accountable Official (Component Deputy or senior management official) to serve on the DHS Employee Engagement Executive Steering Committee (ESC);
- Conduct town hall meetings with employees (including in field locations);
- Attend a Labor-Management Forum meeting (if applicable); and
- Provide monthly reports on actions planned and progress made to the Office of the Chief Human Capital Officer.

The DHS Employee Engagement Executive Steering Committee is responsible for identifying DHS-wide initiatives to improve employee engagement, oversee the efforts of each DHS Component to address employee engagement, and provide periodic reports to the Under Secretary for Management, Deputy Secretary, and Secretary on Department-wide efforts to improve employee morale and engagement as measured by the Federal Employee Viewpoint Survey (FEVS) results and other survey/employee feedback tools in use.

In addition, DHS has a number of other initiatives underway as part of our comprehensive strategy to enhance employee morale, including:

- Strengthening the leadership skills and capacity of all supervisors and managers in DHS via the Cornerstone supervisory leadership development program;
- Delivering DHS-wide programs that emphasize common leadership skills across the Department, including the DHS Senior Executive Service Candidate Development Program, the DHS Fellows Program, and the soon-to-launch Secretary's Honors Program;
- Creating one common Learning Management System (LMS); and
- Implementing a new Diversity and Inclusion strategic plan.

Question 4. In fiscal year 2011, the Department executed nearly 134,000 procurement transactions. This fiscal year, 12,385 have been executed thus far. I am concerned about the amount of oversight that is needed to ensure that these contracts are being properly performed. The lack of contractor oversight has been a significant challenge faced by the Department. SBI-net, Deepwater, and the Federal Protective Service contract guard program are a few examples of how inadequate oversight can result in increased costs and performance issues. Given the risks, I had hoped to see you request new personnel resources for contract oversight. Unfortunately, there does not seem to be a plus-up in this area. What do you plan to do to improve contract oversight, since you are not expanding your cadre of Contractor Officer Technical Representatives?

Answer. I agree that it is important to have appropriate contract oversight and a sufficient number of well-trained personnel to ensure that DHS contractors are providing goods and services in accordance with the terms and conditions of their contracts with the Department. DHS is improving contract oversight by developing and providing enhanced training for employees who are administering contracts, creating new tools to improve the efficiency of our oversight, and expanding the number of people who administer contracts including the number of Level II and Level III certified Contracting Officer Representatives.

Late in fiscal year 2011, the Office of Federal Procurement Policy (OFPP) issued new certification requirements for Contracting Officers' Representatives (CORs), formerly referred to as Contracting Officers' Technical Representatives. OFPP's new policy introduced a three-tiered certification program that increases training and certification requirements for each successive certification level. Because of the complexity of the DHS contract portfolio, DHS imposes the two most rigorous certification levels and only certifies individuals to COR Levels II and III. The more intensive training and experience requirements better prepare our CORs to identify lapses in schedule, increases in cost, and poor performance in execution.

To support these CORs, DHS issued its Contracting Officers' Representative Essential Elements Guide in fiscal year 2011. The Guide is currently being expanded to cover more contract administration issues and provide more samples, checklists, and other job aids. The Guide will enhance our CORs' knowledge and leverage the collective experience of our more seasoned CORs to enable DHS CORs to more efficiently resolve problems and document any shortcomings in contractor performance. It is anticipated that this Guide will be continuously refined to meet the CORs' needs and adapted to an on-line wiki-like environment to promote best practices across the Department.

DHS is also taking steps this fiscal year to identify the appropriate level of contract oversight for critical contracts and contracts closely associated with inherently Governmental functions. While still a pilot program, the new Balanced Workforce Tool allows program offices to identify the Government resources that should be applied to administer the contract in advance of contract award.

Several DHS components have expanded contract oversight beyond those individuals identified as CORs. For example, at the Transportation Security Administration, property administrators are being added to the contract administration team. Using this cadre to handle routine property issues allows the higher-skilled CORs to focus their attention on oversight of contractor performance issues. Likewise, at the United States Coast Guard, technical monitors are used extensively to perform routine inspections. These technically trained individuals provide data to the CORs enhancing the CORs ability to oversee overall performance.

DHS is devoting additional resources to the Office of Program Accountability and Risk Management (PARM). This office aids major programs with defining requirements and by providing guidance and support in areas that could impact the programs' performance, and recommends correction actions. PARM will work with program offices to minimize performance risk as well as serve as a valuable resource for CORs on our major programs.

We have also developed and are instituting an aggressive program to develop a highly-skilled cadre of certified CORs. As of June 28, 2012, DHS has 5,487 certified CORs, 1,100 which have been certified in fiscal year 2012. By rapidly qualifying additional DHS personnel into the COR cadre, we are able to spread contract oversight responsibilities across a larger pool of individuals, thereby reducing the demand on individuals assigned. Additionally, we are instituting best practices and new tools, enabling each assigned COR to perform their functions more effectively and efficiently.

Question 5. Pursuant to the fiscal year 2013 request, the Office of International Affairs (OIA) will move from the Office of Policy to an independent status with a direct report to you. When the Department's Office of Inspector General examined OIA a few years ago, it made 18 separate recommendations for its improvement. How will moving OIA from policy to a stand-alone office improve its functions and what affect will this move have on on-going security negotiations with our foreign partners?

Answer. As the Department continues to mature and OIA continues to take on more significant responsibilities across the Department, the Office of International Affairs can best execute its responsibilities through a similar structure to other external facing outreach offices such as the Office of Intergovernmental Affairs (IGA) and the Office of Legislative Affairs (OLA). The proposed reorganization improves efficiency by more clearly identifying the role of this office and allowing it to better coordinate across all Components. The change is also in line with several recommendations contained within the Department's Office of Inspector General (OIG) audit in June 2008 (Management of Department of Homeland Security International Activities and Interests, OIG 08-71).

Question 6a. In 2010, you formed a Counterterrorism Advisory Board, a group of interagency officials that meet to help coordinate counterterrorism efforts across DHS and oversee the issuance of the new threat bulletin program. Can you explain how the counterterrorism advisory board functions? To date, what would you say have been the board's main successes?

Question 6b. During consideration of the DHS authorization bill in October, there was a proposal to make the board permanent, by authorizing it in law. Is that something you'd support?

Answer. Following the attempted attack on December 25, 2009, I directed Rand Beers to be the Department's Coordinator for Counterterrorism in order to better coordinate counterterrorism activities across the Department's directorates, components, and offices related to detection, prevention, response to, and recovery from acts of terrorism. In November 2010, DHS created the Counterterrorism Advisory Board (CTAB) to further improve coordination on counterterrorism among DHS components. The CTAB is chaired by the Coordinator for Counterterrorism, and co-chaired by the Under Secretary of Intelligence and Analysis and the Assistant Secretary for Policy. Members include the leadership of TSA, CBP, ICE, FEMA, USCG, USCIS, USSS, NPPD, and OPS. The DHS General Counsel serves as legal advisor to the CTAB and is present at all meetings.

The CTAB brings together the intelligence, operational, and policy-making elements within DHS headquarters and its components to facilitate a cohesive and coordinated operational response so that DHS can deter and disrupt terrorist operations.

The CTAB meets on a regular basis to discuss current intelligence and coordinate on-going threat mitigation efforts and operational activities. These discussions include how best to share information with other Federal, State, local, Tribal, territorial, and private-sector partners; as well as how best to implement these actions. Under certain circumstances, the CTAB may meet more often. There is a small number of detailed DHS staff that coordinates the day-to-day activities.

The CTAB has been integral in coordinating Department-wide efforts to respond to numerous intelligence threat streams over the past 2 years. For example, through the CTAB, all of the Department's countermeasures leading up to the 10th Anniversary of 9/11 were coordinated. The CTAB also successfully coordinated the Department's countermeasures during the 2011 holiday period. Additional details on the CTAB's activities in response to threat streams are classified, and we would be happy to provide a briefing for you or your staff in a classified setting.

Question 7. What is DHS doing in its role with the National Countering Violent Extremism strategy?

Answer. The Department has responsibility for implementing a range of CVE initiatives outlined in the administration's *National CVE Strategic Implementation Plan (SIP) for Empowering Local Partners to Prevent Violent Extremism in the United States*. This role includes leveraging the Department's analytic, research, and information capabilities, engaging State and local authorities and communities to bolster pre-existing local partnerships, and supporting State, local, Tribal, and territorial law enforcement and communities through training, community policing practices, and grants. DHS works closely to coordinate and collaborate on these efforts with the National Counter Terrorism Center (NCTC), the Department of Justice (DOJ), the Federal Bureau of Investigation (FBI), and other interagency and community partners.

The Department is working with its Federal, State, local, Tribal, and territorial partners to fully integrate CVE awareness into the daily activities of law enforcement and local communities nationwide by building upon pre-existing partnerships and their existing practices, such as community policing, that have proven to be successful for decades. Specifically, DHS has made substantial progress in CVE in three key areas:

1. Better understanding the phenomenon of violent extremism through extensive analysis and research on the behaviors and indicators of violent extremism;
2. Enhancing operational partnerships with local communities, State and local law enforcement, and international partners; and
3. Supporting community policing efforts through curriculum development, training, and grant prioritization.

Better Understanding the Phenomenon of Violent Extremism

DHS has conducted extensive analysis and research to better understand the threat of violent extremism. This includes over 75 case studies and assessments produced by the DHS Office for Intelligence and Analysis (I&A) since 2009 on home-grown violent extremist activities and potential material support activities in the United States on behalf of violent extremist groups or causes, including an in-depth study that looks at the common behaviors associated with 62 cases of al-Qaeda-inspired violent extremists. DHS has also produced numerous unclassified homeland security reference aids analyzing domestic violent extremist groups.

Enhancing Operational Partnerships and Best Practices with Local Communities, State and Local Law Enforcement, and International Partners

DHS has made significant advancements in operational CVE exchanges with international partners. We have international CVE partnerships with Australia, Belgium, Canada, Denmark, Germany, the Netherlands, Spain, and the United Kingdom, as well as partnerships with international law enforcement organizations such as Europol. For the past year, DHS, Europol, and E.U. partners have exchanged information on U.S.- and E.U.-based fusion center best practices, CVE training standards, and research and case studies, including a joint case study on the 2011 Norway attacks. These exchanges help us support State and local law enforcement by equipping them with up-to-date analysis on the behaviors and indicators of violent extremism, so they can prevent potential future violent extremist incidents from occurring in their communities.

DHS has coordinated with the Department of State to train field-based U.S. Government officials, both domestically and internationally, on how to engage and partner with local communities to build community resilience against terrorist recruitment and radicalization to violence. This training has encouraged interagency relationship-building and ensures that U.S. Government officials operating in the CVE sphere, both domestically and at our embassies abroad, promote a consistent CVE message while offering the opportunity for an exchange of good practices.

The Department has also significantly expanded outreach to communities that may be targeted for recruitment by violent extremists and promote a greater awareness of Federal resources, programs, and security measures available to communities. For example, the DHS Office of Civil Rights and Civil Liberties (CRCL) has held over 72 roundtable events Nation-wide since 2011, which have helped to address grievances, increase awareness of CVE resources, and build partnerships between State and local law enforcement, local government, and community stakeholders.

To further strengthen the partnership with law enforcement, DHS, the White House, NCTC, DOJ, and the FBI hosted 50 State, local, and Tribal law enforcement officials at the White House in January 2012, to inform the Federal Government on how we can better support their local CVE efforts. Secretary Napolitano, Attorney General Holder, FBI Executive Assistant Director Giuliano, and Assistant to the President for Homeland Security and Counterterrorism Brennan participated. The feedback received in this workshop supported the Department's continued commitment to including CVE language in fiscal year 2012 grant guidance and the current development of on-line CVE training for officers Nation-wide. We are also working with law enforcement organizations, including the International Association of Chiefs of Police (IACP), the Major Cities Chiefs Association (MCCA), the Major County Sheriffs Association (MCSA), and the National Sheriffs Association (NSA), to implement CVE efforts and protect communities from violence.

Supporting Community Policing Efforts Through Curriculum Development, Training, and Grant Prioritization

DHS is in the final stages of developing and implementing CVE training for Federal, State, local, and correctional facility law enforcement, as well as a training block for State police academies. The key goal of the training is to help law enforcement recognize the behaviors associated with violent extremist activity and distinguish between those behaviors that are potentially related to crime and those that are Constitutionally protected or part of a religious or cultural practice.

As part of our effort to develop operationally accurate and appropriate training, DHS is working with the Los Angeles Police Department (LAPD), MCCA, and the National Consortium for Advance Policing (NCAP) to complete a continuing education CVE curriculum for front-line and executive State and local law enforcement. DHS is also working with the International Association of Chiefs of Police (IACP) to develop an internet-based CVE curriculum for State police academies, which will be introduced into academies before the end of 2012.

DHS is also working with the Federal Law Enforcement Training Center (FLETC) to deliver a CVE curriculum for Federal law enforcement that will be integrated into existing training for new recruits. In collaboration with the Interagency Threat Assessment Coordination Group (ITACG), Bureau of Prisons (BOP), and National Joint Terrorism Task Force (NJTTF), the Department is working to implement CVE awareness training for front-line correctional facility, probation, and parole officers at the State and local level.

We are also working closely with interagency partners, and law enforcement associations, such as the MCCA and senior law enforcement officials Nation-wide to improve CVE training standards. In January, 2012, the MCCA adopted a motion to ensure that all CVE training is operationally appropriate and accurate. The Depart-

ment is also working to develop an accreditation process for CVE trainers and develop a train-the-trainer program by fiscal year 2013.

DHS has also expanded fiscal year 2012 grant guidance to include funding for CVE training, partnerships with local communities, and local CVE engagement in support of the SIP. The Department also co-chairs a working group on CVE Training with NCTC that helps ensure that training best practices are created and shared throughout the interagency.

Question 8. What is DHS doing to counter violent extremism by right-wing groups and small cells?

Answer. We face a threat environment where violent extremism is neither constrained by international borders, nor limited to any single ideology. We know that foreign terrorist groups affiliated with al-Qaeda (AQ), and individual terrorist leaders, are actively seeking to recruit and/or inspire individuals living in the United States to carry out attacks against U.S. targets.

DHS has designed a CVE approach that applies to all forms of violent extremism, regardless of ideology, and does not infringe on civil liberties protected by the Constitution.

In the case of right-wing extremist threats and other non-AQ threats, DHS is continuing to support communities and local law enforcement by providing briefings, products, case studies, and information sharing on right-wing extremism and other non-AQ violent extremist threats. DHS also integrates research and case studies on right-wing extremism and non-AQ-related violent extremisms into our training and curriculum development efforts.

DHS is continuing to leverage its analytic and research capabilities to further understand right-wing and non-AQ-inspired violent extremism threats in an international context. Additionally, DHS exchanges analyses and studies in this area with international partners.

DHS would be pleased to brief you on the products, training, and briefings our components regularly share with State, local, and international partners at your convenience.

Question 9a. I was interested to see that, for the first time, there is a line item in the budget for the “Counterviolent Extremism through State and Local Law Enforcement Program” within the Office of Civil Rights and Civil Liberties. Please explain the specifics of this program.

With respect to training, will it be conducted by DHS, if so, will it be done by the Civil Rights and Civil Liberties Office?

Question 9b. Will the program provide funding for the purchasing, by State and local law enforcement, of training from private companies and foundations? If so, what, if any, standards or requirements would be applied?

Answer. CRCL supports the Department’s mission to secure the Nation while preserving individual liberty, fairness, and equality under the law. CRCL integrates civil rights and civil liberties into all the Department’s activities. CRCL subject matter experts conduct on-site training courses for law enforcement personnel and intelligence analysts to help increase understanding, communication, build trust, and encourage interactive dialogue between officers and the communities they serve and protect.

While CRCL does not provide direct funding for training from private companies and foundations, DHS grants may be used for such purposes. To ensure accurate training, DHS released *CVE Training Guidance and Best Practices* to all State and local partners and grantees as part of DHS’ grant guidance policy on October 7, 2011. We are also working closely with interagency partners, and law enforcement associations, such as the Major Cities Chiefs Association (MCCA) and senior law enforcement officials Nation-wide to improve CVE training standards. The Department is also working to develop an accreditation process for CVE trainers and develop a train-the-trainer program by fiscal year 2013.

Question 10. These days, one of the fiercest debates in Congress has been about whether DHS should have the authority to directly regulate cybersecurity standards for certain critical infrastructure providers essential to our National or economic security. This debate will likely be decided by legislation, one way or the other. From your experience working with the private sector, conducting risk assessments, and providing operational support on a voluntary basis, do you think the private sector critical infrastructure is properly secured from cyber attacks with the voluntary programs in place today?

If not, do you think they can ever adequately secure themselves when prompted by voluntary or market-based incentives with little Government regulation?

Answer. Critical infrastructure owners and operators face enormous potential consequences from a range of cyber threats and vulnerabilities. The Department is committed to expanding its work with its partners both in the public and private sector

by supporting legislation that strengthens the market for better cybersecurity practices, encourages improved information sharing between Government and the private sector, and establishes mandatory baseline security requirements across the most crucial sectors of covered critical infrastructure.

Question 11. In the unfortunate event that a crippling cyber attack is carried out against our Government networks, critical infrastructure sector, or both, who, ultimately, is in charge of responding to such an attack, mitigating the damage and restoring the networks? Do you believe that we have sufficient clarity in the authorities granted to DHS, the FBI, and DOD?

Answer. Over the past 3 years, the Federal Government has enhanced its capacity to protect against and respond to cyber threats in a number of ways, including increasing the number of cyber experts and standing up information-sharing mechanisms. The Department of Homeland Security (DHS) coordinates the response to significant cyber incidents, particularly coordinating National-level emergencies, leading mitigation efforts to help impacted entities restore their networks, and promulgating information from the attack to help other entities protect against a similar attack. DHS coordinates closely with our interagency partners that have complementary missions and authorities in the National response to such an event.

DHS's National Cybersecurity and Communications Integration Center (NCCIC) serves as the primary information exchange during a significant cyber incident. The NCCIC coordinates National response efforts, assists with prioritization and deconfliction, and leverages collective expertise and capabilities among Federal, State, local, Tribal, and territorial governments and the private sector. The NCCIC executes these activities consistent with a number of current authorities, including the Homeland Security Act, the Federal Information Security Management Act, Homeland Security Presidential Directive (HSPD)-5, HSPD-7, and HSPD-23/National Security Presidential Directive-54.

However, DHS currently carries out its cyber mission responsibilities under a patchwork of statutory authority and Executive Branch directives. There is no single overarching statutory framework describing all the DHS roles and responsibilities for cybersecurity. Pending legislation will help by codifying and clarifying current DHS responsibilities and authorities as part of a coherent statutory framework that will ensure that DHS has the continued ability to carry out its cybersecurity mission effectively and efficiently.

Question 12. The budget requests to transfer the core US-VISIT operations, including the management of the biometric storage and matching service, from NPPD to CBP to align US-VISIT's operations with CBP's mission at the border and the collection of airline departure information. I have long supported transfer of US-VISIT's core operations to CBP and therefore support this request.

Hundreds of millions of dollars have been spent on this program over the past few years, but the biometric entry-exit system that Congress envisioned has been elusive. Please explain how this transfer will help US-VISIT and CBP meet their respective missions, as well as what efficiencies the transfer will help achieve.

Answer. The fiscal year 2013 budget proposes the transfer of US-VISIT functions from NPPD to CBP and ICE. Currently, CBP operates numerous screening and targeting systems, and integrating US-VISIT within CBP will strengthen the Department's overall vetting capability while also realizing efficiencies.

Pending enactment, CBP will assume responsibility for the core US-VISIT operations and management of the biometric and biographic information storage and matching and watch list management services. ICE will assume responsibility of the US-VISIT overstay analysis services. CBP uses US-VISIT systems to help determine admissibility of foreign nationals arriving at all U.S. ports of entry (POEs) and to process aliens entering the United States illegally between the POEs. Currently, CBP operates numerous screening and targeting systems, supporting more than 70,000 users from over 20 Federal agencies that are responsible for a wide range of programs that rely on CBP information and systems to determine benefits, process travelers, inform investigations, support case management, and enhance intelligence capabilities. The US-VISIT systems will complement the CBP systems by adding the biometric identification and screening capabilities, which are also used across and beyond DHS. It will streamline interactions with the U.S. Department of State and the Federal Bureau of Investigation for both biographic and biometric screening.

Although ICE will assume responsibility for US-VISIT overstay analysis, CBP and ICE will collaborate on system support for the overstay mission. Transition of the analysis and identification of the overstay population in ICE clearly aligns with the ICE mission of administrative immigration enforcement. Additionally, functions of support to CIS will provide feeder data related to domestic benefit fraud schemes for ICE investigations.

CBP, ICE, and US-VISIT have established a transition team composed of senior representatives from each organization. This transition team is working to identify and prioritize crucial functional areas and determine the optimal strategy for transitioning each function.

This transition team will identify targets of opportunity for operational and cost efficiencies. Priority will be placed on those transition initiatives that focus on increases in efficiency and effectiveness within mission support and “corporate” functions such as logistics, human resources, and information technology. Once all of the information is collected and arrayed, it will be analyzed with the goal of finding efficiencies while maintaining US-VISIT’s mission with no degradation of services.

Question 13. The budget requests an increase of \$13 million for Customs and Border Protection’s (CBP) Container Security Initiative (CSI), which is responsible for identifying and resolving concerns related to high-risk maritime cargo containers bound for the United States. The budget also indicates CBP intends to expand its “hub” approach to staffing its 58 CSI ports, whereby CBP personnel cover multiple ports from one location rather than having CBP officers stationed at each participating port. I am concerned that this hub approach and reduced CBP officer presence will be detrimental to the program, and even more concerned that it appears we are going to be paying more to do less.

Can you assure us that security will not suffer under CBP’s new approach to staffing CSI ports? Please explain how you intend to use the additional \$13 million for fiscal year 2013.

Answer. CBP is committed to ensuring the security of cargo coming to the United States. The CSI hub approach will continue to maintain security while increasing efficiency. Under the hub approach, where we have multiple CSI ports in the same country, 100% bill of lading review will continue to take place and all cargo deemed high-risk will continue to be examined.

In those countries where the hub approach is implemented, there will be CBP Officers stationed in the foreign hub to review all shipments, identify high-risk cargo, and refer high-risk cargo to the host counterparts. When CBP Officers refer high-risk shipments to host counterparts, the shipment will be scanned for radiation and X-ray imaging and sent to the CBP officers in the hub location for review and mitigation. Under this concept, CSI will consolidate personnel into a centralized location from which targeting for all ports within that country will occur.

Example: In France all CSI personnel are physically stationed in Le Havre but conduct bill of lading review for both Le Havre and Marseille. If CSI Officers in Le Havre need to have a container in Marseille examined, they will use the CSI Remote Targeting (CSI RT) software to communicate that to Marseille. French Customs in Marseille will conduct the Non-Intrusive Inspection (NII) exam and provide the NII image to Le Havre utilizing the CSI RT. Review of the image by CSI personnel in Le Havre will then determine if the cargo can be released or if further scrutiny (physical exam) is warranted.

The \$13 million request for fiscal year 2013 is not an increase to expand the CSI program or implement any significant changes. The request is for a restoration to the CSI base funding to continue current service level operations and restore funding to fiscal year 2011 enacted levels. The restoration will allow CSI to continue current operations in all ports without having to close any ports due to budget shortfalls.

The request will enable CBP to continue to review high-risk cargo that can be targeted and inspected before reaching a U.S. port. Operational in 58 ports, CSI is an effective multinational program protecting the primary system of global trade—maritime containerized shipping—from being exploited or disrupted by international terrorists. The request will support the CSI rebalancing of its international footprint and maintain current operations. The program will continue the hub concept in several international locations where there are multiple CSI ports. These hubs would utilize software specifically designed for CSI remote operations. The host country counterparts would perform the requested exam, upload the image utilizing the software, and send the images to the hub location. CBP officers located at the hub would review the images and either release the shipment if no anomalies are found or request a physical examination. The funding will also support the repositioning of remote targeting at the ports by introducing internet and software technology capabilities to transfer imaging to major hub sites or to the NTC.

The fiscal year 2011 President’s budget requested a reduction to CSI of over \$50 million that was proposed to be achieved by transiting from a physical presence to a virtual presence at most CSI ports. However, due to technical constraints and the inability to modify an existing agreement with host countries, the virtual presence transition could not be fully implemented. The fiscal year 2013 President’s budget request of \$62.9 million was built from the fiscal year 2012 enacted base of \$53.9

million. The fiscal year 2012 enacted base does not reflect the capability funded in the fiscal year 2011 enacted level of \$59.9 million. See chart below.

INTERNATIONAL CARGO SCREENING PPA (CSI FOR OFO) FUNDING LEVELS

Fiscal Year 2011–Fiscal Year 2013

	Fiscal Year 2011 Requested	Fiscal Year 2011 Enacted	Fiscal Year 2012 Enacted	Fiscal Year 2012 Financial Plan With Reprogramming*	Fiscal Year 2013 Requested
OFO	\$41,293,860	\$59,857,292	\$53,857,263	\$59,857,263	\$62,913,000

* Pending Congressional Approval of reprogramming of \$6 million.

Question 14a. The budget requests \$91.8 million to support the continued deployment of surveillance technology along the Southwest Border in Arizona as a replacement for the canceled SBInet program. Funds will be used to procure and deploy commercially available technology, including Integrated Fixed Tower (IFT) systems and mobile technology. How does this new technology deployment differ from SBInet?

Answer. While the technology associated with the IFT program may be similar to the SBInet technology, the acquisition strategy to procure the IFT system is fundamentally different. This strategy, developed in part from lessons learned from SBInet, is designed to procure and deploy a proven, fully integrated system that can be immediately put to use. The IFT system will not be a stand-alone technology solution, but will be operationally integrated with other fixed tower, mobile, and agent portable surveillance systems to facilitate border security. Each sector's technology system plan was optimized to reflect the sector's unique terrain and topography using the appropriate mix of commercial, off-the-shelf technologies rather than the proprietary, one-size-fits-all SBInet system.

Question 14b. What is different this time around?

Answer. The following are the differences between IFT and SBInet:

1. *Non-developmental system deployment.*—The former SBInet solution required significant system development, i.e., the contractor had to design, engineer, and test the solution prior to the Government deploying the system. The IFT Request for Proposal (RFP) states that CBP is NOT interested in any kind of a system development. Instead, CBP is interested in selecting a non-developmental (and preferably commercially available) system that represents the best mix of capabilities at a fair and reasonable price. The use of currently available technology systems means these systems can be ordered, delivered, and put to use very quickly. The IFT Operational Requirements Document (ORD) reflects results of market research to ensure the requirements are achievable within the limits of today's technology and is not intended to describe a system that requires a development effort. Based on market research, CBP is confident that the IFT technology exists in the marketplace as a non-developmental system.

2. *System Demonstrations.*—The IFT acquisition strategy includes a plan that requires offerors that are included in the competitive range to demonstrate the performance of their proposed system during the source selection process. The former SBInet program strategy did not include system demonstrations prior to contract award. These IFT pre-award demonstrations are intended to confirm that the proposed solutions exist as non-developmental systems and will inform the source selection process prior to contract award.

3. *Sensor site selection process.*—IFT sensor site locations for each Border Patrol Station area of responsibility (AOR) are being finalized by CBP prior to the award/exercise of a contract line item (CLIN) to build out a particular AOR. This process, which includes an environmental review and approval in accordance with the National Environmental Policy Act—NEPA, is currently underway and is not expected to affect or delay any construction or deployment activities within an AOR after award/exercise of the respective CLIN. The former SBInet development contract did not specify tower site locations prior to contract award (award/exercise of a CLIN) and included a provision for the contractor to determine these locations under a cost-plus contract. This added considerable time to the SBInet deployment schedule (approximately 18–24 months for a typical Border Patrol Station AOR) due to the lengthy site selection and environmental compliance process. The current IFT strategy to deploy a proven, fully integrated technology solution coupled with the existence of construction-ready sensor site locations allows the IFT program to reduce the overall system

deployment cycle time to approximately 8 to 12 months for a typical Border Patrol Station AOR.

4. *Use of fixed-price contracts.*—The IFT program will use fixed-price contracts for all work. Fixed-price contracts will provide the incentive for the contractor to complete all work in a minimum amount of time, while minimizing the risk of higher government costs if the contractor(s) does not perform satisfactorily. The former SBInet contract was primarily cost reimbursement where the Government paid the contractor for all effort, to include re-work and additional funding for performance delays.

Question 14c. Can you assure us that this program will succeed where SBInet and its predecessors failed?

Answer. The IFT system procurement is one element of a broader CBP strategy to rapidly acquire non-developmental (and, when feasible, commercially available) systems to support border enforcement efforts. Technology is combined with other CBP resources and capabilities; notably personnel, infrastructure, and intelligence; to improve the overall efficiency and effectiveness of our border enforcement efforts.

The IFT acquisition focuses on an available non-developmental system that represents the best mix of capabilities at a reasonable price.

Additionally, the IFT acquisition strategy mitigates risks in several ways. By requiring offerors within the competitive range to demonstrate the performance of their proposed solutions as part of the source selection process, CBP can not only confirm market research findings that non-developmental systems exist, but can ensure that the solution selected will provide the best value to the Government. CBP has made it clear in the IFT RFP that if there are no offerors who provide adequate confidence in the non-developmental nature of their system, or no offerors provide enough performance at reasonable cost, CBP will cancel the solicitation rather than procure an ineffective or high-risk offering. Also, by having CBP select and prepare the IFT sensor sites for each AOR prior to award/exercise of the CLIN, deployment cycle time is estimated to be reduced to approximately 8 to 12 months for an AOR compared to the approximately 18 to 24 months per AOR it took for SBInet. Finally, through the use of a fixed-price contract, CBP reduces the risks of cost growth and schedule delays, since the contractor will be incentivized to complete all work and deliver an acceptable solution in the most expedient and efficient manner possible.

Question 15. The budget fails to request any new Customs and Border Protection (CBP) officers, despite long lines at our Nation's land and air ports and a recovering economy that will hopefully result in more international trade and travel. The budget proposes cutting CBP officer overtime by \$20 million, which will mean fewer hours for officers to spend inspecting travelers and goods entering this country. With no new CBP officers and fewer hours for the officers we do have, it is reasonable to expect wait times would increase.

Has DHS studied what effect this reduction in overtime would mean for wait times at our ports and what the economic implications of further delays would be?

Answer. To maximize limited overtime resources, CBP is currently implementing a strategy focused on maintaining flexibility and supporting the changing operations that occur as a result of peak-time operations at ports of entry. As part of this strategy, CBP is pursuing Business Transformation Initiatives, such as ready lanes in the land border environment, Global Entry kiosks in the air environment, and new mobile technologies. These initiatives shorten processing time by segmenting high-risk and low-risk traffic helping to reduce wait times as low-risk traffic is cleared more quickly and efficiently and CBPOs are free to focus upon the higher-risk traffic.

CBP also continues to explore alternative financing options to address staffing requirements in both the short and long term, including pursuing public-private partnerships to fund enhanced services, such as outlier flights. The President's fiscal year 2013 budget includes a legislative proposal to provide CBP with reimbursement authority for enhanced CBP services, which would authorize CBP to enter into reimbursable fee agreements to provide services in response to private sector and State and local requests. In addition to public-private partnerships, CBP is also evaluating current user fees in an attempt to recover more of the costs associated with providing services.

While increases in traffic can result in higher wait times, CBP will continue to pursue strategies which minimize the impact of staffing on service levels. To most effectively use existing resources, CBP has deployed sophisticated software tools to schedule front-line personnel. CBP is also working to transform its core passenger processes to automate and streamline operations in order to expedite legitimate travelers and reduce the total staff required to process passengers. For example, CBP has automated the I-94W form through implementation of the Electronic Sys-

tem for Traveler Authorization (ESTA), saving up to 58 percent of the processing time for visa waiver program travelers.

Question 16. Under Customs-Trade Partnership Against Terrorism (C-TPAT), members of the trade community are offered expedited processing of their cargo if they comply with Customs and Border Protection's (CBP's) measures for securing the supply chain. The budget states that CBP will be reducing the frequency of compliance re-validations for (C-TPAT) program participants to every 4 years, rather than the current 3-year schedule. It is troubling that one of the programs the Department touts as being integral to its "layered strategy" for cargo security is scaling back compliance checks, apparently due to staffing constraints.

How does CBP plan to ensure the integrity of C-TPAT and its other cargo security programs if the Department does not provide the necessary resources to do so?

Answer. The Safe Port Act requires C-TPAT to conduct revalidations every 4 years. If warranted based on risk, C-TPAT may elect to validate a higher-risk supply chain prior to the 4-year revalidation cycle. In addition to the revalidations, there are additional measures taken including annual security profile reviews and annual vetting.

Question 17. Secretary Napolitano, in the fiscal year 2013 budget request, Coast Guard presents a number of decreases such as decommissioning cutters and patrol boats, retiring aircrafts, and the closing seasonal air facilities. While I am aware of the need for Coast Guard to continue to move forward with the long process of modernizing its surface and air vessels, I am concerned that these types of decreases may lead to a gap in available resources and personnel.

How has Coast Guard ensured that there will be enough resources and personnel to carry out its maritime security mission?

In the case of upsurge, similar to the Deepwater Horizon Oil Spill of 2010, how will Coast Guard provide necessary support for our maritime environment?

Answer. The Coast Guard will decommission legacy assets in order to complete the crewing, training, and operations of new acquisition surface and air assets. For example, the Coast Guard will have ten Fast Response Cutter (FRC) crews on budget at the end of fiscal year 2013 to ensure the personnel are fully trained and ready to accept delivery of FRC hulls as they are delivered to the fleet. Near term impacts are expected to be minimal as new and more capable assets become operational. For example, five FRCs and three National Security Cutters are expected to be fully operational by the end of fiscal year 2013. Moreover, the 110' Patrol Boat Mission Effectiveness Project, which will complete the final hull in summer 2012, improves patrol boat reliability for in-service hulls until transition to the FRC fleet is completed.

Within the aviation domain, fully operational HC-144's, and C-130J's will replace aging aircraft, and will bring vastly improved intelligence and surveillance capabilities. These aircraft will fly more hours and provide more efficient mission execution. Additionally, the Coast Guard will continue to assess aviation mission demands and priorities for aircraft use in alignment with National priorities and the realities of current resources.

Also, in conformance with our operational construct, the Coast Guard will "surge" or reallocate assets to meet our highest mission requirements as needed.

The Coast Guard allocates its multi-mission assets to the Nation's highest order needs. In the cases of the operational responses to the Haiti earthquake and Deepwater Horizon Oil Spill, personnel and assets were diverted from routine planned mission assignments at the time to provide the initial search-and-rescue response and long-term mission support for the disasters. These incidents required the Coast Guard Reserve to mobilize approximately 2,800 selective reservists. The Coast Guard may conduct an involuntary recall of Reservists under Title 14 for a maximum of 120 days within a 2-year period.

Question 18. Recently, in response to questions about the lack of Coast Guard funding for the acquisition of more air and surface vessels, Coast Guard Commandant Papp was quoted as saying that "The Coast Guard is just very difficult to understand . . . I'm constantly faced with this challenge of explaining exactly what the Coast Guard does. In fact, sometimes it happens even within our own department."

How do you respond to this statement?

Answer. The role of the Coast Guard within the Department, and the value of the Coast Guard to the Nation is clear. The Coast Guard possesses a unique mix of authorities, capabilities, and partnerships critical to the Department's performance around the globe. Unique within the Department, the Coast Guard is the Nation's only Federal law enforcement agency that is also an armed service, and as such, has the ability to establish and enforce standards, reduce risk, control activities, and respond to emergencies in the maritime domain.

Question 19. As you know the TWIC program has faced a number of problems since DHS began to enroll applicants in 2007. Now, 5 years later, the TWIC program is facing another challenge. The first batch of TWICs is set to expire later this year. DHS has not even issued its final rule for the purchase of TWIC readers by the ports.

Even as the Department has struggled to uphold their end of the bargain, American workers have continued to make multiple trips to TWIC enrollment centers and spend \$132.50 on essentially “flash passes.”

When will the Department issue the final TWIC reader rule?

I have asked the Department, in the past to consider extending the deadline for TWIC renewals so that economically-strapped port workers are not forced to pay another \$132.50 when DHS has not lived up to its end of the bargain. Will you consider pushing out the time line?

The committee understands that the process for acquiring a TWIC card can be burdensome and transportation workers, often requiring several trips to distribution centers. Will the Department review the TWIC application process to evaluate whether less burdensome procedures are possible?

Answer. TWIC is one element in our layered approach to maritime security and adds a level of additional security to our port facilities and vessels. Prior to the TWIC Program, there was no standard identity verification or background check policy for entrance to a port facility. Today, facility and vessel owners and operators look for one standard identification document that confirms the holder’s identity, and verifies that he or she successfully completed a security threat assessment/background check. TWICs contain security features that make the card highly resistant to counterfeiting and difficult to use by anyone other than the authorized holder.

Coast Guard regulations require facilities and vessel owners and operators to conduct a thorough visual inspection of the credential prior to allowing access to a secure area. The visual inspection requirements are: (1) Determine that the credential has not expired; (2) examine one or more security features on the credential; and (3) compare the facial photo on the card to the person presenting the card. The TWIC features, coupled with the visual inspection requirements, ensure that eligibility for unescorted access to secure areas is determined to a much higher degree than relying on the many documents that were acceptable for access prior to TWIC. Ultimately, the facility and vessel owner/operator is also responsible for determining whether the individual presenting the TWIC has any need to access the vessel or facility. Thus a TWIC alone does not guarantee admission to a port facility or vessel, but arms those making access control decisions with additional information about the individual to whom the card was issued.

In 2006, TSA and U.S. Coast Guard issued a joint Notice of Proposed Rulemaking (NPRM), setting the proposed requirements and processes for implementation of the TWIC program in the maritime sector. As a result of public comments and additional analysis, DHS decided to make several changes to the proposed rule, most notably, splitting the rulemaking process into two separate rules—one on the card and security threat assessments, and one on the card reader requirements. In January 2007, DHS issued the first of these rules, the TWIC Final Rule, establishing the TWIC program requirements and identification card standards. DHS intends to issue a subsequent NPRM to address reader requirements.

DHS has been laying the groundwork for the reader NPRM since that time. Pursuant to the requirements of the SAFE Port Act of 2006, which requires the final regulations for TWIC readers to be consistent with the findings of a reader pilot program, TSA conducted the TWIC Reader Pilot Program. From 2008 through 2011, TSA evaluated the technical performance of the TWIC biometric reader function at a sample population of maritime facilities. TSA was able to gather valuable data on reader performance, as well as assess the operational and business process impacts of conducting biometric verification of identity under diverse field conditions. A final report on the results of the TWIC Reader Pilot Program was delivered to Congress in February 2012 (see <http://chsdemocrats.house.gov/sitedocuments/twicreaderreport.pdf>).

Concurrently, in 2009, the Coast Guard published an Advanced NPRM (ANPRM) (see 74 FR 13360 (Mar. 27, 2009) at <http://www.gpo.gov/fdsys/pkg/FR-2009-03-27/pdf/E9-6852.pdf>) to describe its proposed risk-based framework and to solicit comments from the public. The ANPRM discussed the Coast Guard’s preliminary thoughts on potential requirements for the use of electronic readers designed to work with TWIC as an access control measure. The Coast Guard is now developing the TWIC Reader NPRM, which will reflect the findings of the TSA Reader Pilot Program, and public comments gathered through the ANPRM process. DHS anticipates that the TWIC Reader NPRM will be issued later this year. Following publica-

tion of the NPRM, the Coast Guard will carefully review all public comments and develop a TWIC Reader Final Rule.

There are a few matters of note with respect to the TSA Reader Pilot Program and the challenges faced during the Pilot Program. Initial development and deployment of the pilot program presented several challenges. From the outset of the pilot, for example, maritime stakeholders requested that card readers be capable of conducting a biometric match, without requiring the workers to enter their personal identification number or inserting their card into the reader. In partnership with maritime facility and vessel operators, the smart card and reader industry, and other Government agencies, TSA developed a reader specification for the pilot program that was compatible with the TWIC standards set forth in regulation. Subsequently, commercial vendors participating in the pilot program then had to develop and install readers based on the new specification. While the reader requirements put forth in the pilot program will be used as a potential model/alternative, we will also be collecting further information about available technologies and possible use of other available standards in the forthcoming reader NPRM—through the regulatory alternatives analysis process.

Other challenges emerged in execution, due to the voluntary nature of the pilot. At some facilities, time lines for technical and physical infrastructure modifications were extensive, and TSA was not in the position to enforce a time line for the project plan. Furthermore, the recession had a tremendous impact on commercial operators, which meant reductions in staff and financial reserves across the board. TSA offered general guidance to ports and facilities, but could not provide a “one-size-fits-all” reader template due to the unique nature of each regulated facility and vessel operation.

Despite the challenges, the pilot also highlighted security and operational benefits associated with readers including the automation of access control, so that regular users could use their TWICs for quick processing into a port. In turn, participating pilot port security officers gained integrated access control systems resulting in more efficient and effective processing of workers entering secure areas.

Finally, on June 15, 2012, DHS announced that beginning August 30, 2012, DHS will offer eligible TWIC holders the opportunity to replace their expiring TWICs with a 3-year extended expiration date (EED) card for a fee of \$60. TSA issued this exemption to give eligible individuals the option to extend for an additional 3 years their current security threat assessments (STAs) and 5-year TWICs that are set to expire on or before December 31, 2014,³ rather than require them to renew the card at full price for 5 years. Through this notice, we exempted eligible individuals from 49 C.F.R. 1572.23(a) and (a)(1) and 1572.501(d) of the TWIC regulation.

Eligible individuals choosing the 3-year TWIC extension may obtain it by ordering the credential via telephone, paying a \$60 card replacement fee, and visiting a TWIC enrollment center to pick up and activate the card. For the purposes of the exemption, the 3-year TWIC is considered a valid TWIC, in that it can be used to enter maritime facilities and vessels just as the 5-year TWIC is used currently. The 3-year TWIC will expire 3 years from the expiration date of the TWIC that is being replaced. Eligible individuals selecting the 3-year TWIC option do not have to go through the standard renewal process that includes providing new biometric and biographic information at an enrollment center, new STA, payment of the renewal fee of \$129.75, and a second trip to an enrollment center to retrieve and activate the credential.

This exemption will reduce the burden and cost associated with obtaining a new TWIC for the majority of individuals holding expiring TWICs, while the U.S. Coast Guard develops the TWIC reader regulation. This exemption (and the option that it will provide to certain TWIC holders with expiring TWICs) and the U.S. Coast Guard TWIC reader rulemaking are part of the Department of Homeland Security’s overall effort to ensure that TWIC readers are deployed, through a risk-based approach, to appropriate vessels and facilities throughout the Nation in the coming 3-year period.

Question 20. Last year, we learned that the Department would not be meeting the air cargo deadline for inbound passenger aircraft until December 2012. TSA’s screening plan must ensure that adequate controls are in place to validate screening of inbound cargo aboard passenger flights.

What can you tell us about the status of your efforts at getting agreements and systems in place to ensure that all inbound cargo is screened?

With regard to the 100% air cargo mandate, what impact, if any, do you anticipate the moving of the Office of International Affairs out of the Office of Policy will have?

³ 49 C.F.R. § 1572.23.

Answer. Under its risk-based security approach, TSA recently issued changes to its Standard Security Programs, which incorporate the Trusted Shipper concept and require 100-percent screening of international inbound cargo transported on passenger aircraft by December 3, 2012. As part of this strategy, TSA continues to review foreign cargo security programs under the National Cargo Security Programs (NCSP) recognition process to determine whether these programs provide a level of security commensurate with current U.S. standards.

Under the NCSP recognition program, TSA conducts a comprehensive review to assess whether a foreign government's air cargo security program is commensurate with current U.S. standards for air cargo security. TSA is primarily focusing on those countries with a significant volume of air cargo inbound to the United States, but is also considering additional factors for country prioritization, including the number of airports in the country from which cargo originates and criticality of the country as a transshipment point for significant volumes of cargo destined for the United States.

To date, TSA has recognized the air cargo security requirements under the EC air cargo security framework, which includes all 27 Members of the European Union plus Switzerland. Additionally, outside of the European Union, TSA has recognized Canada, Australia, and Israel. Through NCSP recognition, TSA permits air carriers to follow the security programs of countries that TSA determines to be commensurate with TSA requirements therefore reducing the burden on industry by eliminating potentially duplicative requirements between the two countries' security programs. This recognition also ensures that the screening of air cargo is conducted and a high level of security is maintained for air cargo bound for the United States. NCSP recognition also enables TSA to leverage the host government's oversight capabilities to verify air carrier screening operations and data.

TSA's Office of Global Strategies (OGS) verifies the security measures applied to international inbound air cargo and does so through deployment of its TSSs. The verification procedures include a series of on-site assessments of foreign airports, air carrier cargo facilities, and off-airport cargo sites. Air carrier inspections are conducted at every foreign LPD airport at least annually, with interim activities scheduled for the higher-priority sites. These activities included reviews of each air carrier's requirements under TSA's Standard Security Programs (e.g., cargo screening and training) and participation in the NCSP recognition process.

Within these compliance activities, TSA is also able to increase its ability to verify the accuracy of international inbound air cargo data reported by carriers. The administration's fiscal year 2013 budget request includes funding to fully annualize more than 50 international cargo inspectors added in fiscal year 2012 to enhance air cargo inspection and other security oversight and improvements to meet the statutory requirement of 100-percent system-wide screening of cargo on passenger aircraft, including aircraft originating overseas. The addition of these international cargo inspectors overseas will enable TSA to better verify screening operations and security measures at the departure points, ensure that reported data is generally accurate, and highlight for further resolution, supply chain vulnerabilities or inconsistencies in data reporting that is not supported by onsite observations.

DHS does not anticipate any impact on its efforts to satisfy the 100-percent air cargo mandate for international inbound cargo from moving the Office of International Affairs out of the Office of Policy.

Question 21. Please explain why you believe that your homeland security grant consolidation proposal is superior to the current approach of funding specific homeland security grant programs targeted at particularly important capabilities.

Answer. As we look ahead, in order to address evolving threats and make the most of limited resources, FEMA proposed a new vision for homeland security grants in the fiscal year 2013 President's budget that focuses on building and sustaining core capabilities associated with the five mission areas within the National Preparedness Goal (NPG) that are readily deployable and cross-jurisdictional, helping to elevate Nation-wide preparedness. This proposal reflects the lessons we've learned in grants management and execution over the past 10 years. Using a competitive, risk-based model, this proposal envisions a comprehensive process to assess gaps, identify and prioritize deployable capabilities, limit periods of performance to put funding to work quickly, and require grantees to regularly report progress in the acquisition and development of these capabilities.

Consolidating grant programs will support the recommendations of the Redundancy Elimination and Enhanced Performance for Preparedness Grants Act (REPPG) and streamline the grant application process. This increased efficiency will enable grantees to focus on how Federal funds can add value to the jurisdiction's prioritization of threats, risks, and consequences while contributing to National preparedness capabilities. In addition, all States and territories are required

to complete a comprehensive Threat Hazard Identification and Risk Assessment (THIRA) which provides an approach for identifying and assessing risks and associated impacts across their State/territory. FEMA Regional Offices have been tasked with coordinating THIRAs in their respective regions and will assist grantees in their efforts to address the gaps identified in their THIRA, while building important State-wide and National capabilities.

Question 22. As I mentioned in the hearing, I am concerned about the people who survived Hurricanes Katrina and Rita, received inaccurate reimbursements for expenses immediately after the storm, through no fault of their own, and were subject to recoupment for FEMA's mistake several years later. Thanks to legislation enacted with my support, there is now a waiver process for these impacted individuals. As I stated at the hearing, I encourage the Department to aggressively do outreach to impacted persons so that they can access this waiver process. Please provide a full description of the outreach efforts underway to ensure that impacted people are made aware of their rights to seek a waiver within the time frame.

Answer. The President signed the Disaster Assistance Recoupment Fairness Act (DARFA) into law on December 23, 2011. Immediately following enactment, FEMA began working on an implementation plan that culminated with the mailing of waiver notices to over 88,000 disaster survivors during the week of February 13, 2012. As of July 3, 2012, FEMA has received about 19,100 waiver requests and is in the process of reviewing these cases under this new authority.

FEMA is making every effort to reach disaster survivors through mail, public outreach, and through Congressional and State delegations to explain the process available to request a waiver and the method by which FEMA will review waiver requests, including the documentation required and the time limits involved.

FEMA's Legislative Affairs Division is spearheading a comprehensive outreach plan which capitalizes on the unique role of Congressional caseworkers based in Members' respective State and district offices. In February, senior FEMA staff conducted a conference call with caseworkers which, in addition to outlining the details of the new waiver authority, aimed to encourage our Congressional partners to use every means available to inform eligible disaster survivors living in their respective States to apply for a waiver once they receive the requisite information in the mail. In addition, the Division is also working with Congressional offices to ensure that FEMA has up-to-date contact information for disaster survivors who may have moved recently and are eligible for a waiver under this new authority.

FEMA's Public Affairs Division, in coordination with the agency's regional offices, has utilized a wide range of traditional and social media based resources to encourage individuals to apply for a waiver once they receive the requisite information in the mail. The Public Affairs team also posted web videos in Spanish and English outlining the waiver process. The videos, along with further information, may be found here: <http://www.fema.gov/debtwaiver/>.

Finally, FEMA's Office of Chief Counsel has also been at the forefront in engaging stakeholders on DARFA implementation. In February, Chief Counsel, Brad Kieserman, spoke with attorneys from the Legal Services Corporation National Disaster Network, Loyola University Law Clinic of New Orleans and other interested legal aid attorneys. In each of these engagements, the Chief Counsel took the opportunity to proactively inform the legal community of the new DARFA legislation and its potential applicability for their clients, to inform them of the short-term and unique nature of this waiver authority, and to urge them to encourage and assist their clients in availing themselves of this opportunity.

QUESTIONS SUBMITTED BY HONORABLE LAMAR SMITH FOR JANET NAPOLITANO

Question 1. Clinton administration INS Commissioner Meissner said that "exercising prosecutorial discretion does not lessen the INS's commitment to enforce the immigration laws to the best of our ability. It is not an invitation to violate or ignore the law." Just last March, she said that "[p]rosecutorial discretion should be exercised on a case-by-case, basis, and should not be used to immunize entire categories of noncitizens from immigration enforcement." Do you agree with Ms. Meissner?

Answer. Prosecutorial discretion is not exercised on a categorical basis for large classes of aliens. The exercise of prosecutorial discretion makes the best use of the Department's resources and allows U.S. Immigration and Customs Enforcement (ICE) to prioritize the removal of aliens who pose a danger to National security or public safety, recent illegal entrants, and aliens who are fugitives or otherwise obstruct immigration controls. In determining whether an exercise of prosecutorial discretion is appropriate in any given case, ICE officers, special agents, and attorneys review the case on its own merits in conformity with the ICE priorities described in ICE Director John Morton's March 2, 2011 memorandum titled "Civil Immigra-

tion Enforcement: Priorities for the Apprehension, Detention, and Removal of Aliens,” and the June 17, 2011 memoranda titled “Exercising Prosecutorial Discretion Consistent with the Civil Immigration Enforcement Priorities of the Agency for the Apprehension, Detention, and Removal of Aliens” and “Prosecutorial Discretion: Certain Victims, Witnesses, and Plaintiffs.” In addition, the Secretary of Homeland Security’s June 15, 2012 memorandum titled “Exercising Prosecutorial Discretion with Respect to Individuals Who Came to the United States as Children” clarified those certain individuals who came here as children are generally low enforcement priorities for DHS. Pursuant to that memo, ICE and U.S. Citizenship and Immigration Services (USCIS) are developing a process to consider such individuals for deferred action, which is an exercise of prosecutorial discretion not to pursue removal in a given case. This memo does not represent the exercise of prosecutorial discretion on a categorical basis, rather it sets out guidelines to identify individuals who may be considered on a case-by-case basis for deferred action.

Question 2. Is it not true that DHS’s recent memos make hundreds of thousands if not millions of illegal immigrants potentially eligible for deferred action? Once illegal immigrants are granted deferred action, they can apply for work authorization. Do you know that your administration grants work authorization to 90% of the aliens to whom you grant deferred action? If you keep up the same approval rate, isn’t it true that you are on a glide path to grant work authorization to hundreds of thousands if not millions of illegal immigrants? How can you justify this when American citizens don’t have jobs and struggle to make ends meet?

Answer. On November 17, 2011, the U.S. Department of Homeland Security (DHS) began reviewing the removal cases—approximately 300,000 of them—currently pending in the U.S. Department of Justice’s Executive Office for Immigration Review to determine whether the exercise of prosecutorial discretion is appropriate in any of the cases. As part of the review of the 300,000 cases, the preferred mechanism for exercising prosecutorial discretion has been through administrative closure. Administratively closing a case results in immigration prosecution being held in abeyance, but confers no immigration benefit to the individual.

Individuals are not eligible for work authorization on the basis of receiving administrative closure alone. However, individuals whose cases are administratively closed and who are eligible for work authorization on another basis may apply for work authorization, including paying associated fees, and their requests will be separately considered by U.S. Citizenship and Immigration Services (USCIS) on a case-by-case basis.

Question 3a. ICE just announced that criminal charges have been filed in what it calls “one of the largest immigration fraud schemes to have ever been committed in our country.” ICE indicated that “to date, the Government has identified at least 25,000 immigration applications submitted by the David Firm—the vast majority of which have been determined to contain false, fraudulent, and fictitious information.” How could this massive fraud on the American public have lasted for well over a decade before the Federal Government got wind of it?

Answer. Benefit fraud investigations are complex and challenging since they often involve sophisticated schemes with multiple co-conspirators. Elaborate methods devised by these schemes to elude detection, coupled with the in-depth analysis required to assess all leads and gather the necessary evidence, often take time to successfully identify, investigate, and prosecute these types of cases. As the lead agency within the U.S. Department of Homeland Security (DHS) for the investigation and prosecution of alleged immigration fraud, U.S. Immigration and Customs Enforcement’s (ICE) Homeland Security Investigations (HSI) ensures the integrity of the Nation’s immigration system by preventing criminal enterprises and individuals that perpetrate fraud from extending the entry, stay, and movement of unauthorized aliens, terrorists, and criminals throughout the United States. The case referenced above was worked by HSI’s New York Document and Benefit Fraud Task Force (DBFTF). Eighteen HSI offices throughout the country lead DBFTFs, which combat both document and benefit fraud. In fiscal year 2010, HSI initiated 1,334 benefit fraud investigations and conducted 529 benefit fraud-related criminal arrests. In fiscal year 2011, HSI initiated 1,439 benefit fraud investigations and conducted 520 such criminal arrests.

Question 3b. How many other David law firms are out there?

Answer. It is difficult to know the number of immigration benefit fraud facilitators who are currently operating. ICE is aware of those which ICE has investigated and confirmed are fraudulent operators. In fiscal year 2010, HSI initiated 1,334 benefit fraud investigations and conducted 529 benefit fraud-related criminal arrests. In fiscal year 2011, HSI initiated 1,439 benefit fraud investigations and conducted 520 such criminal arrests.

Question 3c. Isn't it true that DHS rarely revokes immigration benefits granted to aliens through fraud schemes that the Government has uncovered? Can you commit to me that DHS will seek to revoke the immigration benefits for the tens of thousands of aliens who received benefits fraudulently through the David Firm?

Answer. In cases where ICE chooses not to criminally prosecute individuals involved in a fraud scheme, ICE will refer the alien to USCIS's Fraud Detection and National Security (FDNS) for an administrative investigation. FDNS officers will conduct a fraud investigation and complete a statement of findings that is sent to USCIS adjudicators for further processing. In cases where FDNS finds and articulates fraud, it may recommend that USCIS pursue further action, including revocation, denial, requesting additional evidence, or issuing a notice of intent to revoke.

USCIS devotes considerable attention to ensuring that the beneficiaries of a fraud scheme are or were not themselves an active participant in the misrepresentation. In cases where the beneficiary was a willful participant, USCIS will use all lawful means to revoke or rescind a granted benefit or to deny any pending benefits.

FDNS's administrative investigation in fraud scheme cases focuses on each associated alien's eligibility for the benefit. Close attention is given as to whether the individual applying for the benefit has misrepresented a material fact in procuring a benefit. Factors considered include whether the applicant willfully misrepresented or concealed a fact or material in USCIS's original decision to grant the benefit. This review may conclude that the alien is still eligible for the benefit granted, despite his/her representative's fraudulent activity, if there is no evidence that the beneficiary had knowledge of or willfully participated in the fraud.

This case was investigated by the HSI New York DBFTF. Over the course of the investigation, the DBFTF identified fraud indicators specific to the David Firm, such as boilerplate language and/or supporting documentation. HSI provided these indicators to USCIS, a HSI New York DBFTF partner, to aid in the determination as to which of the files contain evidence of fraud. USCIS is reviewing those cases that were sent to them and determining the appropriate actions to take.

QUESTION SUBMITTED BY HONORABLE MICHAEL T. MCCAUL FOR JANET NAPOLITANO

Question. Secretary Napolitano, as you know, the Department was created in 2003 by combining 22 different agencies and establishing new headquarters offices. A top priority for this committee has been the integration of Departmental functions, streamlining the bureaucracy, and eliminating stovepipes. In our current fiscal environment, this goal is even more important today. Yet, the administration's budget request for Department headquarters seems to be going in the opposite direction. The budget proposes to pull three functions out of the Office of Policy and establish them as "direct reports" to your office. These functions are the Office of International Affairs, the Office for State and Local Law Enforcement, and the Private Sector Office. Could you please give us the rationale for this proposal, including:

- what effects it will have on the future role of the Office of Policy,
- whether your office will require more resources to oversee three new direct reports, and
- how three new reporting chains will be integrated into Departmental operations?

Answer. The Private Sector Office, the Office of International Affairs, and the Office for State and Local Law Enforcement can best execute their responsibilities through a similar structure to other external facing outreach offices such as the Office of Intergovernmental Affairs (IGA) and the Office of Legislative Affairs (OLA). As the Department continues to mature and these offices continue to take on more significant responsibilities across the Department, it's appropriate for them to become direct reports to the Secretary. The reorganization improves efficiency by more clearly identifying the role of these offices. All three offices will be able to better coordinate across all Components.

The Office of Policy (PLCY) will continue to streamline and focus its mission to include policy analysis and implementation. PLCY will also provide the Department with an integrated and DHS-wide capability for strategy development, strategic planning, long-term assessment, and decision analysis.

No new funds are requested for the PSO/OIA and OSSLE moves; funding will come from the existing base of the PLCY budget.

The Under Secretary for Management (USM) already provides the Office of Secretary and Executive Management administrative services, including budget, human resource, and logistical support. With the reorganization, all entities within the Office of Secretary and Executive Management will continue to receive administrative support from the USM.

QUESTIONS SUBMITTED BY HONORABLE TIM WALBERG FOR JANET NAPOLITANO

Question 1. In regards to detention beds, are there any studies on the cost comparison between contracted facilities?

Answer. U.S. Immigration and Customs Enforcement (ICE) has put in place numerous measures to responsibly keep detention costs down, including: Closure of the most expensive facilities, negotiating lower bed rates, closing higher-cost facilities, and increasing the use of ICE Health Service Corps to deliver detainee health care. ICE has performed analysis of the average daily bed costs by facility type. This analysis, using fiscal year 2011 data (the most current full-year data set), provides the following costs:

- ICE-owned service processing centers (SPC): \$131.27 per day;
- Contract detention facilities (CDF, contracted out for ICE use only): \$84.70 per day;
- Intergovernmental service agreements (IGSA): \$115.19 per day.

At the end of each fiscal year, ICE conducts a bed cost annual review which analyzes all bed-related obligations and expenditures. The financial information is loaded into a database and the data is sorted by sub-object class code, and cost type. These sub-object classes reflect all the different costs that ICE incurs at our detention facilities. These costs include detention bed and detention guard contracts, food, medical care, compliance oversight, maintenance, payments to detainees for work provided, provisions for detainees, supplies for detainee welfare, telecom, and utilities.

The average bed rate that ICE pays differs by facility type. CDF and IGSA facilities are operated by corporations that can leverage economies of scale to achieve a rate that is lower than what ICE pays at an SPC. These CDF and IGSA facilities can also incorporate better design features that maximize the guard-to-detainee ratio, reducing overall costs. SPCs are owned by the Government and operated by a contractor. These facilities can be expensive because they are older and require more maintenance and also because they incorporate EOIR court rooms and large administrative spaces which is factored into the SPC costs. IGSA rates fluctuate by geographic region and are based on labor rates and facility standards. Additionally, SPCs, CDFs, and ICE-dedicated IGSA facilities are contracted with guaranteed minimum rate clauses, which means that ICE occupies an agreed-upon minimum amount of bed space in order to achieve cheaper beds rates, in contrast to non-dedicated IGSAs which are more of a “pay as you go” service.

Question 2. Provide the committee with the Department plans to incorporate the use and reallocation of excess military equipment returning to the United States from the withdrawal of troops from foreign theaters.

Specifically, the use of C-27J airlift aircraft for domestic emergency response efforts.

Answer. The Coast Guard does not currently have any appreciable amount of excess equipment in theater. In general, it is anticipated that any major equipment that Coast Guard forces deployed with, will return with those units and be used for that particular Coast Guard unit’s primary missions/purposes. In addition, the Coast Guard currently has six Patrol Boats deployed in theater in support of the Combatant Commander which are still deployed conducting operations. Upon return from theater and depending on the vessels’ condition, these Patrol Boats will resume primary Coast Guard missions in their respective Areas of Responsibility.

QUESTIONS SUBMITTED BY HONORABLE SCOTT RIGELL FOR JANET NAPOLITANO

Question 1. The 287(g) program is a cooperative initiative between the Federal Government and States and localities, which enables specially-trained State and local officers to perform immigration enforcement functions. The President’s budget reduces funding for the 287(g) program by 25%. In addition to decreasing funding for existing agreements, the administration has announced that it will no longer consider additional requests for 287(g) partnerships. I understand the success of Secure Communities may mitigate the need for some 287(g) agreements; however, I believe that this budget goes too far in eliminating the valuable force multiplier that State and local law enforcement personnel provide. Do you believe that the 287(g) program has been effective in helping enforce our immigration laws? If so, why the significant decrease in funding?

Answer. In light of the Nation-wide activation of Secure Communities, the proposed fiscal year 2013 budget reduces funding for the 287(g) program by \$17 million to phase out 287(g) task force agreements. The Secure Communities screening process is more efficient and cost-effective in identifying for removal criminal and other priority aliens. To implement this reduction, ICE will begin by discontinuing the least productive 287(g) task force agreements in those jurisdictions where Secure

Communities is already in place with sufficient Federal personnel and will also suspend consideration of any requests for new 287(g) task force models. With regard to the effectiveness of the 287(g) program, please see the response to question 12.

Question 2. In the ICE budget justification documents it states that ICE gains force multiplication through State and local law enforcement officers currently participating under the 287(g) jail model program. Why is the 287(g) jail model considered an effective force multiplier, when the 287(g) task force model is considered expensive and inefficient, and thus not worthy of additional deployment?

Answer. Each 287(g) program model provides different kinds of services and, upon review, the services provided by the Jail Enforcement Model (JEO) are a more efficient use of ICE resources. The JEO is designed to assist with the processing of aliens incarcerated within a local law enforcement agency's (LEA) detention facilities. Officers participating in the JEO do so under the supervision of ICE and are integral to the processing of removable aliens who have been identified through Secure Communities' use of IDENT/IAFIS interoperability following an arrest by State or local law enforcement agencies in the course of their normal criminal law enforcement duties. The ability of the JEOs to process these individuals prevents ICE from having to deploy enforcement resources to these State and local jails and prisons. Because the JEO has proven to be an effective force multiplier for ICE personnel in this respect, it has increased efficiency and has proven to be an effective use of ICE resources.

By contrast, the Task Force Model (TFO) officers have proven to be a less efficient substitute for ICE personnel, particularly in light of the Nation-wide deployment of Secure Communities. The Secure Communities' use of IDENT/IAFIS interoperability has proven to be more efficient and cost-effective in identifying and removing criminal and other priority aliens. In contrast to the JEO Model, the TFO Model is not based upon encountering incarcerated aliens. Rather, TFO officers exercise immigration-related authorities during the course of other criminal investigations.

As the chart below demonstrates, TFO officers have assisted ICE with the removal of significantly fewer priority aliens than JEO officers. During fiscal year 2011, the TFO program encountered 1,861 criminal aliens, of which 1,703 were processed for removal and 1,026 were ultimately removed. In comparison, during the same time frame, the JEO program encountered 53,060 criminal aliens, of which 37,638 were processed for removal and 22,719 were ultimately removed.

287(g) FISCAL YEAR 2011

Category	JEO	TFO	Total
Encounters	53,060	1,861	54,921
Processed	37,638	1,703	39,341
Removals	22,719	1,026	23,745

IIDS data as of 2/6/2012.

The chart below depicts the average number of aliens processed per TFO versus JEO:

287(g) FISCAL YEAR 2011-2012

Average Number of Aliens Processed

Fiscal Year	Type of MOA	
	TFO	JEO
2011	7	104
2012	3	65

Data as of 07/16/2012.

Accordingly, in light of the Nation-wide activation of Secure Communities ICE will gain \$17 million in budgetary savings by discontinuing the least productive TFO agreements in those jurisdictions where Secure Communities is already in place and will also suspend consideration of any new requests for TFOs.

QUESTION SUBMITTED BY HON. HENRY CUELLAR FOR JANET NAPOLITANO

Question 1a. As I mentioned at the hearing, I am interested in the status of the \$639.4 million that the Government Accountability Office identified as unobligated balance in CBP's customer user fees account (associated with NAFTA).

What is the status of this money?

Answer. In 1993, Congress enacted the North American Free Trade Agreement Implementation Act, Pub. L. No. 103-182 (NAFTA). Section 521 of NAFTA amended the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) to raise the fees charged for the provision of customs services for passengers aboard commercial vessels and aircraft from \$5.00 to \$6.50 from fiscal year 1994 to fiscal year 1997. In addition, Section 521 also removed the country exemptions for passengers from Canada, Mexico, and the Caribbean islands, requiring the \$6.50 fee from those passengers for the affected period.

Using the previous fee collections from fiscal year 1993 as a baseline, Section 521 required Customs to deposit into the Customs User Fee Account (CUFA) only those amounts in excess of that baseline. These "excess fees" were made available for "reimbursement of inspectional costs (including passenger processing costs), not otherwise reimbursed under this section." However, breaking with the pre-NAFTA treatment of all other COBRA fees, Section 521 introduced an additional requirement: the excess fees were made "available only to the extent provided in appropriations acts." Previously, the statute allowed the agency to expend without any subsequent appropriation. See 19 U.S.C. § 58c(f)(3). Section 521, on the other hand, did not permit the excess fees to be used without being subsequently appropriated. In fact, the Congressional Budget Office (CBO) found that Section 521 would result in "additional fee collections of \$758 million over the fiscal years 1994 through 1997." CBO Cost Estimate, NAFTA, S. 1627 (Nov. 18, 1993). Congress expressed the same scoring preference in NAFTA's legislative history: "Section 521 makes the necessary statutory changes to customs user fee authority to provide offsets against the revenue losses attributable to NAFTA in accordance with the PAY-GO requirements of the Budget Enforcement Act. According to the Congressional Budget Office (CBO), the 5-year effects of changes made by section 521 on direct spending amount to a savings of \$758 million." H.R. REP. NO. 103-361(I), at 103, as reprinted in 1993 U.S.C.C.A.N. 2552, 2653.

Furthermore, the Homeland Security Act of 2002 (HSA, Pub. L. 107-296) repealed, by apparent inadvertence, in 2002, the NAFTA language authorizing (but not appropriating) CBP's expenditure of these excess fees. As a result, even though the excess fees remain in the CUFA, CBP no longer has legal authority to expend them.

Question 1b. Has CBP made a determination that it can utilize these funds?

Answer. At this time, CBP does not believe that it possesses the legal authority to obligate these funds. Such authority would require legislative action. More specifically, CBP would require legislation conferring new authority to spend the funds for a particular purpose (e.g., to hire additional CBP officers) as well as an appropriation making the funds available for obligation. If CBP is able to gain access to these funds, the \$640 million in the CUFA could be used to hire, train, and sustain 2,000 additional CBPO's for approximately 2.5 fiscal years (using \$123,500 as the average for salary and benefits). Legislation making these funds available would score as a cost.

QUESTIONS SUBMITTED BY HON. LAURA RICHARDSON FOR JANET NAPOLITANO

Question 1a. At the hearing, we discussed the Department's efforts to comply with the 100% maritime scanning mandate, and the Department's expectation that an extension will be necessary. I expressed concern that I had been told that 4 percent of containers from CSI ports that CBP has identified as "high-risk" arrive to our shores without CBP being able to resolve the issues of concern.

What percentage of inbound maritime cargo comes through CSI ports?

Answer. Approximately 80% of all U.S.-bound maritime cargo originates in or transits through a CSI port.

Question 1b. What is CBP doing to ensure that unresolved "high-risk" containers do not arrive at U.S. ports?

Answer. The Department of Homeland Security (DHS) is committed to ensuring that all goods coming into the United States are secure and do not pose a threat to our citizens or National interests. Through robust partnerships with law enforcement, foreign governments, and industry, we are developing innovative solutions that will help maintain the efficient flow of legitimate commerce upon which our Nation's economy depends. We believe an effective, layered, risk-based approach will

best ensure we achieve these goals and align with the President's *National Strategy for Global Supply Chain Security* (Strategy).

DHS has focused substantial attention and resources over the last several years on securing goods being transported within maritime containers. As a result, we have strengthened our multi-layered security measures, more effectively securing and facilitating the large volume of goods arriving in the United States each year. By leveraging programs such as the Container Security Initiative (CSI) for the integrated scanning of high-risk containers, the Customs-Trade Partnership Against Terrorism (C-TPAT), and the Importer Security Filing (often called "10+2") for the advance collection of manifest and import data to enhance targeting, we are more secure than ever before.

For example, CSI is a risk-based program that focuses on working with foreign governments to establish security criteria for identifying high-risk U.S.-bound containers based on advance information. U.S. and foreign government personnel pre-screen containers at the earliest possible point-and-use technology to quickly scan high-risk containers destined to the United States. The benefits of CSI include: The ability to conduct more accurate risk assessment through increased access to information; and expedited clearance in the United States for cargo which has been screened and scanned overseas. CSI covers more than 80 percent of the maritime containerized cargo shipped to the United States. The remaining 20 percent of cargo is screened at the National Targeting Center—Cargo (NTC-C) and by specialized CBP units located at the first port of arrival within the United States.

CBP officers stationed at CSI ports, with assistance from the CBP NTC-C, review 100 percent of the manifests for cargo originating and/or transiting those foreign ports that are destined for the United States. In this way, CBP identifies and examines high-risk containerized maritime cargo prior to lading at a foreign port and before shipment to the United States, and mitigates risk through a variety of measures including screening, scanning, physical inspection, or resolution by foreign authorities. In fiscal year 2011, CBP officers stationed at CSI ports reviewed over 9.5 million bills of lading and conducted 45,500 exams in conjunction with their host country counterparts.

Through programs like CSI, DHS will continue to work collaboratively with industry, our Federal partners, and the international community on efforts to secure the global supply chain.

QUESTION SUBMITTED BY HON. CEDRIC RICHMOND FOR JANET NAPOLITANO

Question. As I stated at the hearing, I have heard from many people in my district—including the mayors and the school boards—and the Governor of Louisiana about the disaster loan forgiveness. The Vice President of the United States came down to St. Bernard Center, Louisiana, and said that the disaster loans would be forgiven for certain municipalities. But that is not happening. People made decisions based on the Vice President's commitment, and the right thing to do is to honor that commitment to waive the repayment of those disaster loans.

What is the status of the Department's efforts to honor the Vice President's promise regard the forgiveness of disaster loans and what related outreach has the Department conducted?

Answer. FEMA is only authorized to cancel Special Community Disaster Loans where "revenues of the local government during the full 3 fiscal year period following the major disaster are insufficient to meet the operating budget for the local government, including additional unreimbursed disaster-related expenses of a municipal operating character." (44 C.F.R. § 206.376(a))

In those cases where applicants have met the requirements of the Stafford Act and the Regulations, they have been cancelled or partially cancelled.

Since March 2011, FEMA has met personally with each individual applicant and worked with them directly to ensure they were provided the greatest potential for cancellation. Where necessary, FEMA met with individual applicants on multiple occasions. For those applicants where cancellation was denied, applicants were provided the opportunity to appeal their decision within 60 days. An independent contractor was procured specifically to provide a fresh and unbiased view of the submitted appeals based upon the Stafford Act and Regulations.

FEMA has sought to provide those applicants the greatest opportunity for cancellation in their appeals instructing the appeals contractor to notify FEMA if they identify any areas where cancellation is possible for an applicant outside of what they submitted. Additionally, FEMA approved 5-year extensions for all applicants who requested one. To date, 19 appeals have been submitted: 6 appeals have been denied; 3 appeals have been upheld (i.e., \$15.2 million in additional cancellation);

9 are in the concurrence process; and 1 is with the Appeals Contractor (awaiting additional information from the applicant).

In our efforts to provide each applicant the best chance for cancellation, we have afforded each appeal applicant the ability to submit additional information beyond their original appeal submission. This translates into a longer review process for some due to the new information submitted.

QUESTION SUBMITTED BY HON. KATHLEEN C. HOCHUL FOR JANET NAPOLITANO

Question. At the hearing, I discussed an amendment I introduced to the Department of Homeland Security Authorization bill—accepted by my colleagues—that would require the Department to purchase uniforms that are made in America. As we agreed, National security is tied to our economic security. Although the authorization bill has not reported out of this committee and my amendment has, accordingly, not been enacted, I am interested in learning about what voluntary steps the Department has taken or is considering to ensure that its procurement activities help keep the Nation secure by protecting the American economy. Please provide any updates of initiatives the Department has initiated or is considering toward that end.

Answer. DHS is committed to not only meeting its homeland security mission needs, but delivering value to the American taxpayer through effective and efficient acquisition practices.

DHS is subject to the requirements of the Buy American Act (BAA) and the Trade Agreements Act (TAA), and related Executive Orders. The BAA restricts the purchase of supplies above \$150,000 that are not domestic end products unless the price of the lowest domestic offer is unreasonable or another exception applies (e.g., commercial information technology, commissary resale, etc.). Under the TAA, eligible products from countries that have signed international agreements with the United States receive non-discriminatory treatment in the procurement process. With respect specifically to uniforms, DHS's Uniforms Program supports U.S. manufacturing. Based on both the Federal Procurement Data System—Next Generation and vendor reports, approximately three-fourths (73%) of the total amount DHS spends on uniforms is for either uniforms manufactured in the United States (57%) or uniforms made in Mexico from United States-supplied materials (16%). In terms of dollars, of the \$82 million spent on uniforms in fiscal year 2011, DHS spent over \$47 million on uniforms manufactured in the United States and another \$13 million was spent on uniforms made in Mexico from United States-supplied materials. In addition, DHS continues to pursue opportunities to increase the use of domestically manufactured uniforms. For example, working with industry, DHS shifted the production of the most widely-used uniform, the Customs and Border Protection (CBP) Rough Duty Uniform, from Mexico to the United States in fiscal year 2007. The Uniforms Program is also a strong supporter of small business with over \$22 million of our domestic purchases awarded directly or subcontracted to small businesses.

