DEPARTMENT OF HOMELAND SECURITY APPROPRIATIONS FOR FISCAL YEAR 2013

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

NONDEPARTMENTAL WITNESSES

[The following testimonies were received by the Subcommittee on Homeland Security for inclusion in the record. The submitted materials relate to the fiscal year 2013 budget request for programs within the subcommittee's jurisdiction.]

PREPARED STATEMENT OF AIRPORTS COUNCIL INTERNATIONAL–NORTH AMERICA

Chairman Landrieu, Ranking Member Coats, and members of the subcommittee, thank you for the opportunity to provide the views of airport operators on the Department of Homeland Security's (DHS) travel programs. As the president of Airports Council International–North America (ACI–NA), I am submitting this testimony today on behalf of the local, regional, and State governing bodies that own and operate commercial service airports in the United States and Canada. ACI–NA member airports enplane more than 95 percent of the domestic and virtually all the international airline passenger and cargo traffic in North America. More than 350 aviation-related businesses are also members of ACI–NA.

Madam Chairman, we commend you for holding this important hearing. Each day, airports work to implement measures to streamline the process for our passengers. To this end, airports partner with the Transportation Security Administration (TSA), U.S. Customs and Border Protection (CBP), and airlines to develop and maintain a comprehensive, layered security system that efficiently processes passengers.

RISK-BASED SECURITY AND TRUSTED TRAVELER PROGRAMS

We must continue to shift from a rigid process of screening for bad things to a system that draws upon the vast amount of available data to focus the most invasive security processes on travelers who have not been previously vetted. A risk-based system is absolutely what is needed and TSA should be applauded for its initiative to implement several risk-based security initiatives involving pilots, passengers and cargo.

ACI–NA fully supports the TSA PreCheck (Pre✓™) Known Traveler program. From a practical perspective, this risk-based program harnesses available data—voluntarily provided by passengers—and intelligence information to serve as an indicator to guide the application of screening resources. The most invasive screening technologies and resources are applied to individuals about whom the least is known. It not only reduces traveler frustration by providing a certain level of predictability—while including an essential random security element—but also streamlines the process today and allows for the development of a sustainable system in the future.

ACI–NA also strongly supports the U.S. Customs and Border Protection's (CBP) successful risk-based international trusted traveler programs which allows prescreened, pre-approved air passengers to use dedicated lanes and kiosks: Global Entry at certain U.S. airports and Canadian preclearance airports and NEXUS, which is a joint program between CBP and the Canada Border Services Agency for U.S. and Canadian citizens and legal permanent residents entering Canada at Canadian preclearance airports. These risk-based international trusted traveler programs provide the dual benefit of enhancing both security and processing efficiency, since travelers do not have to spend time filling out paper declaration forms. In addition, participating travelers do not have to wait in line or visit CBP officers, thus allowing officers to focus on other, less well-known travelers. We encourage the subcommittee to support CBP in its effort to deploy kiosks to additional airport locations and to increase the number of enrollees in these programs, thus enhancing facilitation and security for all participating passengers. CBP should fast track its efforts to make the registration Web site (Global Online Enrollment System) more user-friendly, so that individuals are not discouraged from joining these valuable trusted traveler programs.

According to recent CBP testimony, Global Entry has reduced average wait times for enrollees by more than 70 percent. This program will be crucial in helping to leverage limited CBP staff resources at airports during peak travel times, when passenger demand increases significantly, often resulting in long wait times and missed flight connections. Efforts to promote the United States as a travel and tourism destination including improved visa processing is likely to further exacerbate the strain on limited CBP staffing. Expanding Global Entry to additional airports and airport terminals will make the program available to even more travelers and thus promote increased enrollment, benefiting all passengers, the aviation industry, and CBP. In order to further enhance security and streamline the process, CBP should place Global Entry kiosks at all Canadian preclearance airports. In addition, we encourage CBP to intensify its work with foreign governments to conclude and implement agreements whereby properly vetted foreign citizens can enroll in Global Entry and, where permissible, allow U.S. citizens to enroll in their trusted traveler programs.

In developing their Known Traveler program Pre✓™, TSA strategically partnered with CBP to allow members of existing international trusted traveler programs, Global Entry, SENTRI, and NEXUS, to participate. As TSA looks at expanding the population of eligible participants in Pre✓™, ACI–NA encourages TSA to utilize Global Entry as the primary enrollment platform. This has the potential to further enhance the security of Pre✓™ while also improving passenger facilitation through increased Global Entry participation. The ability for Global Entry members to participate in Pre✓™ has already resulted in an increase in Global Entry enrollments and provides the added benefit of reduced line waits for international passengers being cleared by CBP officers at U.S. and Canadian airports. The partnership between TSA and CBP will be essential in expanding current, and developing new, programs which utilize available data to better focus limited screening resources.

Going forward, ACI–NA recommends:

—Dedicated queuing lines for Pre✓™-eligible passengers;

—Allowing Global Entry, NEXUS, SENTRI members, and other known travelers flying on any participating airline to utilize Pre✓™; and

—Allowing Canadian citizens who are NEXUS card holders to participate in Pre✓™.

Although screening checkpoints and Federal Inspection Services (FIS) facilities may have to be reconfigured somewhat, these risk-based programs will help mitigate the need for ongoing facility modifications to accommodate the deployment of screening technology.

PLANNING FOR THE FUTURE

We need to begin planning for the future today, designing a sustainable aviation system capable of efficiently and effectively processing passengers and baggage. With limited resources, risk-based programs are essential, and we simply cannot continue the process of adding security layer after security layer and installing more screening technology at airports after each new threat. Technology will always be an essential element of the aviation security system but most airport security checkpoints do not have space to accommodate the deployment of additional technology, so its application needs to be informed by Known Traveler programs.

There are opportunities to further expand the level of data sharing between TSA and CBP. TSA screens checked baggage and could readily provide images to CBP so that arriving international passengers connecting to another domestic or international airport would not have to reclaim their checked baggage. Eliminating this requirement would free up TSA resources to focus on other areas.

CONCLUSION

Although there are aspects of the current aviation system that are effective, there are others which need to evolve to keep pace with the projected increase in the number of passengers and volume of cargo in the United States and abroad. The expansion of risk-based trusted traveler and known-shipper programs that leverage available data and focus limited screening resources on those travelers and cargo about which the least is known are essential in ensuring the long-term sustainability of the aviation system. Such programs allow the United States and other governments the ability to prioritize threats and make adjustments to the security posture based upon credible intelligence information, provide expedited processing for low-risk travelers while helping to ensure that limited resources are appropriately focused and allocated. A priority should be placed on deploying the technology necessary to support the enrollment of travelers and the expedited processing of previously vetted, low-risk passengers.

Through continued collaboration—both government to government and government to industry—to expand trusted traveler programs and other security initiatives, we can better achieve our mutual goals of enhancing safety, security, and processing efficiency while minimizing unnecessary operational impacts.

Thank you for the opportunity to submit this written testimony.

GREGORY PRINCIPATO,
President.

PREPARED STATEMENT OF THE AMERICAN PUBLIC TRANSPORTATION ASSOCIATION

INTRODUCTION

Madam Chairman and members of the subcommittee, thank you for this opportunity to submit written testimony on the fiscal year 2013 funding needs for public transportation security programs within the Department of Homeland Security. The American Public Transportation Association (APTA) urges Congress to significantly increase appropriations for transportation security programs. Past appropriations have not come close to the levels authorized under the Implementing Recommendations of the 9/11 Commission Act of 2007 (Public Law 110–53). In 2011, Americans took 10.4 billion trips on public transportation which was the second highest annual ridership since 1957. Only ridership in 2008, when gas rose to more than $4 a gallon, surpassed last year's rider totals. As transit ridership continues to grow, its security needs do also.

ABOUT APTA

The American Public Transportation Association (APTA) is a nonprofit, international association of nearly 1,500 public and private member organizations, including transit systems and commuter, intercity and high-speed rail operators; planning, design, construction, and finance firms; product and service providers; academic institutions; transit associations and State departments of transportation. APTA members serve the public interest by providing safe, efficient, and economical public transportation services and products. More than 90 percent of the people using public transportation in the United States and Canada are served by APTA member systems. Additionally, in accordance with the National Infrastructure Protection Plan, APTA has been tasked by Department of Homeland Security to administer the on-going activities of the Mass Transit Sector Coordinating Council.

GREATER INVESTMENTS IN TRANSIT SECURITY ARE REQUIRED

In 2010, an APTA survey of its transit agency members found security investment needs in excess of $6.4 billion nationwide. These are funds that our agencies simply do not have, as overall funding constraints have led to service cuts, personnel layoffs, and fare increases. This stated need contrasts the recent trend in cuts to transit security grant programs. We are very concerned about the recent decline in transit security funding where, in fiscal year 2012, we see an allocation of $87 million for transit security. This level is woefully short of the industry's capital security needs. As recently as fiscal year 2009, Federal funding for transit security was set at nearly $400 million. I urge Congress to acknowledge the risk that our citizens and transit systems continue to face, and restore appropriations for the Transit Security Grant Program (TSGP) in this and subsequent appropriation bills. Historically, Congress has permitted the Department of Homeland Security to allocate appropriated grant funding without specific directive. We recommend that this subcommittee, in its appropriating capacity, guide DHS regarding particular program funding allocations to ensure that public transportation security program needs adequately addressed. Our systems need the certainty of adequate funding to properly plan and implement large capital, surveillance, and other security projects to protect our systems. While there is no indication that our collective security concerns have diminished and the backlog of needed projects continues to grow, Federal security grant funds have declined precipitously.

TRANSIT SECURITY NEEDS ARE REAL AND REQUIRE ATTENTION

As we and others have stated many times before, and as the members of this subcommittee well know, authoritative sources have acknowledged that the risk to public transportation systems is real, and it has not diminished:

—The GAO released a 2002 report stating "about one-third of terrorist attacks worldwide target transportation systems, and transit systems are the mode most commonly attacked."

—In 2007, the GAO reported to Congress that "the characteristics of some passenger rail systems—high ridership, expensive infrastructure, economic importance, and location (e.g., large metropolitan areas or tourist destinations)—make them attractive targets for terrorists because of the potential for mass casualties and economic damage and disruption."

—On February 29, 2008, the Office of Intelligence of the Transportation Security Administration (TSA) released a report concluding that public transportation in America remains vulnerable to terrorist attack. The report states: "The volume of previous attacks and recent plotting against mass transit systems overseas demonstrates continued strong terrorist interest in targeting this sector." The report further states that: "Previous rail attacks in Madrid, London, and Mumbai could inspire terrorists to conduct similar attacks in the United States."

—On September 30, 2009, the Honorable Michael E. Leiter, Director, National Counterterrorism Center (NCTC) testified in the Senate that "al-Qa'ida continues to pursue plans for Homeland attacks and is likely focusing on prominent political, economic, and infrastructure targets designed to produce mass casualties, visually dramatic destruction, significant economic aftershocks, and/or fear among the population. The group also likely remains interested in targeting mass transit systems, and other public venues, viewed as relatively soft targets as evidenced by past al-Qa'ida attacks in London."

—The federally funded and chartered, independent Mineta Transportation Institute (MTI) has collected data on worldwide terror incidents and found more than 2,000 separate attacks on surface transportation—1,223 involving bombs and incendiaries—since 1970. These attacks caused 6,190 deaths and approximately 19,000 injuries.

This history calls for continued vigilance and continued investments in surface transportation security.

SECURITY GRANT PROGRAM STRUCTURE

In fiscal year 2012, program changes were made in the Transit Security Grant Program and additional, significant, changes are proposed in fiscal year 2013. APTA acknowledges that there are some sound goals and positive policy provisions represented by these changes, including:

—*Peer Review.*—APTA and its members already have a system in place for conducting peer reviews—we look forward to working with the Federal Emergency Management Agency (FEMA) to develop such a program.

—*Multi-year Grant Guidance.*—APTA supports the approach of a multi-year grant guidance—previously, the TSGP guidance changed nearly every year, and APTA believes this to be one of the reasons that have contributed to delays in grant performance and drawdown.

Notwithstanding these improvements to the current program, there are several other program changes that cause us concern and which we believe could thwart the progress many grantee agencies have made to improve the security of their systems in recent years.

Program Consolidation

The National Preparedness Grant Program (NPGP) proposes to consolidate all grant programs previously categorized as preparedness grants into one comprehensive grant program. This is a drastic change that eliminates the standalone TSGP—the exclusive pool of funding for our Nation's public transportation systems. While this new program may be designed to meet the needs of the emergency management community and to more closely align with policy represented in the National Preparedness Goal, emergency preparedness and core capabilities are only subsets of the policy that the Transit Security Grant Program was intended to advance. As previously stated, transit systems and their assets remain high-risk terrorist targets, and investments in hardening and other capital security improvements specific to transit agencies do not appropriately fall within this broader emergency preparedness policy. APTA calls on Congress to authorize and preserve a sufficiently funded, segregated grant program for public transportation security as envisioned in the 9/11 Commission Act. We applaud the work of this subcommittee, as it recommended a separate Public Transportation Security Assistance grant program within the Department of Homeland Security fiscal year 2012 appropriations subcommittee report; we hope that the subcommittee will recommend the same in fiscal year 2013.

Reduced Grant Performance Period

Of additional concern is the new 24-month period of grant performance for all projects proposed in the fiscal year 2012 TSGP Guidance, which is further contained in the proposal for the fiscal year 2013 NPGP. This is a reduction from the previous 3–5-year allowable expenditure period. APTA certainly appreciates the concerns regarding unexpended security grant dollars and is committed to working with transit agencies to carry out important security projects in a timely fashion. However, it is important to recognize that capital projects (security-related or otherwise) require multiple years to complete, and a reduction in the time allotted to expend funding would preclude many much needed capital infrastructure security projects from being pursued and instead compel most grant recipients to apply for equipment and operational grants. This is not in the best interest of fortifying our systems against attacks, as the majority of the security needs identified in the 2010 APTA member survey relate to capital projects. APTA recommends maintaining the 3-year expenditure window with the opportunity to receive 6-month extensions up to a maximum of 5 years.

Emphasis on Operational Projects and the Top Transit Asset List

Similarly, the fiscal year 2012 TSGP and fiscal year 2013 NPGP place a high emphasis on operational activities and operational packages (OPacks). Congress has previously set a clear priority for transit security capital investments when enacting the National Transit Systems Security Act of 2007 (title 14 of the 9/11 Commission Act). Additionally, the fiscal year 2012 grant guidance states that this year's funding priorities will be based on a pre-designated "top transit asset list" or TTAL. APTA has testified previously that security investment decisions should be risk-based, which is the underlying approach of the TTAL. However, across the entire transit industry, thousands of assets are not listed on the TTAL and, thus, would not be eligible to receive funding. While this narrower funding approach is based on tighter fiscal circumstances and the total Federal dollars available for security grants, it is also indicative of the inadequacy of current funding levels. The proposed approach will preclude important security improvements from receiving funding consideration. APTA recommends reauthorizing the public transportation security assistance provisions of the 9/11 Commission Act, and urges Congress to work to make adequate funding available for the program to meet national needs.

Inability To Directly Apply for Funding

Finally, under the proposal, while transit agencies would be eligible for security funding, they would be required to apply for funding through their State Administrative Agency (SAA), and compete in this process with other State security priorities. This is a shift from the current program, where transit agencies are authorized to be direct applicants for and direct recipients of grant funds. We believe that under this new proposal sufficient funding would not consistently get to transit agencies, and in many cases the involvement of the SAA has the potential to slow the already lengthy grant performance process. Congress has repeatedly endorsed the position that transit agencies should be direct Federal grant recipients, as they have been through the Federal Transit Administration, and we urge Congress to continue this policy.

CONCLUSION

Madam Chairman, I thank the subcommittee for this opportunity to share our views on these critical homeland security issues. There is no greater priority for public transportation systems than the safety and security of our passengers and workers. I urge you not to wait for the "wake-up" call of an attack on our systems to provide transit agencies the support they need. Transit systems across the country continue to stand ready, committed, and vigilant in utilizing available resources efficiently to protect our systems and our riders. We urge you to sustain the critical partnership between transit agencies, Congress, and the Department of Homeland Security that helps to keep our Nation safe and moving toward economic prosperity.

PREPARED STATEMENT OF AMERICAN RIVERS

On behalf of our members and supporters across the Nation, I write to express our concerns regarding the Federal Emergency Management Agency's (FEMA) proposed fiscal year 2013 budget. Specifically, we are concerned about the decreased funding levels for flood hazard mapping, the elimination of the Pre-Disaster Mitigation (PDM) program and funding for flood mitigation programs under the National Flood Insurance Program (NFIP).

American Rivers is the leading conservation organization standing up for healthy rivers so communities can thrive. Rivers provide multiple benefits to people and our economy but when floods happen they put communities at risk. As we have seen over the past few years, floods are becoming more frequent and more severe. In 2011 alone, there were 58 Federal flood disaster declarations in 33 different States. The combined flood damages from these events are estimated at over $8 billion and caused 113 deaths—both figures exceed 30-year averages. We support several of FEMA's programs that help communities to mitigate flood damages before they occur.

FLOOD HAZARD MAPPING

The reduction in flood mapping funds from $220 million in 2010 to $89 million proposed in 2013 hinders the communication of flood hazard risk to Americans nationwide. Flood hazard mapping is critical to all sectors of society and across the Nation. These maps provide valuable information to local public officials who are working to keep the public safe and to the citizens themselves who want to protect their families and keep them out of harm's way. In fiscal year 2012, the flood hazard mapping program sustained a 34-percent cut. While we understand these are hard fiscal times, investing in flood hazard mapping is a sound and important use of taxpayers' money. At a minimum, we recommend maintaining the fiscal year 2012 level of $97 million for fiscal year 2013.

PRE-DISASTER MITIGATION

The Pre-Disaster Mitigation program is the sister program to the Hazard Mitigation program as it provides funding to communities before a disaster hits. It is less expensive to prepare for a flood than it is to rebuild over and over. When communities and homeowners take steps to protect themselves and to reduce the impacts of flooding through mitigation practices such as elevating or flood-proofing their homes, moving out of harm's way, and investing in "natural defenses" they can save themselves and taxpayers money. Flood mitigation practices that reduce the loss of life and damages to properties provide $5 in benefits for every $1 invested.[1] We recommend funding the PDM to fiscal year 2012 levels of $35.5 million in fiscal year 2013.

MITIGATION GRANTS OF THE NATIONAL FLOOD INSURANCE PROGRAM

We applaud the administration for the proposed investment of $120 million in flood mitigation programs under the NFIP. The financial impacts of floods and natural disasters make it clear that our Nation cannot afford to continue subsidizing development in places that are unsafe and it must be more strategic in response and recovery efforts to incorporate long-term sustainability and resilience when allocating resources. We support the administration's proposed fiscal year 2013 funding of $120 million for the flood mitigation programs of the NFIP.

We appreciate your leadership in safeguarding the American people from natural and unnatural hazards. As we continue to witness record breaking flooding, we are hopeful that the resources are in place to support public officials and communities alike in becoming more resilient to the next flood. We look forward to working with you to protect communities and the rivers they depend upon.

JAMES BRADLEY, SR.,
Director of Government Relations.

[1] Rose, A. et al. 2007. Benefit-Cost Analysis of FEMA Hazard Mitigation Grants. Natural Hazards Review 8, 97.

PREPARED STATEMENT OF THE ARCTIC SLOPE REGIONAL CORPORATION

MAY 9, 2012.

Hon. MARY L. LANDRIEU,
Chairman, Subcommittee on the Department of Homeland Security,
Washington, DC.

Hon. DANIEL COATS,
Ranking Member, Subcommittee on the Department of Homeland Security,
Washington, DC.

Re: Comments From Arctic Slope Regional Corporation, Hearing on U.S. Coast Guard Fiscal Year 2012 (Fiscal Year 2013) Budget Request

Dear Chairman Landrieu and Ranking Member Coats: The Arctic Slope Regional Corporation (ASRC) is pleased to submit written comments for the record in connection with the May 9, 2012, hearing of the Committee on Appropriations subcommittee on Homeland Security on the important topic of the U.S. Coast Guard fiscal year 2013 budget request.

ASRC is an Inupiat-owned Alaska Native regional corporation, formed pursuant to the Alaska Native Claims Settlement Act, 43 U.S.C. section 1601, et seq. (ANCSA), that represents the interests of the Inupiat Eskimos of the Arctic Slope, with more than 11,000 shareholders. ASRC's congressionally mandated mission is to invest in its land base and business interests to provide for the well-being of our Inupiat Eskimo shareholders. ASRC owns approximately 5 million acres of land on the North Slope, including both surface and subsurface estate.

The Honorable Senator Murkowski submitted a letter to the subcommittee on February 15, 2012, requesting a hearing on the Coast Guard's fiscal year 2013 budget request, and we thank you for honoring that request.

The issue of ensuring that the Coast Guard has adequate resources and infrastructure in the Arctic region is critical, especially as there is increased interest in and use of resources in the region. We would like to highlight some issues of which we believe the subcommittee should be aware, from the perspective of an ANCSA corporation and our Alaska Native shareholders.

From our observations, "open water season" is getting longer each year as sea ice melts, offering new prospects for resource exploration and development, tourist vessel transit, and shipping routes (both point-to-point transit and international) that may reshape the global transport system. In addition, there are significantly more international and domestic scientific and research activities in the region, driven in part by the potential for exploration and development of Arctic natural resources.

This increased activity, which greatly impacts the North Slope region and our shareholders, also inevitably leads to more and longer periods of high activity, with the attendant concerns about the ability of the Coast Guard to ensure safety and security during these periods of high vessel activity. We also have concerns with respect to the potential impacts of high vessel activity on our seasonal subsistence activities and the ability of the Coast Guard to bring resources to bear when needed, and in a timely manner.

In order to carry out its missions, the Coast Guard must have sufficient operational resources, strategically placed to respond to activity in the Beaufort and Chukchi Seas, and along the North Slope of Alaska. Air and sea logistical assets, communications infrastructure, access to icebreakers and facilities for support vessels, as well as management and security resources all will be required along our northern coastline. It is also critical that the location(s) of infrastructure and support facilities are selected appropriately. We believe that it is more appropriate to look to site support and resources at various places across the coastline, dictated by the local/regional needs and purposes, than to try to identify a single point where all such resources would be located.

The polar regions that were previously the domain of vessel owners and operators are now being staked in a global race to energy resources. The fiscal year 2013 budget request helps the Coast Guard address its mission requirements, including its mission to safeguard the United States interests in the Arctic. It is imperative to the Arctic, the State of Alaska, and the United States to ensure that the Coast Guard has the financial resources and infrastructure to effectively carry out its mission. Supporting the Coast Guard in the Arctic must be a top priority because both United States and international development will take place in our own backyard. Our open coastline is at the frontlines of increased marine traffic and exploration and development activity.

The United States is an Arctic nation. Alaska's strategic location provides the United States with the opportunity to become the world leader with regard to Arctic management, as our waters and resources are being promoted on the global stage.

The United States must be poised to lead in that role. On the international stage, Arctic and non-Arctic nations alike are such as China, Norway, Japan, Russia, and Italy, in agreement with Russia, are positioning their countries for success with respect to Arctic resources and access to global markets. What the Arctic will be in 20 or 30 years is, and will continue to be, a critical issue for Alaska, the United States, and the world. Now is the time to begin planning for the long term, which necessarily includes ensuring a right-sized and strategically placed Coast Guard presence.

Thank you for your time and consideration of this very important matter.

Sincerely,

TARA M. SWEENEY,
Senior Vice President, External Affairs.

PREPARED STATEMENT OF THE ASSOCIATION OF STATE FLOODPLAIN MANAGERS, INC.

FEDERAL EMERGENCY MANAGEMENT AGENCY'S HAZARD MITIGATION AND RISK IDENTIFICATION PROGRAMS

The Association of State Floodplain Managers (ASFPM)[1] welcomes the opportunity to comment on the fiscal year 2013 budget request for the Federal Emergency Management Agency. Specifically, our testimony will focus on the proposed budgets for flood risk mapping ($89.3 million), for Pre-Disaster Mitigation (PDM) ($0), for mitigation programs of the National Flood Insurance Program ($120 million) and for a new National Preparedness Grant Program (NPGP) ($1.5 billion).

The fiscal year 2013 FEMA budget request is a mixed bag for hazard mitigation programs, including additional significant cuts to flood mapping, elimination of FEMA's only all hazards Pre-Disaster Mitigation program, but increases in grants for some flood mitigation programs. Overall, however, the budget reflects a continued downward trend in the focus on hazard mitigation programs.

Natural disasters in 2011 were record setting, with 14 events in the United States estimated to have caused over $1 billion in damage. Four of those were flood events only and others involved significant flooding. This is the continuance of a trend of increased damages caused by flooding that has been occurring for over a decade. Flood damages have jumped from $6 billion per year in the 1990s to nearly $10 billion per year in the 2000s. Unfortunately the trend has been moving away from investment in hazard mitigation programs that assist communities to become more resilient following disasters.

Flood Hazard Mapping

Flood hazard mapping is the foundational piece of hazard mitigation. Not only does it provide data for hazard mitigation plans and projects but it also provides data for the general public to understand flood risks, and information for the implementation of local land use requirements and building codes. With the changing nature of flood risks and the significant backlog of needed mapping (Some areas of the country still have flood maps over 30 years old and some have never been mapped and/or lack engineering data.), the reduction in flood mapping funds from $220 million in 2010 to $89 million proposed in 2013 will only delay our identification and understanding of the risk faced by many Americans. Furthermore, there are demands by the public and Congress that flood mapping be made more accurate especially in areas protected by levees. FEMA's ambitious new flood mapping program, Risk MAP may now be significantly less effective should the mapping program support not be restored to prior levels of $200 million or more.

While the Association of State Floodplain Managers acknowledges all budgets in the Federal Government will likely be reduced to some extent, the disproportionate reduction in flood mapping funds makes little sense for a hazard that is the most frequent and one of the most costly in the United States. Mapping should be funded at earlier levels because communities need these maps to know where their risks are so they can take action to mitigate their risks, and thereby reduce the national risk.

Elimination of Pre-Disaster Mitigation

Even more perplexing is the proposed elimination of the Pre-Disaster Mitigation (PDM) program. This program has resulted in numerous successes such as over 18,000 communities having developed and adopted hazard mitigation plans and all-

[1] ASFPM and its 33 chapters represent over 14,000 State and local officials and other flood risk professionals—Web site: [http://www.floods.org].

hazard "sticks and bricks" mitigation projects being implemented that have permanently reduced future risk by getting existing, at-risk development out of harm's way. It has allowed States who didn't have frequent disasters to tap into hazard mitigation resources to reduce their risks too. PDM is the pre-disaster complement to the more well-known Hazard Mitigation Grant Program (HMGP) that is triggered only after a Federal disaster declaration.

Many States have relied on PDM to support development and maintenance of hazard mitigation plans, so ASFPM is very concerned about the effect of the elimination of PDM on hazard mitigation planning. Approximately 20 percent of PDM funds have been used to support the hazard mitigation plans required by the Disaster Mitigation Act of 2000. These plans are required for eligibility for post-disaster mitigation assistance and are key to effective expenditure of mitigation funds. Lack of support for mitigation planning is a major concern, especially when it is unclear where future funds will come from to support communities and States in updating mitigation plans.

PDM, which provides resources before an event happens as opposed to afterwards, is widely considered to be a successful program despite acknowledged problems with timely obligation of funds. ASFPM recommends that the administration could and should look to models which would delegate the program to States to ensure obligation of funds will happen much more quickly. Studies have shown that investments in FEMA's hazard mitigation programs yield on average $4 in benefits for every $1 invested. For flood disasters, the ratio is $5 in benefits for every $1 invested. Also, these programs are cost shared with States and communities ensuring that they, too, are investing in their future resilience from hazards. ASFPM recommends retention of the program at least at the minimal fiscal year 2012 funding level of $35.5 million.

Creation of new NPGP

ASFPM also cautions the administration to thoughtfully proceed with the creation of a large multi-purpose grant program which folds together 16 grant programs ranging in focus from terrorism preparedness to natural hazard mitigation. Inclusion of mitigation as an eligible activity is the rationale for elimination of PDM. However, the "vision" document for this program clearly shows priorities are focused on funding activities that are not mitigation, and under the proposed framework mitigation priorities will, in reality, be all but impossible to fund. Ultimately the National Preparedness Grant Program (NPGP) and National Preparedness Goal are aimed at readiness, not mitigation. While mitigation is a component of readiness (as it is a component of response and recovery) readiness is not a substitute for mitigation.

ASFPM recommends that implementation of a new NPGP be delayed to allow for consultation with stakeholder groups. As presently envisioned, the program is likely to result in neglect of key functions of mitigation and resilience.

Increase in Funding for Mitigation Grants of the National Flood Insurance Program

ASFPM is very pleased that the administration has proposed increasing its investment in flood mitigation programs under the NFIP—from a funding level of $60 million in fiscal year 2012 to proposed fiscal year 2013 funding of $120 million. These programs are largely, but not entirely, focused on properties which file repetitive flood loss claims. ASFPM notes that the budget assumes a streamlining of the Flood Mitigation Assistance Grants, the Severe Repetitive Loss program and the Repetitive Flood Claims program to achieve greater efficiencies. The greater commitment to elimination of repetitive loss properties from the National Flood Insurance Program is important to the NFIP's financial integrity.

LARRY A. LARSON,
Executive Director.

PREPARED STATEMENT OF THE FLEET RESERVE ASSOCIATION

INTRODUCTION

Madame Chairman and distinguished members of the subcommittee, the Fleet Reserve Association (FRA) appreciates the opportunity to present its recommendations on the United States Coast Guard's fiscal year 2013 budget.

Prior to addressing these issues, FRA wishes to thank the Congress for the generous pay, healthcare, and benefit enhancements enacted in recent years. Improved wounded warrior transition and support services are very important as are other benefit improvements which are essential to maintaining the all-volunteer force and military readiness.

Ensuring Coast Guard funding parity with Department of Defense (DOD) personnel programs remains a high priority for FRA, and the association notes continuing challenges within the Coast Guard to adequately fund previously authorized Active and Reserve people programs. FRA is also deeply concerned about the impact of "sequestration" (automatic cuts) mandated by the 2011 Budget Control Act on Coast Guard programs effective January 2013 unless Congress intervenes.

It's also important to note that FRA believes that military service is unlike any other career or occupation, and requires servicemembers' compensation commensurate with the demands of service plus a robust benefits package and retirement system. In addition, FRA fully concurs with Admiral Robert Papp's State of the Coast Guard comment that, "The Coast Guard's value to the Nation has never been greater."

COAST GUARD AUTHORIZATION

FRA appreciates the enactment of the fiscal year 2011 Coast Guard Authorization Act (H.R. 3617) in the 111th Congress that addresses several important personnel-related issues. The association supports the Coast Guard Authorization Act (S. 1665), sponsored by Senator Mark Begich, Chairman of the Senate Oceans, Atmosphere, Fisheries and Coast Guard Subcommittee, that among its other provisions increases Coast Guard end strength to 49,350. This bill was approved by the Senate Commerce, Science and Transportation Committee and placed on the Senate legislative calendar.

FRA also supports the Coast Guard and Maritime Transportation Act (H.R. 2838) sponsored by Rep. Frank A. LoBiondo, Chairman of the Coast Guard and Maritime Transportation Subcommittee. That legislation extends the U.S. Coast Guard Authorization through fiscal year 2014 and authorizes $8.6 billion for fiscal year 2013, and $8.7 billion for fiscal year 2014. The bill passed the House last year and is awaiting action in the Senate Commerce, Science and Transportation Committee.

Provisions of the bill would establish greater parity with DOD for the Coast Guard and its personnel. During consideration of the bill, the House Transportation and Infrastructure Committee noted that Active, Reserve, and retired members of the Coast Guard and their dependents do not always receive the same benefits available to members of the other armed services. The legislation also mandates that the Commandant submit a report to Congress on servicemember housing. FRA strongly supports timely enactment of Coast Guard authorization legislation in each Congress and believes the legislation is fundamental to effective congressional budgeting and effective oversight of the service and its wide ranging and challenging missions.

HEALTHCARE

The FRA strongly supports adequate funding for the Coast Guard Health Care Fund (HCF) in order to meet readiness needs, fully fund TRICARE, and improve access for all beneficiaries regardless of age, status, or location. FRA opposes the administration's proposed retiree TRICARE fee hikes commencing in 2013. Just last year, the National Defense Authorization Act (H.R. 1540) authorized a TRICARE Prime fee increase of 13 percent for military retirees and future adjustments are pegged to the Consumer Price Index (CPI) so as to not erode retired pay.

Healthcare benefits are important to every segment of FRA's membership. The continued growth in healthcare costs is not just a military challenge but a challenge for the entire country. FRA believes that military service is a unique profession and notes minimal projected savings associated with DOD management efficiencies and other initiatives in fiscal year 2013 and beyond, while retirees are targeted for major fee hikes.

Our members are also very concerned about a proposed new TRICARE-for-Life (TFL) enrollment fee beginning in fiscal year 2013. This is viewed as another failure to honor commitments to those who served past careers in the military. These personnel pay Medicare part B premiums and many have not benefited from the significant pay and benefit enhancements enacted since 2000.

Due to the unique range of geographic locations to which they are assigned, Coast Guard personnel and their families often struggle to find medical providers who accept TRICARE beneficiaries. While implementation of TRICARE Prime Remote alleviated some of these problems, costs associated with the TRICARE Standard benefit, and low reimbursement rates can make finding a healthcare provider an especially daunting task in many areas. And, Coast Guard personnel who choose to receive care at DOD military treatment facilities (MTFs) may be required to travel long distances for care. FRA is committed to helping address these challenges in order to improve healthcare access for all Coast Guard personnel, particularly those stationed in remote locations.

PAY INCREASE

It's appropriate that the Coast Guard and other Armed Forces are excluded from the multi-year pay freeze for Federal employees announced by President Obama on November 29, 2010. The association strongly supports the proposed 1.7 percent military pay increase for 2013, based on Employment Cost Index (ECI) data. Congress has in recent years improved military compensation that, in turn, enhanced the recruitment and retention of quality personnel in an all-volunteer environment, improved retention, morale, and readiness. More than 50 percent of the uniformed services community is married and adequate compensation helps relieve stress associated with demanding operational tempos.

FRA consistently supports pay increases that are at least equal to the ECI to keep pace with civilian pay. FRA urges the subcommittee to ensure adequate appropriations to fund the pay increase in the Coast Guard's budget, plus other benefit enhancements that may be authorized by the respective Armed Services Committees.

HOUSING

The Coast Guard currently owns 4,013 family homes, at an average age of 40+ years, with an extensive maintenance and recapitalization project backlog. These costs are compounding and funds are not available to keep pace with essential maintenance and replacement requirements. FRA supports authorization and funding of Coast Guard initiatives to address this situation and to improve family housing. DOD privatized approximately 85 percent of its homes using public-private venture (PPV) authorities, however, the Coast Guard is unable to leverage the same equity due to no authorization and inadequate resources to do so. The result is that over 12,000 Coast Guard members and their families are living in aged, substandard housing that are expensive to maintain and have recurring and costly maintenance issues.

The vast majority of Coast Guard personnel and their families use private housing and collect basic allowance for housing (BAH) usually based on different types of housing than the one in which they choose to live. (FRA supports reform of DOD housing standards that inequitably depress BAH rates for mid-to-senior enlisted members due to types of housing they choose to reside in compared to the type of housing associated with their pay grades which determines their BAH level.)

The Coast Guard is conducting an assessment of its housing needs that includes a housing market survey to determine availability of rental housing in lieu of Government-owned housing and FRA understands that this report on housing will be available at the end of May 2012, and that the Coast Guard has diverted $8.8 million from other programs to be used for housing needs.

CHILD CARE

The availability and accessibility of affordable child care is a very important quality of life issue for Coast Guard personnel and their families. The Coast Guard operates nine child development centers (CDCs) that operate under the same standards as similar DOD facilities. In addition, a child care subsidy program allows members affordable access to private sector child care centers, and whenever possible access to DOD facilities.

High-cost child care can often be attributed to the fact that most of the duty locations preclude access to DOD and Coast Guard CDCs. The Coast Guard continues to explore ways to assist with child care costs for members in remote, high-cost areas and FRA supports these efforts. Authorization and appropriations to support access to child care plus updates and enhancements are equally important. The FRA agrees with Rep. Frank LoBiondo, Chairman of the House Coast Guard and Maritime Subcommittee, who does not believe there is Coast Guard parity with DOD in terms of child care and housing.

END STRENGTH

"For the third consecutive year the Coast Guard will screen hundreds of E–5 through E–9 personnel to reduce its enlisted force by 861 coastguardsmen by June 2012.[1]" The involuntary retirement screening by a enlisted review board is focused of enlisted personnel with 20 or more years of service.

[1] Navy Times, Feb., 13, 2012, p. 32, Coasties Face Retirement Screening, Sam Fellman.

The fiscal year 2013 Coast Guard budget request reduces Coast Guard end strength by 1,000. This includes the elimination of 222 positions from Coast Guard headquarters and reductions to the recruiting program. Reduced re-enlistment bonuses are also proposed.

The association also notes that the authorized Coast Guard Reserve end strength is 10,000, however only 8,100 Reserve personnel are funded and the level has remained unchanged for a number of years. FRA is concerned that budget-driven, vice mission related cuts create inadequate end strength that further stresses Coast Guard personnel and their families. Repeated deployments for Active Duty personnel and increased reliance on Reserve personnel are associated results. Although the fiscal year 2013 budget mandates an authorized end strength reduction, there is no corresponding reduction in Coast Guard operational demands. End strength must be adequate to meet operational commitments that limit lengths of deployments and allow sufficient dwell time between deployments. As Admiral Papp noted in his recent State of the Coast Guard address, "We will not allow our service to become a hollow operational force."

YELLOW RIBBON PROGRAM

The Coast Guard in 2011 established a Yellow Ribbon Program, in partnership with DOD, to enable more than 1,400 deploying coastguardsmen and their families to connect with resources before, during, and after deployment. Family support is critical to ensure there are no unnecessary family problems to distract from duties and demands of deployment, and adequate resources are essential to sustaining this important program.

CONCLUSION

Madame Chairman, the FRA appreciates the opportunity to submit its views for the record on pay, healthcare, and other programs important to Coast Guard personnel.

The association salutes you, the ranking member, and the other members of this distinguished subcommittee and your staff for effective oversight of our Nation's all-important fifth Armed Force, and for your untiring commitment to the men and women serving so proudly in our United States Coast Guard.

THE FRA

The Fleet Reserve Association (FRA) is the oldest and largest enlisted organization serving Active Duty, Reserves, retired, and veterans of the Navy, Marine Corps, and Coast Guard. It is congressionally chartered, recognized by the Department of Veterans Affairs (VA) as an accrediting Veteran Service Organization (VSO) for claim representation and entrusted to serve all veterans who seek its help. In 2007, FRA was selected for full membership on the National Veterans' Day Committee.

FRA was established in 1924 and its name is derived from the Navy's program for personnel transferring to the Fleet Reserve or Fleet Marine Corps Reserve after 20 or more years of Active Duty, but less than 30 years for retirement purposes.

FRA's mission is to act as the premier "watch dog" organization on Capitol Hill in maintaining and improving the quality of life for Sea Service personnel and their families. The association also sponsors a National Americanism Essay Program and other recognition and relief programs. In addition, the FRA Education Foundation oversees the association's scholarship program that presented awards totaling over $120,000 to deserving students last year.

FRA sponsors the annual Coast Guard Enlisted Persons of the Year program and hosts the annual U.S. Coast Guard Caucus Breakfast on Capitol Hill each year to recognize Caucus members and increase awareness about the service's various missions and the work of Coast Guard personnel.

The association is also a founding member and active participant in The Military Coalition (TMC), a 34-member consortium of military and veteran's organizations.

CERTIFICATION OF NON-RECEIPT OF FEDERAL FUNDS

Pursuant to the requirements of House Rule XI, the Fleet Reserve Association has not received any Federal grant or contract during the current fiscal year or either of the 2 previous fiscal years.

MASTER CHIEF JOSEPH L. BARNES, USN (RET.),
National Executive Director.

PREPARED STATEMENT OF THE INSTITUTE OF MAKERS OF EXPLOSIVES

INTEREST OF THE IME

The Institute of Makers of Explosives (IME) is the safety and security association of the commercial explosives industry. Commercial explosives underpin the economy. They are essential to energy production, construction, demolition, and the manufacture of any metal/mineral product. Explosives are transported and used in every State. The ability to manufacture, transport, distribute, and use these products safely and securely is critical to this industry.

The Infrastructure Security Compliance Division (ISCD) is standing up two programs that affect our membership—the Chemical Facility Anti-Terrorism Standards (CFATS) program and the recently proposed Ammonium Nitrate Security program (ANSP). Some of our members are regulated under CFATS, and all will be regulated under the ANSP.

Ensuring the security of commercial explosives and precursor materials against unauthorized access and use has been a priority of IME members long before the events of 9/11. As proof of our success, less than 2 percent of destructive explosives devices used in bombings and attempted bombings in this country are filled with commercial explosives.[1]

ISCD ISSUES

CFATS.—Those in our industry affected by this program and been working hard to meet deadlines for submissions of so-called "top-screens", site vulnerability assessments, and site security plans (SSP). Our focus has been on identifying and ensuring that we have the means to meet the 18 specific risk-based performance standards (RBSP)[2] required for final SSP approval. While concerns were voiced about the lack of progress in fully implementing the CFATS program, we believed a major factor in the delay was the lack of permanent authorization for the program. We have been proactively working to achieve that end. In the meantime, we appreciate the efforts of the subcommittee to be both the appropriator and authorizer for this program.

In the midst of these efforts, it was revealed that the program suffers from a number of internal management issues.[3] Nothing in the internal review suggests that the legislative framework establishing CFATS is flawed. Rather, it is DHS' failure to provide adequate oversight and support that have resulted in program misdirection and implementation failures. Frankly, we applaud ISCD's new leadership that identified these issues and developed a plan to address them. Clearly, DHS has overstepped the role and responsibility Congress gave it. The result of this unfocused, mission creep is wasted human and financial capital. ISCD was not supposed to have law-enforcement powers. ISCD was not supposed to support a culture of cronyism, disrespect, and failed leadership. ISCD was not supposed to be staffed with individuals without the skills necessary to run a regulatory compliance program. ISCD was not supposed to mandate the means to achieve compliance with its performance standards, as it is attempting to do with the stand-up of a costly, duplicative personnel surety initiative.

We understand that permanent CFATS authorization may have to wait the outcome of DHS' ability to address the litany of pervasive internal management failures. During this period of re-evaluation, we cannot emphasize too strongly that this is not the time to entrust ISCD to implement a stand-alone personnel surety program. The CFATS personal surety program is identified in the November 2011 ISCD management memorandum as the agency's third highest programmatic priority. ISCD has taken the unorthodox approach of attempting to institute this program though an information collection request (ICR), rather than full notice and comment rulemaking as has been the approach used to establish every other Federal vetting program. This request is pending at the Office of Management and Budget (OMB) and the Department of Homeland Security (DHS) has predicted that it will soon be released.

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[1] Bomb Center Data, the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), 2006.

[2] RBPS are particularly appropriate in a security context because they provide individual facilities the flexibility to address their unique security challenges. Using performance standards rather than prescriptive standards also helps to increase the overall security of the sector by varying the security practices used by different chemical facilities. Security measures that differ from facility to facility means that each presents a new and unique problem for an adversary to solve.

[3] Management memorandum to Under Secretary Rand Beers from Penny Anderson, Director, and David Wulf, Deputy Director, ISCD, November 11, 2011.

Under CFATS, RBPS 12 establishes a four-part background check for all facility personnel, and as appropriate, for unescorted visitors with access to restricted areas. The four-part background check standards are consistent with the other background check programs administered by DHS, including measures to verify identity, to check criminal history, to validate legal authorization to work, and to identify people with terrorist ties. The latter standard is met by a check against the terrorist screening database administered by the Federal Bureau of Investigation. ISCD's approach to personnel surety runs counter to direction from the White House, with industry support, that DHS consolidate and streamline duplicative vetting programs and eliminate redundant background checks.[4] As proposed, ISCD refuses to reciprocally recognize other, more robust Federal vetting programs as sufficient to meet the background check requirements of CFATS, and ISCD does not allow regulated facilities the option to meet its personnel surety standards by exercising DHS' discretionary authority to open the Transportation Worker Identification Credential (TWIC) program to employees at CFATS facilities. ISCD's program will compel facilities to collect personal identifying information from a myriad of non-employees who are granted access to restricted areas—a liability many are unwilling to assume. It is expected that the site-by-site registration and access verification procedures will unnecessarily encumber facility access. Acknowledging these flaws, ISCD has said that it will "slowly rollout" the personal surety program with a promise to fix problems in the ramp up to full implementation after OMB gives clearance—basically turning initial implementation into a pilot program.

These personal surety program issues have been identified to the authorizing committees of the House and Senate. Correspondingly, this subcommittee should bar ISCD from using any funds to implement this program until the authorizing committees have addressed these concerns. Ideally, ISCD would withdraw its ICR proposal and enable chemical facilities to satisfy the personal surety requirements of RBPS 12 by accepting evidence that individuals seeking access to restricted areas are appropriately vetted by existing Federal background check programs that are at least equivalent to the CFATS standards. Additionally, individuals needing this access should be allowed to apply for and be vetted under these existing programs. These accommodations would save Federal and private sector resources without any diminution in security.

ANSP.—ISCD is also responsible for the ANSP. The November 2011 management memo includes sections relevant to this program. The ANSP program, even more than CFATS, directly affects IME members.[5] As unbelievable as it may seem, ISCD has proposed to institute a separate, unique chain-of-custody vetting program for those handling AN.[6] All of the criticisms that have been raised about the personal surety program under CFATS could be repeated here and more. The ANSP vetting proposal would require the registration and face-to-face on-line verification of registration of anyone with possession of AN or transferring AN to another individual. This regulatory interpretation oversteps statutory authority authorizing the ANSP.[7] This legislation restricts the registration and vetting requirements to those transferring ownership and possession. With this understanding, individuals engaged in the transportation of AN would not be covered, nor would individuals at facilities that do not have decisionmaking authority to direct the commerce of this product. The House Homeland Security Committee has reported legislation, H.R. 3116, that would exempt those engaged in the transportation of AN, as the security vetting of those individuals is handled by the Transportation Security Administration, and would limit vetting under the ANSP to those who individuals who both possess and transfer ownership of AN. As with CFATS, ISCD should allow individuals who possess and transfer ownership of AN to satisfy the vetting requirements of the ANSP

[4] This initiative has as its objective leveraging existing Federal security background checks to implement the principle of "enroll once, use many" to reuse the information on individuals needing multiple access privileges. Transportation Security Administration's Transportation and Threat and Credentialing office is working on this goal through its Infrastructure Modernization program.

[5] In the 1950s, the explosives industry migrated away from nitroglycerin-based to AN-based explosives for safety reasons. Today about 99 percent of explosives are AN-based. Currently, we estimate that the explosives industry uses over 2 million metric tons of TGAN (technical grade AN) annually, 70 percent of the total AN consumed in the United States. Almost all TGAN is stored, transported, and used in bulk. The smallest unit of sale in the United States is 1-ton "super sacks," not man-portable bags. Eighty percent of the AN received by our members is delivered by railcar (5 percent by barge and 15 percent by truck). For safety reasons, we estimate that we deliver 85 percent or more of AN directly to the end user where it is converted into explosive material. Of the 15 percent of AN prill that is manufactured into an explosive prior to delivery to the end user, about 90 percent is manufactured as "ANFO."

[6] 76 FR 46908 (August 3, 2011).

[7] 6 U.S.C. 488.

through other equivalent Federal security vetting programs, such as the vetting program administered by the Bureau of Alcohol, Tobacco, Firearms, and Explosives for those that possess commercial explosives. As we recommended for CFATS, no new authority should be granted ISCD until the agency gets its internal house in order.

We do agree with the Action Plan proposal to integrate into a single cadre ANSP and CFATS inspectors. Dual training inspectors to function interchangeably under both programs will optimize the use of these resources. We believe ISCD has the authority to do this administratively, though union issues may complicate the merger. Congress should monitor this situation.

CONCLUSION

The commercial explosives industry has a long history of attention to the safety and security of the products that we produce. We look for opportunities to partner with DHS and ISCD to address shared concerns. On the matter of personnel vetting in both the CFATS and ANSP programs, we regret that ISCD has not yet been responsive to our suggestions to leverage existing equivalent Federal programs to accomplish this task. The cost to American taxpayers, industry, and the Government to stand up redundant vetting programs has not been justified. Thank you for your attention to these concerns.

Respectfully submitted by,

CYNTHIA HILTON,
Executive Vice President.

PREPARED STATEMENT OF THE NATIONAL EMERGENCY MANAGEMENT ASSOCIATION

INTRODUCTION

Thank you for the opportunity to submit this statement for the record regarding the fiscal year 2012 budget for the Department of Homeland Security (DHS). As president of the National Emergency Management Association (NEMA) I represent the emergency management directors of all 50 States, territories, and the District of Columbia. Members of NEMA are responsible to the Governors for myriad responsibilities including emergency preparedness, homeland security, mitigation, response, and recovery activities for natural or terrorism-related disasters.

EMERGENCY MANAGEMENT PERFORMANCE GRANTS

The highest priority for NEMA within the President's request is funding for the Emergency Management Performance Grants (EMPG). EMPG assists State and local governments in managing a variety of disasters and hazards providing the only source of Federal assistance to State and local government for all-hazards emergency management capacity building. Grantees utilize EMPG funds for personnel, planning, training, exercises, warning systems, public outreach, and other essential functions in establishing effective preparedness, mitigation, response, and recovery. This program is of considerable economic value to the Federal Government as all Federal funds are matched 50–50 by State and local governments. Such a matching requirement increases accountability and supplements the impact of valuable Federal dollars.

This year, NEMA fully supports the President's requested funding level and House Appropriations Committee recommendation of $350 million for EMPG. We appreciate the resource constrained environment, but when compared to other grant programs, the 50–50 match allows EMPG to stand alone as a worthwhile investment of Federal funds. In many ways, EMPG offers a cost-savings by allowing States to manage disasters which would otherwise need to be addressed by the Federal Government.

NEMA has taken the most significant step forward to date in attempting to measure the effectiveness of EMPG. For the past 2 years, NEMA has released "Emergency Management Performance Grants: Providing Returns on a Nation's Investment." The report measures the effectiveness of funding provided EMPG in fiscal year 2010. It also ties individual State and local efforts into the far larger picture of overall preparedness by demonstrating how a truly national emergency management system is developed and supported.

A copy of the report is available online at: [http://www.nemaweb.org/index.php?option=com__content&view=article&id=220&Itemid=402].

HOMELAND SECURITY GRANT PROGRAM

Since the inception of the State Homeland Security Grant Program (SHSGP), NEMA has maintained support of these grants as critical resources to help State and local governments build and sustain capabilities to address the various threats and hazards they face. The time has come, however, to consider a better way forward in light of continuing budget cuts to these important programs. During the fiscal year 2012 budget discussions of last summer, the NEMA leadership decided on a new approach to the full suite of grants within the Federal Emergency Management Agency (FEMA) and the Department of Homeland Security (DHS). NEMA subsequently developed the Proposal for a Comprehensive Preparedness Grants Structure which has been previously submitted to your subcommittee for review.

NEMA was pleased to see the administration also contribute to the dialogue of grant reform through the fiscal year 2013 budget proposal. While we were encouraged to see the administration's vision reflect many of our recommendations, NEMA strongly believes a continued dialogue with all stakeholders is necessary to ensure every voice is heard and every consideration given for the most effective approach to grants reform. We would suggest several aspects of the President's budget proposal require additional clarity and further analysis:

—The current planning process must be upgraded to reflect the maturation of our preparedness efforts in the past 10 years. A truly comprehensive system must allow for each State and locality to determine core capabilities, set priorities in a flexible manner, and measure performance and effectiveness regardless of available Federal funds.

—Those cities traditionally categorized as "tier 1" in the Urban Area Security Initiative (UASI) program should be directly funded provided they also participate in the THIRA process and comprehensive planning process. Furthermore, a process by which other units of government such as transit and port authorities or self-organized regions of governments such as other current UASI participants can apply for funding should be outlined. Giving direct funding without any requirement to work with or support an overall State strategy, however, puts the State in an untenable position as it continues to reward geographic stovepipes and uncoordinated programs

—The THIRA process must focus on State and local governments and include consequences of loss in the analysis and provide the analytical rigor for understanding and problem-solving for complex issues. The system must also include the full range of stakeholders including health, law enforcement, public works, fire, land use, transportation, and the private sector. This includes collaboration on planning, analysis, project development, application review, and development of core capabilities.

—The administration's definition of "regionalization" in terms of application review requires additional clarification. Such peer review is best handled at the State level and should focus on setting priorities for projects. Any national review should be on the State priorities overall and not a micro review of individual projects. Also, coordination of development of specific national capabilities such as urban search and rescue teams is necessary. NEMA addresses this issue through the recommendation of a multi-disciplinary and multi-jurisdictional committee comprised of stakeholders across the State to review all grant applications.

The review committee of Statewide stakeholders is critical to the development of a governance structure which ensures all partners and grantees to maintain a voice through a project-based grants process. The committee would also be responsible for enabling the range of threats and hazards to be considered across the full spectrum of State and local activities. Such a committee promotes fairness, reduces the politicization of grants, and allows a voice for every constituency.

—Priorities and select projects for local governments, ports, and other entities, or for those entities to work with each other within each State and among the States on the highest value projects cannot be dictated by Washington. The allocation systems of the past pitted city against city and port against port with very little consideration of the complex relationships of our economic system. The NEMA proposal recognizes and values these relationships. There must be a marketplace of ideas where value is determined by collaboration between applicants rather than cutthroat competition between them with winners and losers.

—NEMA suggests only a small amount of the total grant funding be held by DHS for competitive pilot projects to spark innovation. Competition at the project level cannot be calculated by separate groups or reduced to subjective grading.

Up to 5 percent of the funding should be utilized to support innovative projects. The remainder of the funding from the investment grant can then be devoted to project-based applications by State and local grantees. This varies from the administration's recommendation which continues to address grant funding through stove-piped programs. By reducing layers of review that impede the flexibility of the funding, an efficient and effective flow of funding can be realized for State and local projects.

Overall, the overarching principles and values remain at the heart of any grant reform. Few seem to disagree with the tenets of supporting PPD–8; building a culture of collaboration; the ability to be agile and adaptive to confront changing hazards; building and sustaining capabilities; encouraging innovation; providing full visibility to all stakeholders; and recognizing the interdependencies of our national systems. The importance of these principles and values highlight a critical point in any retrospective on homeland security grants. Regardless of our country's fiscal situation, physical security and economic security are not mutually exclusive and can be achieved with a more streamlined grant structure. Working with you and our stakeholder partners, we remain confident a prudent approach forward can be found.

EMERGENCY MANAGEMENT ASSISTANCE COMPACT

We appreciate your continued support for the Emergency Management Assistance Compact (EMAC). NEMA continues to support a budget line item for EMAC for $2 million so the program may continue providing critical mutual aid resources across the country.

In fiscal year 2013, specific funding for investment into EMAC is needed to continue to build capabilities. For example, 26 emergency management personnel responded to the September 11, 2001, terrorist attacks. Conversely, over 66,000 personnel from a variety of disciplines deployed through EMAC to the gulf coast in response to Hurricanes Katrina and Rita and 12,279 personnel to Texas and Louisiana during Hurricanes Gustav and Ike. The 2009 spring flooding in North Dakota and Minnesota resulted in States deploying equipment, sandbags, and 1,029 personnel to North Dakota. In all, 727 National Guard personnel and 302 civilians were sent to assist. Last year, over 600 personnel were deployed in response to the floods and tornados in Missouri, North Dakota, Nebraska, South Dakota, Mississippi, Alabama, and Tennessee.

EMERGENCY MANAGEMENT AND HOMELAND SECURITY TRAINING AND EDUCATION

Training and education opportunities stand as one of the most effective ways to ensure the continued professionalization of emergency management and homeland security personnel as well as to increase their abilities to best protect our Nation and communities. The two Federal Government programs representing the pedigree of these efforts are the Emergency Management Institute (EMI) and the Naval Postgraduate School's Center for Homeland Defense and Security (CHDS). Not only do these two institutions provide the "gold standards" within their respective professional education realms, they also provide leadership and share resources to support a collaborative effort among training and education efforts throughout the country.

EMI directly supports the professional core competencies of emergency managers at the Federal, State, local, tribal, public, and private sectors. The Institute trains more than 2 million students annually with residential on-site programs, off-site programs in partnership with State and local emergency managers, and computer based E-learning. EMI has recently partnered with NEMA and the International Association of Emergency Managers to develop the National Emergency Management Academy. The Academy consists of five courses and provides a structured and progressive approach to acquire skills, knowledge, and abilities to meet career challenges in emergency management

CHDS programs include a fully accredited master's degree program; executive education seminars for Governors, locally elected officials, and their senior department leaders; an Executive Leaders Program; a Fusion Center Leaders Program; a peer reviewed online academic journal; a university and agency partnership effort; and the world's largest online homeland security library. These endeavors by CHDS significantly advance the strategic and critical thinking abilities of emergency management and homeland security personnel in their daily responsibilities, policy deliberations, and relationships with senior leadership within their jurisdictions.

NEMA supports the President's budget request of $17.8 million for EMI and the inclusion of language in the fiscal year 2013 appropriations bill supporting the full funding of the Naval Postgraduate School's Center for Homeland Defense and Security (CHDS) by the Federal Emergency Management Agency (FEMA).

CONCLUSION

Again, I appreciate the opportunity to address these issues critical to the emergency management community. This subcommittee regularly affirms support for ensuring preparedness for our Nation's vulnerabilities against all-hazards. As you develop the fiscal year 2013 budget for the Department of Homeland Security, we encourage you to utilize our membership as a resource and continue efforts to build a strong and robust emergency management baseline in our country. Together, we will carry-on the initiatives so thoughtfully developed by this subcommittee over the years. I thank you for the opportunity to testify on behalf of NEMA and appreciate your continued partnership.

MR. JIM MULLEN,
President, NEMA.
Director, Washington Military Department Emergency Management Division.

PREPARED STATEMENT OF THE NATIONAL TREASURY EMPLOYEES UNION

Chairman Landrieu, Ranking Member Coats, distinguished members of the subcommittee; thank you for the opportunity to provide this testimony. As president of the National Treasury Employees Union (NTEU), I have the honor of leading a union that represents over 24,000 Customs and Border Protection (CBP) officers and trade enforcement specialists who are stationed at 331 land, sea, and air ports of entry (POEs) across the United States. CBP employees' mission is to protect the Nation's borders at the ports of entry from all threats while facilitating legitimate travel and trade. CBP trade compliance personnel enforce over 400 U.S. trade and tariff laws and regulations in order to ensure a fair and competitive trade environment pursuant to existing international agreements and treaties, as well as stemming the flow of illegal contraband such as child pornography, illegal arms, weapons of mass destruction, and laundered money. CBP is also a revenue collection agency, processing approximately $2 trillion of imports—28 million trade entries a year—at the POEs and collecting more than $32 billion in revenue for the U.S. Government in fiscal year 2010.

CBP STAFFING AT THE PORTS OF ENTRY

There is perhaps no greater roadblock to legitimate trade and travel efficiency than the lack of sufficient staff at the ports. Understaffed ports lead to long delays in our commercial lanes as cargo waits to enter U.S. commerce.

Those delays result in real losses to the U.S. economy. According to a draft report prepared by the Department of Commerce, border delays in 2008 cost the U.S. economy nearly 26,000 jobs and $6 billion in output, $1.4 billion in wages, and $600 million in tax revenues annually. According to the same report, by 2017, average wait times could increase to nearly 100 minutes, costing the United States more than 54,000 jobs and $12 billion in output, $3 billion in wages, and $1.2 billion in tax revenues. The cumulative loss in output due to border delays over the next 10 years is estimated to be $86 billion.

More than 50 million Americans work for companies that engage in international trade, according to the U.S. Department of the Treasury. If Congress is serious about job creation, then Congress should support enhancing U.S. trade and travel by mitigating wait times at the ports and enhancing trade enforcement by increasing CBP security and commercial operations staffing at the air, sea, and land ports of entry.

In October 2009, the Southwest Border Task Force, created by Homeland Security Secretary Janet Napolitano, presented the results of its staffing and resources review in a draft report. This draft report recommended that the "Federal Government should hire more Customs [and Border Protection] officers." The report echoes the finding of the Border-Facilitation Working Group. (The U.S.-Mexico Border Facilitation Working Group was created during the bilateral meeting between President George W. Bush and President Felipe Calderon held in Merida in March 2007.) "In order to more optimally operate the various ports of entry, CBP needs to increase the number of CBP officers. According to its own estimate, the lack of human resources only for the San Ysidro POE is in the 'hundreds' and the CBP officer need at all ports of entry located along the border with Mexico is in the 'thousands.'" ("CBP: Challenges and Opportunities," a memo prepared by Armand Peschard-Sverdrup for Mexico's Ministry of the Economy: U.S.-Mexico Border Facilitation Working Group, January 2008, pages 1 and 2.)

Despite these independent studies that state that CBP is understaffed at ports of entry by thousands of officers, the fiscal year 2013 budget provides only enough personnel funding to maintain the current number of CBP officer, CBP agriculture specialist, and CBP trade operations positions.

NTEU urges the subcommittee to increase funding to hire additional CBP officers and agriculture specialists to sufficiently staff existing booths and traffic lanes at the air, sea, and land ports of entry.

Also of concern to NTEU in the fiscal year 2013 budget request is the decrease of $21 million in funding for inspectional overtime at the air, land, and sea ports of entry. CBP states that "this reduction will not impact operational staffing."

Overtime is essential when staffing levels are insufficient to ensure that inspectional duties can be fulfilled, that officers have sufficient back-up and that wait times are mitigated. In CBP's own words, "Overtime allows OFO to schedule its personnel to cover key shifts with a smaller total personnel number." This is one reason that Congress authorized a dedicated funding source to pay for overtime—customs user fees, pursuant to title 19, section 58c (f) of the U.S. Code. CBP collects user fees to recover certain costs incurred for processing, among other things, air and sea passengers, and various private and commercial land, sea, air, and rail carriers and shipments.

The source of these user fees are commercial vessels, commercial vehicles, rail cars, private aircraft, private vessels, air passengers, sea passengers, cruise vessel passengers, dutiable mail, customs brokers, and barge/bulk carriers. These fees are deposited into the customs user fee account. User fees are designated by statute to pay for services provided to the user, such as inspectional overtime for passenger and commercial vehicle inspection during overtime shift hours. In addition, APHIS user fees and immigration user fees also fund "fee-related" inspection costs.

User fees have not been increased in years and some of these user fees cover only a portion of recoverable fee-related costs. For example, CBP collects the extraordinarily low fee of $437 at arrival of a commercial vessel to a port to recover personnel and other costs to process and inspect the vessel's crew and cargo. This fee, however, is capped at $5,955 per calendar year; no matter how many times the commercial vessel enters a port that year. This fee was last raised from $397 to $437 in 2007, but the cap has remained at $5,955 since 1986. In 2010, CBP collected a total of $19.9 million in commercial vessel user fees, but the actual cost of commercial vessel inspections in fiscal year 2010 was $33.6 million.

Another example of an extraordinarily low user fee is the fee paid by railcar owners of $8.25 per car at arrival for processing and inspection, but the fee is capped at $100 per railcar per calendar year. In 2010, CBP collected a total of $8.6 million in rail car user fees, but the actual cost of rail car inspections in fiscal year 2010 was $18.9 million. And commercial vehicles pay only $5.50 per vehicle at arrival for processing and inspection, but the fee is capped at $100 per vehicle per calendar year. In 2010, CBP collected a total of $13.7 million in commercial vehicle user fees, but the actual cost of commercial vehicle inspections in fiscal year 2010 was over $113.7 million.

According to Government Accountability Office (GAO), (GAO–12–464T, page 11), the air passenger immigration inspection user fee should be reviewed and adjusted to fully recover the cost of the air passenger immigration inspection activities conducted by U.S. Customs and Immigration (ICE) and CBP. GAO estimated that fee collections available to ICE and CBP to pay for costs incurred in providing inspection services totaled about $600 million in fiscal year 2010, however, "air passenger immigration fees collections did not fully cover CBP's costs in FY 2009 and FY 2010." NTEU urges Congress to allow CBP to better align air passenger inspection fee revenue with the costs of providing immigration inspection services and adjust the fee as needed so that collections are aligned with total inspection costs.

Also, according to the GAO, (GAO–12–464T, page 7), CBP has a $639.4 million unobligated balance in its customs user fee account. These unobligated balances have remained in CBP's customs user fee account for more than 10 years. NTEU urges the subcommittee to clarify the purposes for which the nearly $640 million in unobligated balances in the customs user fee account is available. NTEU supports legislative changes necessary to allow CBP to use this customs user fee unobligated balance to fully fund inspectional overtime in fiscal year 2013 and recover other costs incurred for processing and inspection of international travelers and trade.

TRADE ENFORCEMENT AND COMPLIANCE STAFFING

CBP has a dual mission of safeguarding our Nation's borders and ports as well as regulating and facilitating international trade. CBP personnel are responsible for collecting import duties and fees, and enforcing U.S. trade laws. In fiscal year 2010, CBP collected $32 billion in revenue. Since CBP was established in March 2003, however, there has been no increase in CBP trade enforcement and compliance personnel and again, the fiscal year 2012 budget proposes no increase in FTEs for CBP trade operations personnel.

In effect, there has been a CBP trade staffing freeze at March 2003 levels and, as a result, CBP's revenue function has suffered. Recently, in response to an import specialists staffing shortage, CBP has implemented at certain ports a tariff sharing scheme resulting in certain ports being assigned only parts of the harmonized tariff schedule. This is a short-sighted solution that shortchanges taxpayers, trade compliant importers, and the Federal treasury.

Also, the fiscal year 2013 budget requests $10 million for intellectual property rights (IPR) enforcement enhancement. The administration's request, however, includes no increase in CBP trade operations staff at the ports to implement this trade enforcement program.

Lastly, the fiscal year 2013 budget request proposes to cut 21 trade operations positions including 14 rulings and regulations staffers who are responsible for promulgating regulations and rulings, and providing policy and technical support to CBP, DHS, Treasury, Congress, and the importing community concerning the application of customs laws and regulations.

NTEU urges the subcommittee not to cut CBP trade operations staff, but rather to increase funding to hire additional trade enforcement and compliance personnel, including import specialists, at the POEs to enhance trade revenue collection.

CBP CAREER LADDER PAY INCREASE

NTEU commends the Department for increasing the journeyman pay for CBP officers and agriculture specialists. Many deserving CBP trade and security positions, however, were left out of this pay increase, which has significantly damaged morale.

NTEU strongly supports extending this same career ladder increase to additional CBP positions, including CBP trade operations specialists and CBP seized property specialists. The journeyman pay level for the CBP technicians who perform important commercial trade and administration duties should also be increased from GS–7 to GS–9.

RATIO OF CBP SUPERVISORS TO FRONTLINE CBP OFFICERS

CBP is continuing to increase the number of supervisors when a much greater need exists for new front-line hires. In terms of real numbers, since CBP was created, the number of new managers has increased at a much higher rate than the number of new front-line CBP hires. According to GAO, between October 2003 and February 2006, CBP increased the number of managers by 17 percent, but increased the number of front-line CBP officers by only 2 percent (See GAO–06–751R, page 11).

The tremendous increase in CBP managers and supervisors has come at the expense of national security preparedness and front-line positions. Also, these highly paid management positions are straining the CBP budget.

RECOMMENDATIONS

Sufficient CBP staffing must be provided to ensure security and mitigate prolonged wait times for both trade and travel at our Nation's ports of entry. Therefore, NTEU urges the subcommittee to include in its fiscal year 2013 DHS appropriations bill:

- —funding to significantly increase both port security and trade enforcement staffing at the ports of entry; and
- —funding to extend enhanced pay and retirement recognition to additional CBP personnel, including import and other commercial operations specialists, CBP seized property specialists, and CBP technicians.

The more than 24,000 CBP employees represented by NTEU are proud of their part in keeping our country free from terrorism, our neighborhoods safe from drugs, and our economy safe from illegal trade, while ensuring that legal trade and travelers move expeditiously though our air, sea, and land ports. These men and women are deserving of more resources to perform their jobs better and more efficiently.

Thank you for the opportunity to submit this testimony to the subcommittee on their behalf.

COLLEEN M. KELLEY,
National President.

PREPARED STATEMENT OF THE U.S. COUNCIL OF THE INTERNATIONAL ASSOCIATION OF EMERGENCY MANAGERS

Chairman Landrieu, Ranking Member Coats, and distinguished members of the subcommittee, I am Hui-Shan Walker, the emergency management coordinator for Hampton, Virginia. I have been a local government emergency manager for 12 years and before that worked for 5 years in the Red Cross' Disaster Services. I serve currently as the president of the U.S. Council of the International Association of Emergency Managers (IAEM–USA)[1]; and I am providing, on its behalf, this statement on critical budget and policy issues for the Federal Emergency Management Agency (FEMA).

Regarding FEMA's fiscal year 2013 budget, IAEM–USA supports funding the Emergency Management Performance Grant at $350 million and the Emergency Management Institute at $18,305,000. IAEM–USA opposes the termination of the Pre-Disaster Mitigation Program. We urge rejection of the National Preparedness Grant Program proposal until adequate details are available and key local stakeholders have had input. We deeply appreciate the support this subcommittee has provided to the emergency management community over the past few years, particularly your support for the Emergency Management Performance Grant Program (EMPG).

EMERGENCY MANAGEMENT PERFORMANCE GRANTS (EMPG)

IAEM–USA respectfully urges that the subcommittee approve the President's request of $350 million for EMPG, but continue to reject combining it with other accounts. EMPG is fundamentally different than the post-September 11, 2001, homeland security grants because of its 50 percent Federal and 50 percent State and local matching requirements and established performance measures. It also predates the homeland security grants by over 50 years. We further request that language be included continuing to make it clear the funding is all hazards and can be used for personnel. The program was authorized at $950 million for fiscal year 2012 in Public Law 110–53.

EMPG, called "the backbone of the Nation's emergency management system" in an appropriations conference report, constitutes the only source of direct Federal funding for State and local governments to provide basic emergency coordination and planning capabilities for all hazards including those related to homeland security. The program is authorized by Public Law 110–53 for the Administrator of FEMA "to make grants to States to assist State, local, and tribal governments in preparing for all hazards, as authorized by the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.)." The legislation creating EMPG is purposefully broad to allow State, local, and tribal jurisdictions to focus their attention on customizing their capabilities. Therefore, it is important that FEMA guidance not be written to make "one size fits all" but instead to allow each local jurisdiction maximum flexibility in meeting the specific capability requirements. The program supports State and local initiatives for planning, training, exercise, mitigation, public education, as well as response and recovery coordination during actual events. EMPG succeeds in achieving its goal. As the 2011 IAEM–USA survey report, "Emergency Management Performance Grant Funds: Return on Investment at the Local Level," demonstrated, EMPG funds contribute to bring about coordination, integration, and collaboration within local level jurisdictions across the country. The report on our fifth annual IAEM–USA survey of EMPG is available at: [http://www.iaem.com/documents/IAEM.EMPG.ROI.Survey.Report3.5.12.pdf]. Since all disasters start and end at the local level, it is vital that capacity continue to be built at this level.

Funding from EMPG has always been important to local government emergency management offices and is even more vital during the current economic downturn. The programs of most of our local emergency managers have faced, or will be facing, budget reductions resulting in reduced staffing, reduced training, reduced public outreach, and reduced support to volunteers. Some elected officials are considering reducing their commitment from a full-time emergency manager to a part-time emergency manager. Some jurisdictions are terminating the emergency management position altogether and simply adding the responsibilities associated with

[1] IAEM–USA is our Nation's largest association of emergency management professionals, with 5,000 members including emergency managers at the State and local government levels, tribal nations, the military, colleges and universities, private business, and the nonprofit sector. Most of our members are U.S. city and county emergency managers who perform the crucial function of coordinating and integrating the efforts at the local level to prepare for, mitigate the effects of, respond to, and recover from all types of disasters including terrorist attacks.

emergency management functions to pre-existing personnel in other departments. This has the effect of actually reducing emergency management services—and potentially preparedness—in many areas of the country at a time when disasters and emergencies threaten more people and property than ever before. EMPG funding frequently makes a difference as to whether or not a qualified person is present to perform these duties in local jurisdictions. It should be noted that many local emergency management programs have historically provided significantly more than the 50 percent match that is required for their EMPG allocations.

EMERGENCY MANAGEMENT INSTITUTE

We respectfully urge the subcommittee to increase the funding for the Emergency Management Institute (EMI) located at Emmitsburg, Maryland, by $500,000 to $18,305,000. The additional funds will support continued development and delivery of the National Emergency Management Academy foundation classes and support the development of training at the specialty and executive management levels, to include the enhancement of the field (G) and on-campus (E) courses. These programs support both the introductory training and continued professional development of Federal, State, local, and tribal emergency managers across the Nation. IAEM–USA urges you to again specifically designate funding for EMI in your subcommittee report and to require FEMA to include a specific request in the budget documents.

EMI provides vitally needed training to State, local, and tribal government emergency managers through on-campus classes, a curriculum developed for field deployment and distance learning. This "crown jewel" of emergency management training and doctrine has made progress over the past 2 years with the funding support of Congress in the update and development of critically needed programs. Sustained funding for the continuance of existing programs and funds to complete the much needed executive management series of courses are vital to supporting local and tribal emergency management programs. For 2011–2012 EMI had more than 5.5 million active students; 39,559 classroom course completions, and 2,275,174 independent study program outline course completions.

PRE-DISASTER MITIGATION

We urge the subcommittee to reject the proposal to terminate the Pre-Disaster Mitigation Program and provide a minimum of $35,500,000 as appropriated in fiscal year 2012. A congressionally mandated independent study by the Multi-Hazard Mitigation Council, a council of the National Institute of Building Sciences, showed that on the average, $1 spent by FEMA on hazard mitigation (actions to reduce disaster losses) provides the Nation about $4 in future benefits.

NATIONAL PREPAREDNESS GRANT PROGRAM

The proposed National Preparedness Grant Program (NPGP) would consolidate 16 homeland security grant programs into a State-centric block and competitive grant program. The proposal raises concerns and questions for those at the local level. For example, the proposal ignores requirements of the 9/11 Act for 80 percent of the State Homeland Security Grant program to support local governments, the place where all disasters begin and end. In addition, the proposed use of a threat and hazard identification and risk assessment (THIRA) does not describe how local government officials, local emergency managers, and first responders will participate effectively and efficiently in the THIRA process.

In response to the proposed NPGP, 12 national organizations of locals including elected officials, first responders, and emergency managers sent a letter outlining a set of core principles to guide grant program reform—principles which we would urge you to consider as you evaluate reform proposals. This letter is available at the following site: [http://www.iaem.com/Committees/GovernmentAffairs/GovtAffairs.htm#CoalitionLetter21Mar2012]. The principles are as follows:

—*Increased Transparency.*—It must be clear and understandable to the Federal Government and the public how the States are distributing funds, why they are making these decisions, and where the funds are going.

—*Greater Local Involvement.*—Local government officials, including emergency managers and emergency response officials, know best the threats and vulnerabilities in their areas. The THIRA process must include the input of local elected and emergency response officials, and FEMA must be able to audit States by comparing local risk assessments to the State level THIRA. Further, local governments should have the opportunity to challenge a State THIRA that inadequately reflects their needs or input.

—*Flexibility With Accountability.*—Any changes to the existing Federal grant programs should allow Federal funding to meet individual local needs, and preparedness gaps as identified at the local level. Effective but sometimes less politically popular programs, like mitigation, must still receive funding.
—*Protect Local Funding.*—Since event impact and response are primarily local in nature, grant funding should support primarily local prevention and preparedness efforts, as is the case under the current program structure. It is important that the vast majority of Federal homeland security grants continue to fund local prevention and response activities, including local emergency managers and first responders, and activities that support their preparedness efforts.
—*Sustain Terrorism Prevention.*—The current emphasis on supporting law enforcement's terrorism prevention activities must be maintained. The Federal grant funds should not be used to support larger State bureaucracies at the expense of operational counter terrorism preparedness, threat analysis, and information-sharing activities.
—*Incentives for Innate Regionalization.*—FEMA's proposal focuses on States and multi-State regions (similar to the FEMA regions). The homeland security grants must also support preparedness in metropolitan intra-State and inter-State regions.

THE PATH FORWARD ON THE NPGP

The details matter and there are still too many unanswered questions on how the NPGP would actually work. We recommend that the dialogue continue with DHS/FEMA, the Congress and all relevant State and local stakeholders. On April 24, a letter was sent by 12 national organizations of locals to Secretary Napolitano and Administrator Fugate suggesting that the Department not rush to make major changes this year but let the changes being implemented in the fiscal year 2012 budget play out and be evaluated. This would give time for the Department to work with key local and State stakeholders and the Congress in a collaborative way to develop reforms which incorporate the successful elements of the homeland security programs and identify changes which need to be made.

CONCLUSION

In conclusion, we urge the subcommittee to continue to build State and local emergency management capacity by funding EMPG at $350 million and to retain it as a separate account. We urge funding for the Emergency Management Institute be increased by $500,000 to $18,305,000 and the amount be specifically mentioned in the subcommittee report. We urge that the Pre-Disaster Mitigation program not be terminated. We urge rejection of the NPGP proposal until more details are available and more collaboration with key stakeholders has occurred.

HUI-SHAN WALKER, CEM®,
President.