

THE IMPACT OF SEQUESTRATION ON HOMELAND SECURITY: SCARE TACTICS OR POSSIBLE THREAT?

HEARING

BEFORE THE

SUBCOMMITTEE ON OVERSIGHT AND MANAGEMENT EFFICIENCY

OF THE

COMMITTEE ON HOMELAND SECURITY HOUSE OF REPRESENTATIVES

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THE IMPACT OF SEQUESTRATION ON HOMELAND SECURITY: SCARE TACTICS OR POSSIBLE THREAT?

Friday, April 12, 2013

U.S. HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON OVERSIGHT AND MANAGEMENT
EFFICIENCY,
COMMITTEE ON HOMELAND SECURITY,
Washington, DC.

The subcommittee met, pursuant to call, at 9:06 a.m., in Room 311, Cannon House Office Building, Hon. Jeff Duncan [Chairman of the subcommittee] presiding.

Present: Representatives Duncan, Rothfus, Hudson, Daines, Payne, O'Rourke, and Thompson (ex officio).

Mr. DUNCAN. I think we have musical chairs going on down there, but I think we have got it set, so I will go ahead and call the meeting to order.

Before I begin my opening statement, I would like to again express the subcommittee's frustration with DHS over not providing us written testimony on time. I find it troublesome that the Department could not submit its testimony in accordance with the committee rules, especially since its invitation was sent on March 22. That was 21 days ago. The witness on the second panel submitted his statement in accordance with committee rules, yet his invitation was not sent until April 8. Committee rules are here for a reason. We expect them to be followed. If the Department has a problem following rules, I would be happy to discuss this with the Secretary.

The Committee on Homeland Security, Subcommittee on Oversight and Management Efficiency will come to order. The purpose of this hearing is to determine if sequestration will in fact hinder our homeland security, or will it help to address out of control spending?

I now recognize myself for an opening statement. Airport screening lines that are hours long, borders vulnerable to illegal aliens, stalled commerce at our border crossings. These are just some of the devastating impacts that the administration said were inevitable because of the 5 percent budget cut for DHS due to sequestration.

On March 1, 2013, sequestration took effect, resulting in a series of automatic across-the-board spending cuts for the Federal Government. With the National debt growing by the second, it is time

the United States Government take a hard look at its out-of-control spending.

If properly planned, budget cuts due to sequestration should not dangerously compromise our homeland security. Doomsday rhetoric to put fear into the American people is not the way our Government should operate, especially now that most of these predictions have not come to fruition.

In a March 4, 2013, letter to the Governor of my home State, Nikki Haley, Secretary Napolitano stated, average wait times to clear Customs will begin to increase by up to 50 percent. Our biggest land ports may face wait times of up to 5 hours or more.

Less than a month after the South Carolina delegation received a copy of this letter, DHS has now backtracked. Customs and Border Protection is postponing or reevaluating its warned mass furloughs. Multimillion-dollar grants are still been awarded by FEMA. TSA says that it will be implementing a hiring freeze, but the usajobs.gov still list openings for airport security personnel throughout the country. In fact, TSA employs about 2,000 more security personnel today than it did in 2008, a time that air travel was much higher than it is today. It seems the reports of disaster are greatly exaggerated by the Department.

Just to be clear, the Immigration and Customs Enforcement release of 2,000 illegal aliens was not a planning decision to offset the effects of sequestration. Not only was this action done in advance of sequestration, I believe it was done purposely as another tactic to scare Congress and the American people. DHS should administer sequestration in a thoughtful manner, without jeopardizing our safety.

Although through sequestration, each budget account will have to be cut equally, the Department does have flexibility within these accounts to reduce spending to programs with lower priority; not to mention components may carryover tens of millions of dollars each year, which is never talked about, but which may also help the DHS offset current spending reductions.

Most recently, we have also heard much talk from DHS on implementing security in a risk-based way, yet the Department has for the most part shied away from implementing sequester with a risk-based approach. Instead, some of the components plans seek to share the pain first and foremost. This approach is nonsensical, especially when it means allowing dangerous criminal aliens awaiting deportation back on the streets and holes in our border security to remain unplugged. Why not consider a risk-based approach, where our greatest risk and vital travel locations are mitigated to the maximum extent possible?

As pointed out in this subcommittee's first hearing back in February, the Department has many wasteful and duplicative programs that it can choose from to reduce spending, whether through its procurement and acquisition process or through its grants management.

Recently Senator Tom Coburn also reminded us that DHS spends taxpayer dollars for thousands of man-hours of work that are never performed through various types of administrative and other leave.

In advance of sequestration, the Department had adequate time to properly plan so that its core missions and operations would not be negatively impacted.

Now, let me be clear: Sequestration was the result of the August 2011 debt ceiling deal known as the Budget Control Act. August 2011. Let's see. That was 18 months prior to the implementation of sequester. I know that Government agencies hoped that sequestration wouldn't happen. In fact, for months, the administration used hope as its strategy. Hope may be a nice campaign slogan, but it is a sorry management strategy.

Sequestration is yet another example of DHS failing to effectively communicate to the American people. All the contradictions make your head spin. DHS has said no amount of planning would mitigate the effects of sequestration, but planning is now taking place to do just that.

The administration opposed any flexibility to dull some of the pain, yet DHS is considering reprogramming request. I hope the Department can clarify what to date has been complete confusion for the American people.

Finally, I believe that our men and women on the front lines protecting our homeland are focused and resourceful individuals that can rise to the challenge of protecting the homeland within this budgetary climate.

The Department must ensure that our boots on the ground are provided the necessary resources to complete their mission. If that means cutting inefficient and wasteful programs, I welcome those initiatives.

Hard-working American families have had to make cuts to their budget. Even my Congressional office was able to cut 15 percent of its budget on top of the mandatory cuts by operating our office like a business. DHS and Government as a whole should take a page from the private sector when implementing cuts due to sequester.

I appreciate the participation of our distinguished witnesses here today. I am eager to hear about how the Department's sequestration plan and efforts are coming and our current state of homeland security.

It is critical in this time of financial tightening that we make sure that our infrastructure is protected, that our borders and airports are secure and that we are able to fully support the American people without unnecessary spending.

[The statement of Chairman Duncan follows:]

STATEMENT OF CHAIRMAN JEFF DUNCAN

APRIL 12, 2013

Airport screening lines that are hours long, borders vulnerable to illegal aliens, stalled commerce at our border crossings; these are just some of the devastating impacts that the administration said were inevitable because of the 5% budget cut for DHS due to sequestration. On March 1, 2013 sequestration took effect, resulting in a series of automatic, across-the-board spending cuts for the Federal Government. With a National debt growing by the second, it's time that the U.S. Government take a hard look at its out-of-control spending.

If properly planned, budget cuts, due to sequestration, should not dangerously compromise our homeland security. Doomsday rhetoric to put fear into the American people is not the way our Government should operate—especially now that most of these predictions have not come to fruition. In a March 4, 2013 letter to the Governor of my home State of South Carolina, Secretary Napolitano stated: “av-

erage wait times to clear customs will begin to increase by up to 50 percent . . . our biggest land ports may face waits of up to 5 hours or more.”

Less than a month after the South Carolina delegation received this letter, DHS has now backtracked. Customs and Border Protection is postponing and re-evaluating its warned mass furloughs. Multi-million dollar grants are still being awarded by FEMA. TSA says it will be implementing a hiring freeze, but USAJOBS.gov still lists openings for airport security personnel throughout the country. In fact, TSA employs about 2,000 more security personnel now than it did in 2008, a time that air travel was much higher. It seems the reports of disaster are greatly exaggerated.

And, just to be clear, the Immigration and Customs Enforcement release of 2,000 illegal aliens was not a planning decision to offset the effects of sequestration. Not only was this action done in advance of sequestration, I believe it was done purposely as another tactic to scare Congress and the American public. DHS should administer sequestration in a thoughtful manner, without jeopardizing our safety.

Although through sequestration each budget account will have to be cut equally, the Department does have flexibility within those accounts to reduce spending to programs with lower priority. Not to mention, components may carry over tens of millions of dollars each year, which is never talked about, but which may also help the DHS offset current spending reductions.

Most recently, we have also heard much talk from DHS on implementing security in a “risk-based” way. Yet the Department has, for the most part, shied away from implementing sequester with a risk-based approach. Instead, some of the components’ plans seek to “share the pain” first and foremost. This approach is nonsensical; especially when it means allowing dangerous criminal aliens awaiting deportation back on the streets and holes in our border security unplugged. Why not consider a risk-based approach where our greatest risks and vital travel locations are mitigated to the maximum extent possible?

And as pointed out in this subcommittee’s first hearing in February, the Department has many wasteful and duplicative programs it can choose from to reduce spending, whether through its procurement and acquisition process or through its grants management. Recently, Senator Tom Coburn also reminded us that DHS spends taxpayer dollars for thousands of man-hours of work that are never performed through various types of administrative and other leave.

In advance of sequestration, the Department had adequate time to properly plan so that its core missions and operations would not be negatively impacted. Let me be clear: Sequestration was the result of the August 2011 Debt Ceiling deal known as the Budget Control Act. August 2011. Let’s see—that was 18 months prior to the implementation of the sequester. I know that Government agencies hoped that sequestration wouldn’t happen. In fact, for months, the administration used “hope” as its strategy.

Hope may be a nice campaign slogan but is a sorry management strategy.

Sequestration is yet another example of DHS failing to effectively communicate to the American people. All the contradictions make your head spin. DHS said no amount of planning would mitigate the effects of sequestration. But planning is now taking place to do just that. The administration also opposed any flexibility to “dull some of the pain.” Yet DHS is considering reprogramming requests. I hope the Department can clarify what to date has been complete confusion for the American people.

Finally, I believe that our men and women, on the front lines, protecting our homeland are focused and resourceful individuals that can rise to the challenge of protecting the homeland within this budgetary climate. The Department must ensure that our boots on the ground are provided the necessary resources to complete their mission. If that means cutting inefficient, wasteful programs, I welcome those initiatives. Hard-working American families have had to make cuts to their budgets. Even my Congressional office was able to cut 15% of its budget on top of mandatory cuts by operating our office like a business.

DHS should take a page from the private sector when implementing cuts due to sequester.

I appreciate the participation of our distinguished witnesses here today and am eager to hear about the Department’s sequestration planning efforts, and our current state of homeland security. It is critical in this time of financial tightening, that we make sure that our infrastructure is protected, that our borders and airports are secure, and that we are able to fully support the American people without unnecessary spending.

Mr. DUNCAN. The Chairman will now recognize the Ranking Member of the subcommittee, the gentleman from Arizona, Mr. Barber, for any statement that he may have.

Mr. BARBER. Well, thank you, Mr. Chairman.

I welcome the witnesses. Thank you for being with us this morning. This is a very critical issue that we are examining today, and I look forward to your testimony and the opportunity to question all of the witnesses in regard to, I think, one of the most important questions that we can face as we are dealing with sequestration, and that is, what will be and what is going to be the impact of sequestration on our security, the border security and on the free flow and expedited flow of legal commercial traffic through our ports?

On March 1, 2013, President Obama signed an order of sequestration as required by the Budget Control Act. The order required every Federal Government agency, including DHS, to cut its budget by 5 percent in every single program, project, or activity for 2013. The beginning of sequestration was the failure of the supercommittee to reach a deal on the debt ceiling, and presumably, I guess we thought, that sequestration would force an agreement, and obviously, it did not.

Now, 43 days into sequestration, we are here today to answer the question: What is the impact of sequestration on the Department of Homeland Security and the security of the homeland? To some degree, it is too early to tell. We are still awaiting the final plan from the Department of Homeland Security on how they will implement what I believe are irresponsible cuts mandated by sequestration. There are more prudent ways. We must balance our budget, but there are more prudent ways to do it.

Without a doubt, the impact will be negative, in my mind. To me, it is not a question of if sequestration will hinder our National security and our ability to respond to the real threats to the United States at our border and across country, but rather a question of the degree to which it will do so. My fear is that the real measure of sequestration's impact has yet to be seen and may not be fully known until it is too late and we see a tremendous rollback of border security.

What I do know is that the cuts mandated by sequester may well cause the safety of border area residents and the security of the Nation to be severely compromised. We have made improvements in securing our borders; there is no question about that, but when I look at the traffic through my district, where we seize 50 percent of the pounds of drugs in the country, where ranchers and their families are unsafe on their land every single day, I say we have more to do. As a representative of the district with over 80 miles of shared border between Arizona and Mexico, I am greatly concerned about how we are going to continue our progress under sequestration.

The U.S. Customs and Border Protection received enough funding in the recently-passed continuing resolution to delay the immediate furlough and elimination of overtime for front-line Border Security personnel and Customs agents. However, according to CBP, this may only serve as a temporary relief, and cuts to overtime and the future furlough of both Border Patrol Agents and CBP Officers at the ports are still possible. To me, this is unacceptable.

More efforts are being made to secure our border, and the Border Patrol is better staffed today than ever in its 88-year history. These

investments in our border are being made because they are necessary. We have to protect the homeland.

In recent years, we have made progress with respect to apprehensions, interdictions, and illegal immigration attempts, and over the past 3 years, the Department has seized 75 percent more currency, 41 percent more drugs, 159 percent more weapons along the Southwest Border as compared to fiscal years 2006 to 2008, but there is still more work to be done.

We cannot turn back the clock on border security efforts. My constituents and the American people deserve better. They deserve safety in their home and on their land. To my way of thinking, we should not cede 1 inch of American soil to the cartels. To roll back these efforts now would create a window of opportunity for criminals and terrorists to cross our borders.

I am aware that sequestration leaves little flexibility on how an agency applies its budgets or cuts. However, cutting Border Control and Customs agents' overtime and furloughs and Border Patrol Agents' work hours should only come as a last resort, and every measure should be taken to prevent this from happening. I join with the Chairman in saying we have to find other ways to make those cuts in homeland security than on the front lines of border security.

As Members of Congress, we play a vital role in ensuring that the necessary resources are in place to keep our country safe and our people from harm. As Members of the Committee on Homeland Security, we must carry out this mission by ensuring that the Department has the resources it needs to secure our borders, protect our Nation's communication and information infrastructure, and take every conceivable measure to protect the homeland.

This cannot be achieved, I believe, at the same time the sequestration forces reductions in staffing levels Nationally, and specifically on the Southwest Border and in my district. Proposed furloughs and overtime would reduce the force of Border Patrol Agents on the ground by the equivalent loss of nearly 25 percent of the workforce. I ask the Members of this subcommittee and the witnesses giving testimony today: How do we maintain, how do we continue to improve border security in our Nation with those types of personnel losses?

To my understanding, the Department is looking at ways in which it can move money around, and I urge the Department to quickly bring those recommendations to the Congress so that we can improve them, hopefully, if they are agreeable to us and actually make sure that our Border Patrol Agents and our Customs agents at the ports are properly staffed so that we can protect our homeland and expedite the free flow of commercial, legal commercial traffic.

I yield back.

Thank you, Mr. Chairman.

[The statement of Ranking Member Barber follows:]

STATEMENT OF RANKING MEMBER RON BARBER

APRIL 12, 2013

On March 1, 2013, President Obama signed an Order of Sequestration as required by the Budget Control Act. The Order required every Federal Government agency,

including the Department of Homeland Security, to cut its budget by 5% in every single program, project or activity, for 2013.

The genesis of sequestration was the failure of the Super Committee to reach a deal on the debt ceiling.

Presumably, the threat of sequestration would force an agreement. It did not.

Now, 43 days into sequestration, we are here today to answer the question: What is the impact of sequestration on DHS and homeland security?

To some degree it's too early to tell. We are still awaiting a final plan from DHS on how they will implement the irresponsible cuts mandated by sequestration.

But without a doubt, the impact will be negative. To me, it is not a question of if sequestration will hinder our National security and our ability to respond to the real threats to the United States at our border and across the country, but rather a question of the degree to which it will do so.

My fear is that the real measure of sequestration's impact has yet to be seen and may not be fully known until it's too late and we see a tremendous roll-back of security at our border.

What I do know is that the cuts mandated by the sequester may well cause the safety of border-area residents and security of the Nation to be severely compromised.

According to Secretary Napolitano, the sequester will result in "diminished capability and capacity to detect and interdict illicit activity along Arizona's border with Mexico."

As the representative of a District with over 80 miles of shared border between Arizona and Mexico, this causes me grave concern.

Fortunately, the U.S. Customs and Border Protection (CBP) received enough funding in the recently-passed Continuing Resolution to delay the immediate furlough and elimination of overtime for front-line border security personnel.

However, according to CBP, this may only serve as temporary relief and cuts to overtime and the future furlough of both Border Patrol Agents and CBP Officers are still possible.

This is unacceptable.

More efforts are being made to secure our border and the Border Patrol is better staffed today than at any time during its 88-year history. And these investments in our border are being made because they are necessary.

In recent years we have made progress with respect to apprehensions, interdictions, and illegal immigration attempts.

Over the past 3 years, the Department has seized 74 percent more currency, 41 percent more drugs, and 159 percent more weapons along the Southwest Border as compared to fiscal years 2006-2008.

But there is much more work ahead. We cannot turn back the clock on border security efforts. My constituents and the American public deserve better, they deserve safety in their homes and on their land.

To roll back these efforts now would create windows of opportunity for criminals and terrorists to cross our borders.

I am aware that sequestration leaves little flexibility in how an agency applies cuts.

However, cutting agents' overtime and reducing their work hours should only come as the last resort and every measure should be taken to prevent this from happening.

As Members of Congress we play a vital role in ensuring that the necessary resources are in place to keep our country safe from harm.

As Members of the Committee on Homeland Security, we must carry out this mission by ensuring that the Department has the resources it needs to secure our borders, protect our Nation's communication and information infrastructure, and take every conceivable measure to protect the homeland.

This cannot be achieved at the same time that sequestration forces reductions in staffing levels Nationally, and specifically on the Southwest Border and in my district.

Proposed furloughs and overtime would reduce the force of Border Patrol Agents on the ground by the equivalent of a loss of nearly 25 percent of the work force. I ask the Members of this subcommittee and the witnesses giving testimony today: How do we maintain and continue to improve the security of our border and our Nation with those types of personnel losses?

Today I am honored to have with us Brandon Judd, the National Border Patrol Union President to speak to this very point. Brandon was an agent in the Tucson sector, my district, and can speak specifically to the impacts of these potential cuts.

His members, our Border Patrol Agents, are facing potential cuts in salary of up to 40 percent. What family can endure those levels of cuts? And what law enforce-

ment agency can survive a nearly 25 percent cut in force—not to mention the immeasurable impact on agent morale—while maintaining and improving security levels?

Our agents rely on this overtime. Our agents' families rely on this overtime. Cutting our agents' and their families livelihoods undermines morale and our security.

I thank Brandon for being here with us today. This is an incredibly important topic and one that deserves the full attention of Congress.

Mr. DUNCAN. Thank the gentleman from Arizona.

The Chairman will now recognize the Ranking Minority Member of the full committee, the gentleman from Mississippi, Mr. Thompson, for any statement that he may have.

Mr. THOMPSON. Thank you, Chairman Duncan, for holding today's hearing on an issue that is vital to the Members of this committee. Today we will hear from the Department of Homeland Security and three of its component agencies on how the Department has been affected by sequestration of its budget and its plans for going forward. We will also hear from the National Border Patrol Council on how our front-line border personnel have been affected.

I would like to state at the outset that on August 1, 2011, I, along with 161 of my colleagues, voted no on the Budget Control Act, which contained sequestration provisions that went into effect on March 1, 2013. I maintain my disagreement with this harsh measure. I agree that steps should be taken to reduce the Federal deficit; however, a more common-sense approach that would allow agencies the flexibility to reduce spending in a more thoughtful manner would be a far better alternative than sequestration.

Pursuant to the sequester, Federal agencies were hit with a 5 percent across-the-board cut on every program, project, or activity under its responsibility and control; 5 percent may not seem large, but when converted to dollars, it is clear that the sequester will require the Federal Government to operate in a diminished capacity. For example, Departmental management and operations is expected to be cut by \$24 million. Operational expenses for the United States Secret Service, which is responsible for protecting the President of the United States, the White House and visiting dignitaries, is expected to receive a cut of \$84 million. Federal Air Marshals, the last line of defense against those who seek to disrupt domestic flights through criminal or terrorist actions will be slashed by \$49 million and are expected to remain on a hiring freeze. Aviation security as a whole will receive over \$270 million in reductions. Furthermore, the U.S. Customs and Border Protection is expected to receive cuts totaling approximately \$512 million, and its employees appear to be the hardest hit by these reductions based on the threatened loss of overtime compensation.

These are not scare tactics. These are real numbers affecting real people that jeopardize the safety and security of the United States of America. It is unfortunate that Congress was not able to reach a compromise on the debt ceiling. It is likewise unfortunate that years of haphazard Government spending sparked by two wars and an uptick in homeland security and defense-related contracts added to the debt the United States carries. However, it is fundamentally unfair to send hardworking Federal workers home on furloughs, expecting these same hardworking employees to work overtime without being adequately compensated for doing so, and implementing hiring freezes resulting in overworked, overstressed Federal em-

ployees to become even more overworked and overstressed with no relief in sight, yet that is exactly the situation the sequester has created. These cuts come on top of Federal pay freezes that have been in place for almost 2 years.

In addition to impact on Federal employees, I am deeply concerned with the effect sequester will have on security and its potential to place our Nation at greater risk for a terrorist attack. This concern goes beyond longer lines at the airports and ports of entries, to increased time frame for security clearances, reduction in cybersecurity personnel, and less training for those operating at the heart of our security apparatus.

There are others who share my concern. The Director of National Intelligence stated that the sequester is reminiscent of budget cuts that hampered intelligence operation in the 1990s, and its impact will only be noticed when it is a failure. The Joint Chiefs of Staff stated, "in my personal military judgment formed over 38 years, we are living in the most dangerous time in my lifetime right now, and I think sequestration would be completely oblivious to that and counterproductive." These men are not crying wolf.

I stand in agreement with the notion that the Secretary overstated the immediate impact of sequestration. Whether these statements were based on information she had at the time the statements were made or a product of bad planning and projections by the Department's leadership, the fact is the statement did not accurately represent what occurred in the immediate aftermath of the order being signed by the President.

We have a choice. We can spend our time rehashing what happened and what did not happen compared to what was predicted, or we can focus on the best way to manage the cuts that have now become the law and in effect to minimize the risk to our security. I hope we choose the latter.

I yield back, Mr. Chairman.

[The statement of Ranking Member Thompson follows:]

STATEMENT OF RANKING MEMBER BENNIE G. THOMPSON

APRIL 12, 2013

Today, we will hear from the Department of Homeland Security and three of its component agencies on how the Department has been affected by the sequestration of its budget and its plans for going forward.

We will also hear from the National Border Patrol Council on how our front-line border personnel have been affected.

I would like to state at the outset, that on August 1, 2011, I, along with 161 of my colleagues voted NO on the Budget Control Act, which contained sequestration provisions that went into effect on March 1, 2013.

I maintain my disagreement with this harsh measure.

I agree that steps should be taken to reduce the Federal deficit.

However, a more common-sense approach that would allow agencies the flexibility to reduce spending in a more thoughtful manner would be a far better alternative than sequestration.

Pursuant to the sequester, Federal agencies were hit with a 5% across-the-board cut on every program, project, or activity under its responsibility and control.

Five percent may not seem large but when converted to dollars it is clear that the sequester will require the Federal Government to operate in a diminished capacity.

For example, Departmental Management and Operations is expected to be cut by \$24 million.

Operating expenses for the United States Secret Service, which is responsible for protecting the President of the United States, the White House, and visiting dignitaries, is expected to receive a cut of \$84 million.

Federal Air Marshals, the last line of defense against those who seek to disrupt domestic flights through criminal or terrorist actions, will be slashed by \$49 million and are expected to remain on a hiring freeze.

Aviation security as a whole will receive over \$270 million in reductions.

Furthermore, the U.S. Customs and Border Protection is expected to receive cuts totaling approximately \$512 million and its employees appear to be the hardest hit by these reductions based on the threatened loss of overtime compensation.

These are not scare tactics. These are real numbers affecting real people that jeopardize the safety and security of the United States of America.

It is unfortunate that Congress was not able to reach a compromise on the debt ceiling.

It is likewise unfortunate that years of haphazard Government spending sparked by two wars and an uptick in homeland security and defense-related contracts added to the debt the United States carries.

However, it is fundamentally unfair to send hard-working Federal workers home on furlough; expect these same hard-working employees to work overtime without being adequately compensated for doing so; and implementing hiring freezes resulting in overworked, overstressed Federal employees to become even more overworked and overstressed with no relief in sight.

Yet, that is exactly the situation the sequester has created. And these cuts come on top of Federal pay freezes that have been in place for almost 2 years.

In addition to its impact on Federal employees, I am deeply concerned with the affect the sequester will have on security and its potential to place our Nation at greater risk for a terrorist attack.

This concern goes beyond longer lines at airports and ports of entries to increased time frames for security clearances, reductions in cybersecurity personnel and less training for those operating at the heart of our security apparatus.

There are others who share my concern.

The Director of National Intelligence stated that the sequester is reminiscent of budget cuts that hampered intelligence operations in the 1990s and its impact will only be noticed when we have a failure.

The Chairman of the Joint Chiefs of Staff stated that: "In my personal military judgment, formed over 38 years, we are living in the most dangerous time in my lifetime right now, and I think sequestration would be completely oblivious to that, and counterproductive."

These men are not crying wolf.

I stand in agreement with the notion that the Secretary overstated the immediate impact of the sequestration.

Whether these statements were based on information she had at the time the statements was made or a product of bad planning and projections by the Department's leadership, the fact is the statements did not accurately represent what occurred in the immediate aftermath of the Order being signed as predicted.

We have a choice.

We can spend our time rehashing what happened and what did not happen compared to what was predicted or we can focus on the best way to manage the cuts that have now become the law in an effort to minimize the risk to our security.

I hope that we choose the latter.

Mr. DUNCAN. I thank the Ranking Member for participating today, and remind him that I, too, voted no in August 2011 on the debt ceiling deal because I felt like we could be smarter as Americans in making the cuts that were going to be necessary.

So other Members—thank you for being here. Thanks for your statement. Other Members of the subcommittee are reminded that opening statements may be submitted for the record.

We are pleased to have two very distinguished panels of witnesses before us today on this important topic.

Now for the first panel. Mr. Rafael Borrás is under secretary for management and chief acquisition officer for the Department of Homeland Security. Mr. Borrás oversees management of the Department of Homeland Security's nearly \$60 billion budget. Mr. Borrás is responsible for directing human capital resources and

personnel programs for the Department's employees, administers control for the Department's information technology enterprise, and is responsible for oversight of the Department's facilities, property, equipment, and resources, as well as the security for personnel information technology facilities and resources. Mr. Borras has more than 30 years of management experience, including 20 years in Federal and city government and 10 years in the private sector.

Mr. Thomas Winkowski is the Deputy Commissioner of U.S. Customs and Border Protection, performing the duties of the Commissioner. In March 2013, Mr. Winkowski became responsible for overseeing the daily operations of CBP's 60,000 employees and managing an operating budget of \$11.5 billion. Most recently, he served as CBP's second-in-command as the acting chief operating officer since January 2012. Mr. Winkowski began in the U.S. Customs Service in 1975 as a student. He continued to serve the agency in various positions, including Customs inspector, director of the port of Miami, Miami's field probations director, and most recently as the assistant commissioner in the Office of Field Operations.

Mr. John Halinski currently serves as a deputy administrator for TSA, the Transportation Security Administration. Mr. Halinski joined TSA in 2004, served as assistant administrator in the Office of Global Strategies before assuming his role as deputy administrator. As assistant administrator from 2010 to 2012, Mr. Halinski was responsible for enhancing international transportation security through compliance, outreach and engagement and capacity development. Previously, Mr. Halinski served 25 years in the Marine Corps in a variety of positions.

Thank you for your service to our Nation, sir.

Mr. Daniel Ragsdale is the deputy director for the U.S. Immigration and Customs Enforcement, or ICE. He is responsible for an annual budget of almost \$6 billion, more than 20,000 employees assigned to more than 400 offices, including 70 international offices and U.S. embassies worldwide. Mr. Ragsdale is also the agency's chief management officer, overseeing the Office of Management and Administration. The Office of Management and Administration directs, plans, coordinates the core mission, support functions and programs at ICE, such as finance, information technology, procurement and human capital, among other areas.

I thank this distinguished panel for being here today. This is a very important topic. The Chairman will now recognize Under Secretary Borras to testify.

STATEMENT OF RAFAEL BORRAS, UNDER SECRETARY FOR MANAGEMENT, MANAGEMENT DIRECTORATE, U.S. DEPARTMENT OF HOMELAND SECURITY

Mr. BORRAS. Thank you, Mr. Chairman, Ranking Member, and Members of the committee. Thank you for the opportunity to appear before you to discuss sequestration and the important planning that has been undertaken to date by the Department of Homeland Security. I, along with my colleagues, will also discuss our preparations for potential budget reductions and the impacts of the sequester.

First, the backdrop. As we well know, we have not had a full year budget enacted on time since fiscal year 2009, having operated

under 13 continuing resolutions since then. Furthermore, and excluding the Disaster Relief Fund, the Department's net discretionary appropriations have decreased by 4 percent over the last 3 years, forcing the Department to absorb the cost of operational growth while continuing to respond to the constant homeland security threats and risks along the border, in the maritime and aviation environment, as well as an increasing number of natural disasters.

However, in spite of this constant uncertainty, we have focused on improving our management operations by achieving over \$4 billion in significant reductions in cost avoidances to administrative and mission support functions over the past several years to sustain our front-line operations.

As I have noted in my written testimony, sequestration consists of mandatory, automatic, indiscriminate, across-the-board cuts of approximately \$85 billion throughout the Federal Government, which must be applied to nearly every program, project, and activity for the remainder of 2013.

Like other agencies, DHS engaged in on-going planning activities with the Office of Management and Budget over the past several months to determine how to operate under sequestration, keeping in mind our primary responsibility to execute our core mission areas on behalf of the American people.

As required by law, our execution of sequestration is applied as a uniform percentage reduction to all non-exempt budgetary accounts. The reductions will be implemented equally across all PPA's within an account.

The Department has been planning for the possibility of sequestration since the BCA was signed into law in August 2011. The real challenge in planning for sequestration has been calculating the baseline upon which to apply the mandatory cuts.

Beginning in August 2011, we have operated under five continuing resolutions, with no certainty of what our fiscal year 2013 appropriation level would be until just 3 weeks ago. This has created difficulties in developing detailed implementation strategies for each of our components and 120 PPAs. Even as we approach the mid-point of fiscal year 2013, we still do not have certainty as to what our final number would be or what our baseline would be calculated against. For example, the agreement on fiscal cliff enacted on January 2, 2013, postponed sequestration by 2 months until March 1 and provided a \$24 billion down-payment towards the sequester. Additionally, in late January, Congress passed the 2013 Disaster Relief Appropriations Act, providing \$60.4 billion in supplemental appropriations to assist victims of Hurricane Sandy, including \$12.1 billion for DHS. These actions changed the sequester amount for all Federal agencies months after the our planning activities had begun.

The Fiscal Year 2013 Consolidated and Further Continuing Appropriations Act, enacted on March 26, changed our funding levels once again, requiring additional adjustments to our planning. Some components received additional funds, which have provided more flexibility, while others were appropriated less funding, which has required those components to identify additional actions to be taken.

I notified all DHS employees in February that the Federal Government faced the possibility of sequestration and that both employees and operations could be impacted by these mandated cuts.

Following the issuance of the sequester order on March 1, which requires the Department to achieve \$3.2 billion in budget reductions over the remaining 7 months of the fiscal year, Department head components have begun efforts to reduce spending for every account.

While our recently-enacted appropriations will somewhat help DHS to mitigate the impact of sequestration on our operations and workforce originally projected under the fiscal year 2000 CR—2013 CR enacted on September 28, 2012, there is no doubt that these cuts will impact operations in the short and long term.

Given the substantial and far-reaching cuts mandated by sequestration, we will continue to do everything we can to minimize impacts to our core mission and our employees, consistent with the original priorities in our budget.

The fiscal year 2013 Consolidated and Further Continuing Appropriations Act includes a requirement for all Federal departments to provide post-sequestration operation planning 30 days after enactment. We are in the process of responding to this requirement by April 26.

The Department appreciates the strong support it has received from the committee over the past 10 years. Once again, I look forward to the opportunity to answer questions. I appreciate the opportunity to be here today, and we look forward to answering your questions.

[The joint prepared statement of Mr. Borrás, Mr. Winkowski, Mr. Halinski, and Mr. Ragsdale follows:]

JOINT PREPARED STATEMENT OF RAFAEL BORRAS, THOMAS S. WINKOWSKI, JOHN HALINSKI, AND DANIEL H. RAGSDALE

APRIL 12, 2013

Mr. Chairman, Ranking Member, and Members of the committee: We are pleased to appear before you to discuss sequestration and the important planning that has been undertaken to date by the Department of Homeland Security (DHS). We will also discuss issues surrounding the Budget Control Act (BCA) and our preparations for potential budget reductions and the impacts of sequestration.

The sequestration order that the President was required by law to issue on March 1 requires the Department to achieve \$3.2 billion in budget reductions over the remaining 7 months of the fiscal year. Sequestration consists of mandatory, automatic, and indiscriminate across-the-board budget cuts of approximately \$85 billion throughout the Federal Government, which must be applied to nearly every program, project, and activity (PPA) within an account for the remainder of fiscal year 2013. Like other agencies, DHS has engaged in on-going planning activities in consultation with the Office of Management and Budget (OMB) over the past several months to determine how to operate under sequestration, keeping in mind our primary responsibility to execute our core mission areas on behalf of the American people. As required by law, our execution of sequestration is applied as a uniform percentage reduction to all non-exempt budgetary accounts; the reductions will be implemented equally across all PPAs within each account.

As it became more clear that Congress was not going to take action to address the sequester, on February 26 and 27, leadership from DHS's Management Directorate provided notifications to all DHS employees that the Federal Government faced the possibility of sequestration, and that both employees and operations could be impacted by these mandated cuts. Following the issuance of the sequestration order on March 1, Departmental components began prudent steps to reduce spending for every account. These included the issuance of furlough notifications, reduc-

tion of overtime, hiring freezes, and postponed contract actions throughout the Department.

Since then, the Department has continued its sequestration planning. The fiscal year 2013 Consolidated and Further Continuing Appropriations Act, enacted on March 26, changed our funding levels once again, requiring additional adjustments to our planning. Some components received additional funds which have provided more leeway in achieving the required reductions, while others were appropriated less funding which has required those components to identify additional actions that can be taken.

While our recently-enacted appropriations will help DHS to mitigate—to some degree—the impacts of sequestration on our operations and workforce that were originally projected under the fiscal year 2013 Continuing Resolution (CR) enacted on September 28, 2012, there is no doubt that these cuts will affect operations in the short and long term. Lines and wait times at our ports of entry (POEs) are longer, affecting travel and trade; the take-home pay of the men and women on the front lines will be reduced; and employees across the Department as well as the public we serve face uncertainty based on sudden budgetary reductions that must be met by the end of the year. The long-term effects of sustained cuts at these levels will result in reduced operational capacity, breached staffing floors, and economic impacts to the private sector through reduced and cancelled contracts. In spite of the substantial and far-reaching cuts mandated by sequestration, we will continue to do everything we can to minimize impacts on our core mission and employees, consistent with the operational priorities in our 2014 budget.

DHS FISCAL STEWARDSHIP

Through administrative efficiencies, cost avoidances, and our internal budgeting processes, we have been working proactively to reduce the Department's resource requirements wherever possible. In fact the Department's fiscal year 2014 budget, submitted to Congress on April 10, reflects the third consecutive year in which the Department's overall topline has been reduced.

Through the Department-wide, employee-driven Efficiency Review, which began in 2009, as well as other cost-saving initiatives, DHS has identified over \$4 billion in cost avoidances and reductions, and redeployed those funds to mission-critical initiatives across the Department. For example, in the past, offices at DHS purchased new computers and servers while excess equipment remained unused in other areas of the Department. Through component-level efforts to better re-utilize excess IT equipment, DHS has saved \$24 million in taxpayer money. In addition, DHS previously spent millions of dollars each year by paying for cell phones and air cards that were not in use. The Department now conducts annual audits of usage and has saved \$23 million to date. Also, DHS has encouraged components to use Government office space and on-line tools for meetings and conferences instead of renting private facilities, a change that has saved \$11.7 million to date.

We have used strategic sourcing initiatives to leverage the purchasing power of the entire Department for items such as language services, tactical communications services and devices, intelligence analysis services, and vehicle maintenance services. In fiscal year 2012, we achieved \$368 million in savings, and we project \$250 million in savings for fiscal year 2013, subject to sequestration.

In support of the administration's Campaign to Cut Waste, DHS strengthened conference and travel policies and controls to reduce travel expenses and ensure conferences are cost-effective and that both travel and conference attendance is driven by critical mission requirements. In 2012, DHS issued a new directive that establishes additional standards for conferences and requires regular reporting on conference spending, further increasing transparency and accountability.

In our fiscal year 2014 budget, we identified initiatives that will result in \$1.3 billion in savings from administrative and mission support areas, including contracts, information technology, travel, personnel moves, overtime, directed purchasing, professional services, and vehicle management.

In effect, with declining resources, the Department has worked proactively to eliminate inefficiencies wherever possible and to focus available resources on supporting front-line mission requirements. We have a proven, established process to plan and budget; however recent fiscal uncertainties and the across-the-board nature of sequestration have affected the Department's ability to plan beyond recent, immediate budget crises that have occurred.

INITIAL SEQUESTRATION PLANNING

As you are aware, the BCA was signed into law on August 2, 2011. The BCA established caps on discretionary spending for fiscal year 2012 through fiscal year

2021. Since enactment of the BCA, the Department has been planning for the possibility of sequestration. In August 2011, our Office of General Counsel and the Office of the Chief Financial Officer (OCFO) provided an initial review of the new statute to become familiar with its provisions and impacts to the Department.

On September 12, 2011, the Congressional Budget Office released its report entitled, "Estimated Impact of Automatic Budget Enforcement Procedures Specified in the Budget Control Act." On the basis of that analysis, OCFO commenced work with Departmental components to identify which accounts are included in the Security and Non-Security Categories, since they would be subject to differing sequester amounts.

On July 31, 2012, OMB provided guidance to Federal agencies that discussions would commence over the coming months on issues associated with sequestration. It was recognized then that undertaking sequestration planning and implementation activities would divert resources from other important activities and priorities. It was our hope and expectation that, rather than force the Department to pursue a course of action that would be disruptive to mission-related activities, Congress would reach agreement on a deficit reduction package as an alternative to sequestration.

On September 17, 2012, OMB provided Congress with its Sequestration Transparency Act report, which identified agency-by-agency the estimated funding amounts that could be sequestered based on appropriations enacted for fiscal year 2012, not fiscal year 2013. The OMB report estimated that DHS would be subject to a 5 percent sequester and required to absorb approximately \$3.2 billion in reductions to its total budget authority beginning January 2, 2013.

The Department thus began comprehensive planning efforts, consistent with OMB guidance. A significant challenge remained, however, in that amounts subject to sequestration could only be calculated once final fiscal year 2013 funding levels were known. The fiscal year 2013 Continuing Appropriations Act enacted on September 28, 2012, left the Department operating under a CR until March 27, 2013—a point beyond the date sequestration was mandated to begin.

For the remainder of 2012, the Department's leadership continued to examine what courses of action might be necessary to implement sequestration, including the establishment of uniform procedures for taking personnel actions such as furloughs, reductions in force (RIFs), and voluntary early retirements and separations, as well as identifying contracts which could be re-scoped. The Department's chief financial, human capital, and procurement officers worked closely together during this time to ensure proper coordination in developing our sequestration implementation plans.

In our planning efforts, we were careful to strike a balance to take prudent, responsible steps toward across-the-board budget reductions. Our guiding principles have been as follows:

- First, we focus on preserving the Department's front-line operations and other mission-critical activities to the maximum extent possible.
- Second, understanding that DHS is a labor-driven organization, we strive to avoid and if required, minimize furloughs to the greatest extent possible. Hiring freezes and potential furloughs not only have operational impacts on our core missions but adversely affect employee morale and well-being.

Unfortunately sequestration in and of itself provides very little flexibility in how the across-the-board cuts must be applied. Several types of personnel actions that agencies regularly use to manage their workforce over the long term are not useful to address the short-term requirements of sequestration. Implementing DHS-wide voluntary early retirements and separations entails up-front funding which is not available under a sequestered budget. The notification and bargaining processes required for RIFs could not be completed until fiscal year 2014, well after our fiscal year 2013 funding is sequestered.

IMPLEMENTATION PLAN CHANGES

Following the passage of the American Taxpayer Relief Act of 2012 on January 2, 2013, several additional challenges arose for our sequestration planning.

This legislation postponed sequestration by 2 months, until March 1, and provided a \$24 billion down payment that reduced the amount of sequestration for fiscal year 2013 from \$109 billion to \$85 billion. Additionally, in late January, Congress passed the fiscal year 2013 Disaster Relief Appropriations Act (Pub. L. 113-2) which provides \$60.4 billion in supplemental appropriations to assist victims of Hurricane Sandy, including \$12.1 billion for DHS. These actions changed the sequester amount for all Federal agencies months after our planning activities had begun. The fiscal year 2013 Consolidated and Further Continuing Appropriations Act also provided DHS with a new baseline for fiscal year 2013.

Accordingly, even as our planning for sequestration progressed throughout 2013, given the actions described above, the amount of the sequester changed numerous times, creating difficulties in developing detailed implementation strategies for each of our components.

IMPACTS OF THE SEQUESTRATION ORDER ON THE DEPARTMENT

Following are the impacts of sequestration to several of the Department's front-line components: U.S. Customs and Border Protection (CBP), U.S. Immigration and Customs Enforcement (ICE), and the Transportation Security Administration (TSA).

Impacts on U.S. Customs and Border Protection

CBP is America's front-line border security agency, the guardians of our borders, responsible for protecting the United States and the American people from the entry of dangerous goods and people. With more than 60,000 employees, CBP has the largest number of uniformed officers of any Federal law enforcement agency. Its primary mission is keeping terrorists and their weapons out of the United States. CBP is also responsible for securing the border and facilitating lawful international trade and travel while enforcing hundreds of U.S. laws and regulations. This includes ensuring that all persons and cargo enter the United States legally and safely through official POEs, preventing the illegal entry of persons and contraband into the United States at and between POEs, promoting the safe and efficient flow of commerce into our country, and enforcing trade and tariff laws and regulations.

CBP protects approximately 7,000 miles of land borders and 95,000 miles of coastal shoreline. Operating at 329 POEs across the United States, CBP welcomes almost 1 million travelers by land, sea, and air, facilitating the flow of goods essential to our economy. In fiscal year 2012, CBP facilitated more than \$2.3 trillion in trade and welcomed a record 98 million air travelers, a 12 percent increase since fiscal year 2009. CBP also collected \$39.4 billion in revenue, a 6 percent increase over the previous year—illustrating the critical role of CBP not only with border security, but with economic security and continued growth. Trade and travel are absolutely vital to our economy, and according to the U.S. Travel Association, one new American job is created for every 33 travelers arriving from overseas.

Removing the planned transfer of US-VISIT, CBP's fiscal year 2013 direct appropriation budget request was \$10.083 billion, \$72 million less than its fiscal year 2012 appropriation. In order to fund rising personnel costs within a slightly declining overall budget, CBP proposed a variety of efficiencies and program reductions and deferred a number of major acquisitions. At the fiscal year 2013 enacted level with nearly \$600 million in sequestration reductions, CBP's fiscal year 2013 funding level is \$309 million less than fiscal year 2012, or about 3 percent less than the previous fiscal year. As a result, CBP has made further reductions to non-pay costs and discretionary pay costs, such as awards, overtime, and mission support hiring.

Although the fiscal year 2013 Consolidated and Further Continuing Appropriations Act provides additional funding for CBP and enables it to mitigate to some degree the impacts to its workforce, sequestration still requires more than \$600 million in cuts across CBP, affecting operations in the short and long term. While CBP remains committed to doing everything it can to minimize risks and mitigate the impact of sequestration, we have already experienced significant impacts to cross-border activities.

Reduced CBP Officer (CBPO) overtime availability at our Nation's ports has resulted in increased wait times for travelers across the country. International travelers have experienced wait times of up to several hours to process through Customs and a number of locations have reported wait times averaging between 120 to 240 minutes, and some as long as 4 to 4½ hours. These automatic cuts have occurred against a backdrop of significant growth in travel and trade in all POE environments. Air travel at the major gateway airports is up by 4 percent, on top of a 3-year increase of over 12 percent. Land border travel is up 3.6 percent through the fiscal year to date. Additionally, cargo volumes have increased in all environments over the past 3 years.

Delays affect the air travel environment, causing missed passenger connections for both domestic and international flights. Reduced CBPO overtime availability at our Nation's ports also slows the movement of goods across the border. Even the smallest increase in wait times at the borders directly affects our economy. Reduced CBPO overtime availability will continue to impede CBP's capacity to facilitate and expedite cargo, adding costs to the supply chain and diminishing our global competitiveness that is so critical to our economy.

Between the POEs, sequestration has led to significant reductions in areas like CBP's detainee transportation support contract, which increases non-law enforcement requirements for front-line Border Patrol Agents. CBP has also cut operating

expenses, including vehicle usage, affecting Border Patrol's ability to respond to requests from other law enforcement entities for assistance.

Additionally, reductions in relocation expenses will necessitate that the Border Patrol postpone promotions to leadership and managerial positions, requiring less experienced staff to perform the functions of these critical jobs.

Based on CPB's funding levels as of March 1, the sequester also necessitated CBP to take steps to achieve a reduction of 21,000 flight hours for CBP's fleet of 269 aircraft from a level of 69,000 hours to 48,000 hours, impacting CBP's ability to provide critical aerial surveillance and operational assistance to law enforcement personnel on the ground. Based on funding provided in the fiscal year 2013 Consolidated and Further Continuing Appropriations Act, CBP will work to restore flight hours to pre-sequestration levels.

Impacts on U.S. Immigration and Customs Enforcement

ICE serves as DHS's principal investigative arm and is the second-largest investigative agency in the Federal Government.

ICE promotes homeland security and public safety through broad criminal and civil enforcement of approximately 400 Federal laws governing border control, customs, trade, and immigration. In fiscal year 2012, ICE's Homeland Security Investigations (HSI) initiated over 43,000 new investigations and made more than 32,000 criminal arrests around the world. During this same time period, we set a new agency record with the seizure of \$774 million in currency and negotiable instruments, more than double the amount seized during the previous year, as well as the seizure of 1.5 million pounds of narcotics and other dangerous drugs and \$175 million worth of counterfeit goods.

ICE's Enforcement and Removal Operations identifies, apprehends, and removes criminal and other removable aliens from the United States. Last year, ICE removed 409,849 illegal immigrants, including 225,000 individuals who had been convicted of felonies or misdemeanors.

ICE's fiscal year 2013 budget request was \$218 million less than its fiscal year 2012 appropriation, reflecting a variety of planned efficiencies. At the fiscal year 2013 enacted level with sequestration applied, ICE's fiscal year 2013 funding level is \$417 million less than fiscal year 2012, or about 7.1 percent less than the previous fiscal year. As a result, ICE has made adjustments to several program plans for fiscal year 2013.

After the sequestration order was given, ICE leadership distributed guidance to all of its employees outlining post-sequestration plans, including spending controls during this period. Key aspects of ICE's post-sequestration plan include cuts in the areas of hiring, contracts, travel, training and conferences, compensatory time and overtime, vehicle usage, and permanent change of station moves, which will affect ICE's criminal and civil enforcement missions.

For instance, ICE continues to leave a number of positions unfilled by not back-filling for attrition.

We expect that that these workforce and operational reductions will result in fewer cases, arrests, and seizures, and could impact both interagency and international partnerships. A number of ICE criminal operations have already been slowed or deferred, and HSI offices are reducing operational activities within current investigations. For instance, ICE HSI Special Agents in Charge have had to curtail their use of informant payments as well as Title III wire intercepts, investigative tools that allow agents to gain critical information to dismantle transnational criminal organizations. Finally, HSI offices have discontinued the use of certain Government-owned vehicles that require mandatory repairs. As a result, investigative field functions may be affected, including arrests and seizures of contraband goods and weapons.

Sequestration could also present significant challenges for ICE's civil immigration enforcement mission. ICE will continue to manage its detention population in order to ensure it can operate within the appropriations level provided by Congress in the fiscal year 2013 Consolidated and Further Continuing Appropriations Act, and in consideration of reductions required by sequestration. To the extent that ICE is unable to maintain 34,000 detention beds with the funding provided, it will focus its detention capabilities on priority and mandatory detainees, including individuals who pose a danger to National security or a risk to public safety, including aliens convicted of crimes, with particular emphasis on violent criminals, felons, and repeat offenders. ICE will place low-risk, non-mandatory detainees in lower-cost, parole-like alternatives to detention programs, which may include electronic monitoring and intensive supervision. In addition, ICE has postponed indefinitely its Advanced Tactical Training classes for Fugitive Operation Teams, which target fugitive

aliens who have received a final order of removal from an immigration judge or who have been previously removed and have re-entered the United States unlawfully.

ICE will also delay a number of facilities projects. To support its operations, ICE has more than 600 leased locations throughout the United States, of which 161 leases are expiring between fiscal years 2013–2015. In many instances, the project delays will result in the untimely acquisition of new space, resulting in duplicative rent payments, delaying claim payments to contractors, and additional legal action from building owners.

ICE will continue to evaluate the recently-enacted appropriations to determine how best to mitigate the impact of the reduced funding level on its workforce and operations.

Impacts on the Transportation Security Administration

TSA's fiscal year 2013 budget request was \$200 million less than its fiscal year 2012 appropriation, reflecting a variety of planned efficiencies. After applying the sequester to its final enacted fiscal year 2013 appropriation, TSA's fiscal year 2013 funding level is \$670 million less than fiscal year 2012, or about 8.8 percent less than the previous fiscal year.

While the reductions required by sequestration will continue to have impacts on TSA, the fiscal year 2013 Consolidated and Further Continuing Appropriations Act provides TSA with additional funding for Transportation Security Officers, which allows TSA to mitigate to some degree the impacts on their workforce and operations. TSA will use these additional funds to maintain its security screening workforce through prudent management of hiring and controlled overtime. Although initial projected impacts on wait times are largely mitigated through the additional funding provided for Transportation Security Officers by Congress, at reduced levels of personnel and restricted overtime, travelers may see lines and wait times increase during the busiest travel periods or required surge operations.

The Federal Air Marshal Service (FAMS) has had a hiring freeze in place for over a year to manage a planned program adjustment from \$965.8 million in fiscal year 2012 to \$929.6 million in fiscal year 2013. Congress further reduced that funding in the full fiscal year 2013 appropriation to \$906.9 million, or \$858 million under sequestration, an 11.1 percent cut below fiscal year 2012 levels. The FAMS mission funding is dominated by personnel, travel, and related costs. TSA continues to assess the personnel actions and mission adjustments that will be necessary at the decreased budget level.

Sequestration has also had significant impacts on TSA's information technology, checkpoint technology, security screening equipment and infrastructure accounts, totaling a \$288 million reduction from fiscal year 2012 levels. In light of these cuts, information technology (IT) service-level contracts, refreshment of IT equipment, and maintenance schedules will be deferred or reduced through the end of the fiscal year. Furthermore, security equipment technology replacement and investment plans are being adjusted to reflect the reduced budget level. While TSA is working to minimize disruption to operational support and security services to the greatest extent possible, in many cases equipment also already reached or exceeded its planned service life.

Finally, TSA has taken action to establish additional controls across the agency. We have canceled previously-approved conferences, meetings that require travel, and training activities. This includes management control training, field oversight and compliance audits, operational and support program coordination planning and preparedness training.

CONCLUSION

The FY 2013 Consolidated and Further Continuing Appropriations Act includes a requirement to prepare post-sequestration operating plans 30 days after enactment, by April 25. We are in the process of responding to this requirement.

As discussed earlier, the Department has already taken over \$4 billion in significant reductions and cost avoidances to administrative and mission support functions over the past several years in order to sustain front-line operations while planning for declining budgets. However, the statutory requirements for sequestration leave Federal agencies with very little discretion on how to apply across-the-board funding cuts. With less than 6 months remaining in fiscal year 2013, DHS simply cannot absorb the additional reductions mandated by sequestration without affecting front-line operations and the critical homeland security capabilities we have built over the past 10 years.

Hurricane Sandy, recent threats surrounding aviation, and the continued threat of homegrown terrorism demonstrate how we must remain vigilant and prepared.

Threats from terrorism and response and recovery efforts associated with natural disasters will not diminish because of budget cuts to DHS.

Even in this current fiscal climate, we do not have the luxury of making significant reductions to our capabilities without placing our Nation at risk. Rather, we must continue to prepare for, respond to, and recover from evolving threats and disasters—and we require sufficient resources to sustain and adapt our capabilities accordingly.

Thank you for inviting us to appear before you today. The Department appreciates the strong support it has received from the committee over the past 10 years. We would be pleased to answer any questions you may have.

SEQUESTRATION TIMELINE

Fiscal Year 2013 Budget in Draft

Date	
4/15/2011	Congress enacts fiscal year 2011 Year-Long Continuing Resolution (CR).
5/2011	Preliminary work begins on the fiscal year 2013 budget. DHS conducts fiscal year 2011 Mid-Year Budget Reviews; DHS components complete fiscal years 2013–2017 Resource Allocation Proposals (RAPs).
6/2011	OMB conducts mid-session review of the fiscal year 2012 Budget Submission.
7/2011	OMB Guidance issued on fiscal year 2013 Budget Formulation; DHS determines fiscal years 2013–2017 Resource Allocation Decisions.
8/2/2011	1st potential default of U.S. debt obligations looms; Congress passes Budget Control Act.
9/12/2011	Congressional Budget Office estimates fiscal year 2013 sequester to be 7.8% for Non-Security and 10% for Security Category discretionary accounts.
9/30/2011	Congress passes 1st fiscal year 2012 CR (for DHS) through 10/4/2011; OMB provides apportionments.
10/1/2011	Fiscal year 2012 begins with Federal agencies operating under a CR.
10/5/2011	Congress passes 2nd fiscal year 2012 CR (for DHS) through 11/18/2011; OMB provides apportionments.
11/16/2011	Congress passes 3rd fiscal year 2012 CR (for DHS) through 12/17/2011; OMB provides apportionments.
12/17/2011	Congress passes 4th fiscal year 2012 CR (for DHS) through 12/23/2011; OMB provides apportionments.
12/23/2011	Congress passes fiscal year 2012 Consolidated Appropriations Act; OMB provides apportionments.
1/15/2012	Deadline passes for Congress to enact a deficit reduction package, triggering sequestration for fiscal year 2013.

Fiscal Year 2013 Budget Request Pending Congressional Action

Date	
2/13/2012	President's fiscal year 2013 budget is submitted to Congress.
3/2012	DHS issues fiscal years 2014–2018 Guidance to Components.
4/2012	Preliminary work begins on the fiscal year 2013 budget.
5/2012	DHS conducts fiscal year 2012 Mid-Year Budget Reviews; DHS components complete fiscal years 2014–2018 Resource Allocation Proposals.
6/2012	OMB conducts mid-session review of the fiscal year 2013 Budget Submission.
7/2012	OMB Guidance issues on fiscal year 2014 Budget Formulation; DHS determines fiscal years 2014–2018 Resource Allocation Decisions.
7/31/2012	OMB issues preliminary guidance on sequestration.
8/15/2012	DHS Chief Financial Officer (CFO) conducts CFO Council Meeting on sequestration.

Fiscal Year 2013 Budget Request Pending Congressional Action

Date	
9/14/2012	OMB releases Sequestration Transparency Act report detailing for the first time account-by-account sequesters, based on fiscal year 2012 funding levels; CFO conducts CFO Council Meeting.
9/28/2012	Congress passes fiscal year 2013 CR through March 27, 2013; Federal agency funding remains at fiscal year 2012 funding levels; OMB issues apportionment guidance.

Fiscal Year 2013 CR (Funding at Fiscal Year 2012 Levels)

Date	
10/1/2012	Fiscal year 2013 begins with Federal agencies operating under a CR.
10/5/2012	CFO conducts CFO Council Meeting on sequestration.
10/19/2012	CFO, Chief Human Capital Officer (CHCO), and Chief Procurement Officer (CPO) conduct joint meeting on possibility of sequestration.
11/15/2012	CHCO conducts Human Capital Leadership Council discussion on sequestration.
12/7/2012	CFO conducts CFO Council Meeting on sequestration.
12/11/2012	CHCO and CFO conduct joint planning session on sequestration.
12/21/2012	DHS Management leadership informs DHS employees about possibility about sequestration.
1/2/2013	Fiscal Cliff agreement enacted; Department of Homeland Security shifted into the Security Category; fiscal year 2013 sequester reduced by \$24 billion.
1/4/2013	CFO conducts CFO Council Meeting on sequestration.
1/14/2013	OMB issues guidance on fiscal uncertainties and potential of sequestration.
1/29/2013	Congress passes fiscal year 2013 Disaster Relief Appropriations Act, providing \$50.7 billion in new appropriations subject to sequestration.
1/31/2013	2nd potential default on U.S. debt obligations looms; Congress suspends Debt Ceiling until 5/19/2013.
2/6/2013	DHS Management leadership informs DHS employees about possibility about sequestration.
2/25/2013	CPO notifies component heads of contracting authorities of potential sequestration impacts.
2/27/2013	OMB issues guidance on sequestration planning; DHS Management leadership sends follow up communication to DHS employees.
3/1/2013	President orders fiscal year 2013 sequester at 5.0% for Non-Security and 7.8% for Security Category accounts, based on CR funding levels; OMB issues sequestration and apportionment guidance.
3/5/2013	CPO notifies the DHS contracting community of potential for contract actions under sequestration.
3/22/2013	DHS issues fiscal years 2015–2019 Guidance to components.

Final Fiscal Year 2013 Enacted

Date	
3/26/2013	Congress passes fiscal year 2013 Consolidated and Further Continuing Appropriations Act, provides a new baseline for the remainder of fiscal year 2013.

Date	
4/4/2013	OMB issues guidance on sequestration planning.
4/26/2013	Deadline for Federal agencies to provide plans for operating under sequestration.

Mr. DUNCAN. Thank you so much, Under Secretary Borrás. The Chairman will now recognize Mr. Winkowski to testify.

STATEMENT OF THOMAS S. WINKOWSKI, DEPUTY COMMISSIONER, PERFORMING THE DUTIES OF THE COMMISSIONER, U.S. CUSTOMS AND BORDER PROTECTION, U.S. DEPARTMENT OF HOMELAND SECURITY

Mr. WINKOWSKI. Good morning, Chairman Duncan, Ranking Member Barber, and Members of the subcommittee.

It is an honor to appear before you today on behalf of U.S. Customs and Border Protection to discuss sequestration and the impact it has on our mission to keep terrorists out of our country, secure our borders, and facilitate the flow of people and goods into the United States.

CBP protects approximately 7,000 miles of land borders and 95,000 miles of coastal shoreline. We operate at 329 ports of entry across the United States, welcoming travelers and facilitating international trade.

In fiscal year 2012, CBP facilitated the processing and security of 350 million travelers arriving at our Nation's borders by land, sea, and air. At our airports alone, we have welcomed a record 98 million air travelers, a 12 million percent increase since—excuse me—a 12 percent increase since fiscal year 2009. Last year, CBP also facilitated approximately \$2.4 trillion in trade and collected almost \$40 billion of revenue, a 6 percent increase over the previous year.

Original sequestration guidance in September was that CBP would have to make budget reductions of more of \$950 million in order to maintain Congressionally-mandated front-line Border Patrol Agents and CBP Officer staffing floors. CBP developed a financial plan, which included a wide range of reductions to both pay and non-pay expenses. With over 70 percent of CBP's budget dedicated to agency payroll, we face a daunting challenge in identifying reductions which would not impact employee paychecks. We were able to identify nearly \$110 million in reductions through such actions and implementing a hiring pause for non-agent and non-officer positions, canceling most training, reducing contracts and equipment approaches, and sharply curtailing travel expenses. The remaining sequester reduction requirement had to be addressed through payroll-related impact, specifically employee furloughs and overtime savings, with consideration for overtime reduction given to the mandatory nature of passenger and cargo inspections at ports of entry.

DHS fiscal year 2013 appropriations bill, recently enacted by Congress, increased CBP's budget by about \$200 million, with \$98 million of that going specifically to the Border Patrol account. The

increase in CBP budget combined with a lower sequestration reduction level of \$602 million has allowed CBP to postpone furloughs and deauthorization of administratively uncontrollable overtime, AUO, while we assess the exact impact that the bill will have on our operations and our workforce.

While our sequestration reduction level has decreased from initial guidance, the \$602 million in cuts across CBP will affect operations in the short and long term. Between the ports of entry, sequestration has led to significant reductions in areas like CBP's detainee transportation support contract, which increases non-law-enforcement requirements for front-line Border Patrol Agents. CBP has also cut operating expenses, including vehicle usage, affecting Border Patrol's ability to reduce—to respond to requests from our law enforcement entities for assistance.

Additionally, reductions in relocation expenses will necessitate that the Border Patrol postpone promotions to leadership and managerial positions, requiring less experienced staff to perform the functions of these critical jobs.

At the ports of entry, reduced CBP Officer overtime availability at our Nation's ports has increased—has resulted in increased wait times for travelers across the country. International travelers have experienced wait times of several hours. A number of locations have reported wait times averaging between 120 and 240 minutes, and a few as long as 4 to 4½ hours.

These automatic cuts are occurring against a backdrop of significant growth in trade and travel in all ports of entry environments. Air travel at the major gateway airports is up by 4 percent on top of 3-year increase of over 12 percent. Land border travel is up 3.6 percent through the fiscal year to date. Additionally, cargo volumes have increased in all environments over the past 3 years.

CBP will preserve its highest mission priorities in these demanding fiscal times and has issued clear guidance on maintaining priority operations during sequestration with the following key principles: Our security efforts will remain our highest priority. We will not allow the denigration of our primary antiterrorism mission at our ports or between our ports. We will prioritize core processing and facilitation operations for both travelers and cargo, and we will continue to carry out our border operation consistent with all applicable legal requirements.

In closing, I appreciate the opportunity to come here today and I look forward to any questions.

Mr. DUNCAN. Thank you, Mr. Winkowski.

The Chairman will now recognize Mr. Halinski to testify.

**STATEMENT OF JOHN HALINSKI, DEPUTY ADMINISTRATOR,
TRANSPORTATION SECURITY ADMINISTRATION, U.S. DEPARTMENT OF HOMELAND SECURITY**

Mr. HALINSKI. Good morning, Chairman Duncan, Ranking Member Barber, and distinguished Members of the subcommittee.

Thank you for the opportunity to testify today about the impact of sequestration on the Transportation Security Administration's operations.

As you know, the President signed the sequester order on March 1, as mandated by law, requiring across-the-board budget cuts at

all Federal agencies, including a \$3.2 billion cut for the Department of Homeland Security through the end of the fiscal year.

TSA is the lead agency for protecting the Nation's transportation system from terrorist attacks, while ensuring the freedom of movement for people and commerce. The agency manages effective and efficient screening and security for all air passengers, baggage, and cargo on passenger planes. It also deploys Federal air marshals internationally and domestically to detect, deter, and defeat hostile acts targeting air carriers, airports, passengers, crews, and other transportation infrastructure.

Each year, transportation systems protected by TSA accommodate nearly 640 million aviation passengers, 751 million passengers traveling on buses, more than 9 billion passenger trips on mass transit, nearly 800,000 daily shipments of hazardous material, and more than 140,000 miles of railroad track, over 4 million miles of public roads, and nearly 2.6 million miles of pipeline.

Regardless of the challenging fiscal landscape before us, TSA's guiding principle has been and will continue to be to provide the most effective security in the most efficient manner. TSA functions as a critical component of our Nation's counterterrorism efforts, with a dedicated workforce working around the clock and across the globe to execute our transportation security responsibilities. Every day, we interact closely with the public and private-sector stakeholders in the aviation, freight rail, mass transit, passenger rail, highway and pipeline sectors to employ an intelligence-driven, risk-based security approach across all modes of transportation.

Throughout the sequestration planning efforts, we have been careful to seek prudent, responsible steps toward across-the-board budget reductions. Our guiding principles have been two: No. 1, preserve the Nation, preserve TSA's front-line operations and other mission-critical activities to the maximum extent possible; No. 2, take care of our workforce by managing hiring practices, managing overtime, and through other means.

TSA's fiscal year 2013 budget request was \$200 million less than its fiscal year 2012 appropriation, reflecting a variety of planned efficiencies. After applying the sequester to its final enacted fiscal year 2013 appropriation, TSA's fiscal year 2013 funding level is \$670 million less than fiscal year 2012, or about 8.8 percent less than the previous fiscal year.

While the reductions required by sequestration will continue to impact the Transportation Security Administration, the recent passage by Congress of the fiscal year 2013 Consolidated and Further Continuing Appropriation Act provides TSA with additional funding for transportation security officers and some other areas. This allows TSA to mitigate the impact on its operations and workforce.

TSA will use additional funds to maintain its security screening workforce through prudent management of hiring and controlled overtime. Our Federal Air Marshal Service has had a hiring pause in place for more than a year to manage the planned program adjustment from \$965.8 million in fiscal year 2012 to \$929.6 million in fiscal year 2013. TSA continues to assess the personnel actions and mission adjustments that will be necessary at this decreased budget level.

Sequestration has also had a significant impact on TSA's information technology, checkpoint technology, security screening equipment, and infrastructure accounts. TSA is analyzing and working to minimize any disruption that these reductions may cause.

Finally, TSA has taken action to establish additional controls across the agency. We have cancelled conferences as well as non-critical, mission-essential travel and training activities. In the face of sequestration, TSA will continue implementing an intelligence-driven, risk-based approach to security across the transportation modes, while seeking operational and management efficiencies across the organization.

Thank you for the opportunity to appear before you today. I look forward to answering your questions.

Mr. DUNCAN. Thank you so much for your statement, Mr. Halinski.

The Chairman will now recognize Mr. Ragsdale for his opening statement.

**STATEMENT OF DANIEL H. RAGSDALE, DEPUTY DIRECTOR,
U.S. IMMIGRATION AND CUSTOMS ENFORCEMENT, U.S. DEPARTMENT OF HOMELAND SECURITY**

Mr. RAGSDALE. Good morning, Chairman Duncan, Ranking Member Barber, Members—distinguished Members of the subcommittee. It is my honor to testify in front of you today about U.S. Immigration and Customs Enforcement.

As you may know, ICE is DHS' principal investigative arm and is the second-largest investigative agency in the Federal Government. ICE's broad mission covers border security, customs, trade, and immigration.

Last year, ICE homeland security investigations, or HSI, initiated over 43,000 new investigations and made more than 32,000 criminal arrests, received a record \$774 million, 1.5 million pounds of narcotics, and more than \$175 million in counterfeit goods.

We had similar successes in our enforce and removal operations, or ERO. Last year, we removed over 400,000 illegal immigrants, and over 55 percent, or 225,000, have been convicted of crimes.

That said, sequestration has required an almost \$300 million reduction to these programs that saw these record successes. For instance, sequestration could present significant challenges to ICE's enforcement efforts. Congress has mandated that ICE maintain an average daily population of 34,000. Complying with this mandate will be extremely difficult in light of the broad sequestration cuts.

In order to meet sequestration targets, ICE will focus its limited resources on the detention of detainees subject to mandatory detention, including recent border-crossers and priority cases. ICE will place low-risk mandatory detainees in lower-cost alternatives to detention.

ICE also continues to leave a number of positions unfilled by not filling based on attrition. This involves leaving some key leadership positions around the agency unfilled.

In addition, the need to curtail the use of critical investigative techniques will ultimately lead to fewer arrests and seizures. To put this into perspective, just a week ago, ICE arrested 113 individuals in Connecticut and Puerto Rico. These targets were associ-

ated with a Latin King street gang and involved money laundering, violent crimes, and the transportation of a great deal of heroin and cocaine from the Caribbean to Connecticut. This case could only have been completed with the aid of 23 wiretaps of the 800 wiretaps we used last year. These critical tools that are essential to our enforcement mission will have to be restricted under sequestration.

Simply put, fiscal uncertainty has led to the hard reality that could have a significant effect on our investigative and enforcement missions. Complying with the sequestration order could mean fewer investigations into human trafficking, narcotics, violent crime, child exploitation, contraband smuggling, and counterproliferation, and a host of other crimes that affect public safety.

I thank you again for the opportunity to testify here today and look forward to answering your questions.

Mr. DUNCAN. Thank you so much, Mr. Ragsdale.

Now, the Chairman will recognize himself for 5 minutes.

I must first express the frustration of the American people and myself over the release of 2,000 detainees by ICE. The decision was made before sequestration kicked in. We talked about the hope that was—of the Department that sequestration wouldn't happen, and this happened before the final decision to allow sequestration to go in place.

So according to the information that DHS provided to my subcommittee staff, the Department's leadership has been fully engaged in preparing budgets and operating plans. Since the Department's leadership has been fully engaged in preparing budgets and operating plans, was Secretary Napolitano not also fully engaged in the plan to release 2,000 criminal aliens, which is greater than 5 percent of the 35,000 that ICE claimed it had in detention?

Mr. Ragsdale, was she not involved in that decision?

Mr. RAGSDALE. She was not involved in that decision.

Mr. DUNCAN. Who made the decision?

Mr. RAGSDALE. Myself and Director Morton.

Mr. DUNCAN. So you just arbitrarily decided that is how you are going to apply sequestration?

Mr. RAGSDALE. It actually had very little to do with sequestration. It actually was a much larger function of the expiration of the continuing resolution that ended at the end of March. Our ADP had been very high earlier in the year to meet all the operational needs. It had been over \$36,000. Also, I will note that last year ICE had almost 477,000 book-in and book-outs.

This represented what I will say is normal detention population management. The timing was unfortunate. Certainly communication with the Hill certainly could have been better, but we were certainly doing nothing other than trying to live within our means by releasing those detainees.

Mr. DUNCAN. Well, not the line that I want to go down today, but I represent 700,000 people. I would say that my frustration crosses demographics. It crosses party affiliation. These are Americans that are worried about criminal aliens and illegals being detained by the Immigration and Customs Enforcement, held for a reason, and just released as a way to apply sequestration cuts. So my frustration is duly noted on behalf of my constituents.

Mr. Borrás, when we sat down in my office, and I took to heart your words about how sequestration was going to be applied and had to be applied at that time across all the different subagencies within DHS equally, but the question I have for you is really the planning of how to apply those sequestering cuts, because what I understand is that each line item in the budget, each categorical has some flexibility within that account line to move moneys around. I am not talking about, you know, let us say ICE gets whatever their budget number is, but within that total budget number, there is some flexibility on how they can spend those dollars. Is that not correct?

Mr. BORRAS. Mr. Chairman, a couple things on the planning for sequestration. I do appreciate that time that we spent to talk about sequestration. So we have 120 PPAs in the Department. So you are right. Each one of those PPAs has to apply the reduction mandated by the sequester equally.

The challenge for us, as I stated earlier, has been that that number changed since 2011 to the present, where first when we were doing what I would call scenario planning, back in August, just with the idea that sequester could happen, we were planning based on numbers we got from CBO, looking at almost a 10 percent reduction on each one of our PPOs. Now, it seems like it just would be simple math, PPA, 10 percent reduction, but there is an opportunity in certain accounts to make some adjustments.

Then the number changed as we were faced with coming closer to January 1, where it was approximately 7.8 percent reduction. Then, as I stated, when we got to March 26, of course, that number is about a 5 percent reduction.

So the three things I was looking for from Day 1 is: What is my baseline? How much time am I going to have to be able to implement it, because that is very important, how much time am I going to have? Ultimately what is the final sequester amount? It varies throughout all of the components.

Now, I received a lot of questions over the last several weeks about, well, couldn't we have made those adjustments back in 2011 to prepare for sequestration? As this committee well knows, about 41 percent of the Department's budget is what we call 1-year money. So any savings that we would accrue in 2011 would not carryover into 2012 and certainly not into 2013. About 19 percent of the Department's budget is what they call 2-year money. TSA is largely 2-year money.

So every department, every component has different flexibilities based on the way the appropriation law is written. So what I—what I want to convey in all seriousness is the complexity of trying to take a specific number, a percentage account to a PPA and timing how much time will I have to implement it. Will I have 5 months, 6 months, 7 months? How much time will I have to plan? How much time will I have to provide guidance to all these component agencies so that they can begin to prepare?

We began our planning in earnest in the fall, facing the January 1 deadline. We got good guidance from OMB. We began to have meetings and provide account structure. But every account had to be looked differently. I think what you will find when we talk a little bit about CBP, for example, is that their largest PPA, their

largest account is all salaries and expenses, so the reduction, the flexibility to say, I am going to do something other than people, was not present since most of their money is in salary and expense accounts.

We can have a whole hearing just on sort of the dynamics of sequester and the application of it, but I want to assure you, Mr. Chairman, and the Members of this committee, that we worked very, very hard to try to figure out as best as possible, but we never had a certainty as to, again, what the baseline would be, what the sequester amount would be, and how much time we would have to implement sequester.

Mr. DUNCAN. Right. Well, I understand some of the flexibility, some of the frustration that you must have had, but you had to look at a divided Government and a divided Congress and plan for a worst-case scenario and make those plans, but according to your statement, it was recognized that then undertaking sequestration planning and implementation activities would divert resources from other important activities and priorities. It was our hope and expectation than rather than force the Department to pursue a course of action that would be disruptive to mission-related activities, Congress would reach an agreement on deficit reduction package as an alternative to sequestration.

Now, correct me if I am wrong, but you have 225,000 employees in the Department of Homeland Security: 225,000. You couldn't find a working group within that number to focus on, in each division, to focus on how we were going to apply sequestration cuts. So \$60 billion budget. We are talking about 5 percent; 7 percent is worst-case scenario, possibly. It just seems to me that proper management is to look at your worst-case scenario, what are we facing, how are we going to implement those cuts, and then, if it is not that much, then we have a windfall, so to speak. That is how I think the private sector applies that type of situation if they see a change in sales or income from year to year, and I think we want to address some of that.

My time is up, so I am going to yield to the Ranking Member, the gentleman from Arizona.

Mr. BARBER. Well, thank you, Mr. Chairman.

I had some questions for Mr. Winkowski, hopefully with time for others. Thank you very much for coming to my office this week. It was a very informative discussion. I appreciated seeing you in Arizona—

Mr. WINKOWSKI. Thank you.

Mr. BARBER [continuing]. Last week with the Secretary, and I certainly want to thank you for your many years of service to the country, and now you have this wonderful new assignment. I wish you well with that.

As you know, Border Patrol Agents work in three 10-hour shifts, including 2 hours of overtime per agent per day. There are many instances when even more overtime is necessary as the agent is in the process of tracking or pursuing illegal crossings or doing the necessary paperwork related to apprehensions. Despite the necessity of overtime, CBP, initially at least, has targeted Border Patrol Agent overtime pay as one of the sequestration-related cuts.

Now, let us be clear about this. When most Americans think of overtime, they think, oh, that is something that you can just approve or not approve, but the staffing model that is in place for Border Patrol Agents includes 2 hours per shift. Really the reason that is in there is because it is necessary in order to do the job.

So, given that that is the case, I appreciate that DHS has delayed implementation of these cuts, but how, going forward, Mr. Winkowski, does CBP intend to address the overtime since it has been built into the staffing model, and obviously, the Department believed it was critical to getting the job done?

Mr. WINKOWSKI. Well, I think there is a couple of things that we have to do, is, you know, we need to continue to scrub the budget here, and that is what we are doing. We have a plan that is due up to the Hill, the Department does, on our expenditure plan addressing the areas of reprogramming that we need. The budget that we have got did have, as I mentioned in my oral statement, had \$98 million for Border Patrol. That money has been put into the premium pay part for Border Patrol.

So we need to continue to look at ways in which we can better align the workforce with the workload. I think we need to provide better oversight. But most importantly, I think the issue that we really need to come to grasp with is a different type of overtime system. When you look at AUO, AUO is a system that is very, very difficult to—difficult to manage. We have been working with in—several years ago, working with Congress and others to look at a system that emulates more what the investigators get, the law enforcement availability pay, which is good for the employees, but also from the standpoint of building that overtime feature, that 25 percent, right into the salary.

So I think there are a number of options out there, but kind of the bottom line here is we need to really look at, you know, are we spending that AUO money and that premium pay in the most fiscally sound way. So, for example, some of the things that we are faced with that were done, putting different shifts on; instead of having three shifts, having four shifts, to begin that process of better managing our AUO, providing more oversight.

So I think the combination of looking for additional resources and funding, looking at really kind of transforming, if you will, the overtime system that our Border Patrol Agents have, coupled with more oversight and really workforce alignment is really kind of the path forward.

Mr. BARBER. Let me just explore that a little further. When I think about those 10 hours that each agent is assigned when they go on a shift, I know that a lot of that has to do with getting to the area where they are going to change shift with somebody else. We know that the cartels are watching everything we do.

Mr. WINKOWSKI. Right.

Mr. BARBER. They have scouts and they have other ways of finding out when we have that gap, if you will, in coverage at the border. So the overtime is partly because we want to make sure that we have a seamless transition from one shift to the other. We have agents who go from their Border Patrol station to their field operation. This, as you well know, is stating the obvious. This is not an office job.

Mr. WINKOWSKI. Yeah.

Mr. BARBER. This is a job that puts people into mountains, into canyons, on the desert, very rugged conditions.

Mr. WINKOWSKI. Yeah.

Mr. BARBER. Isn't that overtime—we call it overtime. I almost have to say it is normal duty. Isn't that essential to getting the job done?

Mr. WINKOWSKI. Absolutely. I am not suggesting that we implement a system that would have gaps. There are ways in which you can better schedule your agents to relieve that particular person that is in the sky tower, so you don't have those kinds of gaps. Those are the kinds of things that I have asked Chief Fisher to look at, and we have made some changes with additional shifts, but certainly I am not a proponent of having gaps while you are changing shifts.

Mr. BARBER. Let me move to a different area that is under your responsibility as well. I am very concerned, obviously, about the ability of our Border Patrol Agents to do their job. When I think about the people I represent, I met last week with people in cities along the border. I met with Border Patrol Agents, with ranchers, with mayors and council, with the faith community. I really wanted to get everyone's input on what they saw going on and what sequester would likely do. So I am trying to make sure all of the people who are likely to be involved are talking to me. I have also spoken at length with people who are staffing the ports, and I want to turn to that question before my time is up.

We have to make sure, and I know you would agree with this, that we expedite the flow of legal commercial traffic, tourists, trucks that bring produce and other goods into our country, and we already are experiencing wait times at our ports of entry. What is the Department's plan to ensure that we not degrade what is already a challenging situation and that we have sufficient staffing at the ports of entry to get that job done?

Mr. WINKOWSKI. Yeah. Thank you for that question. I think there is a number of things, and one thing is very timely. The President's budget, that was sent up to the Hill a few days ago, requests 1,600 additional CBPOs, Customs and Border Protection Officers out of appropriations, and another 1,877 that would be funded out of changes to the user fees.

This is all driven from a workload staffing model that we have developed in CBP, particularly the field operations. The last 4 years, I think we have worked very, very hard and got the right science, the right statisticians in, so we can go into each individual port and say these are the numbers of people and the types of people that we need in to run that particular port of entry.

So we are real excited about the potential here with the fiscal year 2014 budget because we need to fill the booths. The problem is, we don't have enough resources to fill all of the booths during peak times.

The other problem that we are facing, quite frankly, right now is reduction in overtime. That is why we are seeing these peaks. Just when you look at Mariposa, things that normally took us 15, 20 minutes to do now are up to 120 minutes. That is not good. That

is not good for our cargo environment, and I don't need to tell you the importance of Mariposa and the produce in there.

So with the President's budget, with us really looking through how do we transform the way we do business, I think that combination will get us on the right track, but certainly the President's fiscal year 2014 budget is a real game-changer for us.

Mr. BARBER. Mr. Chairman, just a closing comment. We have talked about the security of the Nation, we have talked about commercial traffic, both of which are vital to our country, I believe. I met over the last couple of weeks with about 150, 160 Border Patrol Agents and their spouses and their children. I wanted to hear from them beyond what we know is going to impact on our border security and our port of entry staffing, I wanted to hear from them what this means. It is devastating. No family in this country could withstand that kind of a reduction in income just like that. The morale of the agents and the morale of their families is deeply affected by these ideas. There is a great deal of uncertainty. We have to make sure that we know as quickly as possible how much of this we can restore and restore as much of it as we possibly can.

So thank you very much for your response to my questions.

Mr. DUNCAN. I thank the Ranking Member for his questions.

Now the Chairman will recognize the Ranking Member of the full committee, Mr. Thompson, for 5 minutes.

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

Mr. Ragsdale, ICE has yet to reach a final determination on whether you will furlough personnel, as I understand it. Is that still pretty much where we are?

Mr. RAGSDALE. At this point we are not planning on furloughs, but until the sequestration plan is final, we cannot say for certain.

Mr. THOMPSON. Okay. Well, so your testimony would be that furloughs would not impact your ability to apprehend individuals if you decide to go in that direction?

Mr. RAGSDALE. What I can say is this: I cannot give a 100 percent guarantee that ICE will not face furloughs as we go through sequestration. We are not, as part of our planning process for sequestration, we are not planning to furlough employees at this time.

Mr. THOMPSON. Thank you.

Back, Mr. Winkowski, you know, when I talk to CBP employees, a lot of them have factored in overtime in how they, you know, make decisions. What would the reduction in overtime do for morale of our men and women along our Northern and Southern Border?

Mr. WINKOWSKI. It is really in many ways devastating, kind of going back to Mr. Barber's closing statement. At one time many, many years ago, I was one of those people earning overtime, and I try to put myself in their shoes today, and I think I can do that pretty effectively to understand really the impact. The fact of the matter is that people do depend on this to pay mortgages, to put the kids through school, all the necessities of life. This is a dark cloud, in my view, hanging over our head.

You know, I agree that we need to get an answer out there, but we need to do it smartly. We need to make sure as we continue to drill down the budget and look at some of these important gaps

that we have and see if we can fill those gaps with existing funding, that we need to do it—we need to do it smartly. That is going to be, quite honestly, very difficult to do.

So we continue to work real hard on that. You know, the whole idea of having to furlough our men and women, the whole idea of reducing their paycheck is something that none of us want to see happen.

Mr. THOMPSON. Thank you.

Mr. Halinski, although TSA has maintained that TSA, TSO will not be furloughed, will there be a reduction or elimination of the overtime?

Mr. HALINSKI. Sir, we are looking at that, and we look at that every day. What we are trying to do is through management of the hiring process, and through management of the overtime when it is mission-critical, we are looking at trying to maintain the level that we have. But it is something we review every day, and we are working, because we want to make sure we accomplish our mission and at the same time take care of our workforce.

So it is very cognizant on all of our employees, and we believe that through managing our hiring process at a certain level, paying attention to attrition, looking at the busiest airports and adjusting based on that fact, we will be able to continue moving forward with that process as well as looking at the overtime, sir.

Mr. THOMPSON. Well, I am a little concerned, to be honest with you, that TSA has the highest turnover rate in DHS among TSOs. With that kind of turnover rate and the ability not to bring people on and train them, I am concerned that at some point we will hit a critical point where we will compromise security. Is that a concern of yours?

Mr. HALINSKI. Yes, sir, it is. It is one of the things I am talking about with managed hiring, sir, and I think it was alluded to in earlier testimony. It is the fact that we do still have announcements out there. We are hiring to a certain percentage because we factor in what our attrition rate is on a monthly basis. We have to maintain a certain percentage in order to accomplish that mission. So what we look at are those busiest airports, what the attrition rates are in specific airports, and we will hire to maintain a certain percentage of the workforce to maintain and be able to sustain the mission.

Mr. THOMPSON. Well, and I, just for the record, want to compliment the Chairman on voting against the Budget Control Act. It didn't make a whole lot of sense to me. I am glad it didn't make a whole lot of sense to him. We can cut it, but the way we are going about it does not allow for maximum efficiency. However, it is the law, and we all have to abide by the law. So I understand you gentlemen have a very difficult task, but we could have done it smarter, and obviously more efficiently.

I yield back.

Mr. DUNCAN. I thank the Ranking Member for your participation, very valuable.

The Chairman will now recognize the gentleman from Pennsylvania, Mr. Rothfus, for 5 minutes.

Mr. ROTHFUS. Thank you, Mr. Chairman, and thank you, members of the panel, for coming in and testifying, and thank you for the work you are doing at the agency.

I would like to ask a question here that I would like to maybe start with Mr. Borrás and go down the line.

Did any of you receive any memorandum or talking points, or emails or anything or any other type of communication from either the White House Office of Management and Budget, the Secretary's office on how you were to be communicating about the impact of the sequester on your respective subcomponents?

Mr. BORRAS. That would be a no.

Mr. ROTHFUS. Mr. Winkowski.

Mr. WINKOWSKI. Not that I recall, no.

Mr. ROTHFUS. Mr. Halinski.

Mr. HALINSKI. No, sir.

Mr. ROTHFUS. Mr. Ragsdale.

Mr. RAGSDALE. No, sir.

Mr. ROTHFUS. Director Ragsdale, are you aware of any communications between yourself or Director Morton and anyone in the Secretary's office or the White House prior to the release of the 2,000 detainees?

Mr. RAGSDALE. Certainly not myself and the White House, and certainly not myself and the Secretary's office.

Mr. ROTHFUS. Are you aware of any communications between the Director's office and—

Mr. RAGSDALE. I am not aware of that. But what I would like to simply say is, you know, we had career law enforcement folks making those decisions in consultation with the Chief Financial Officer. Those were decisions that were made for solely fiscal reasons and that is it.

Mr. ROTHFUS. Thank you.

Commissioner Winkowski, why was the decision made to give out furlough notices to more than 60,000 CBP employees, including 42,000 Border Patrol Agents, before determining your actual policy?

Mr. WINKOWSKI. Now, we were working off of a whole different set of numbers than we are today. We are unionized. We have to give our employees advanced notification. We were moving forward as that being our number, and we needed to make sure that we had everybody on notice that we may have to do furloughs.

Fortunately, it hasn't come to that, but that was the right and prudent thing to do.

Mr. ROTHFUS. Secretary Borrás, in spite of, you know, cuts to budgets as a result of the sequester, I am hearing a lot from my constituents and concerns about the Department of Homeland Security's plan to purchase \$1.6 billion rounds of ammunition, including thousands of rounds of hollow-point bullets.

In response, DHS has explained that these purchases are part of its larger strategic sourcing program. Can you explain that program in a little bit more detail, please?

Mr. BORRAS. Yes, I would be happy to. First, maybe let me say something just very briefly about strategic sourcing because we apply it not just to the purchase of ammunition, but scores and

scores of goods that we purchase for the Department have been strategically sourced.

Mr. ROTHFUS. Can you give me an idea of what type of goods those might be?

Mr. BORRAS. Well, in addition to ammunition, of course, everything from paper, computer equipment, pencils, and paper. In fact, we have actually matured our strategic sourcing program, and we are also now beginning to acquire not just what I would call the typical kind of goods, computers and printers and paper, but we are also doing things like handheld radiation equipment, which is purchased by CBP, by FEMA, and other parts of not only DHS, but other parts of the Federal Government. We are now facilitating strategic sourcing buy for that equipment to be able to get lower prices and leverage that buying power, certainly around the Department, other parts of the Federal agencies.

Mr. ROTHFUS. Has the Department done this type of strategic sourcing before with respect to ammunition?

Mr. BORRAS. We have been buying ammunition strategically source, I believe, since 2006 or 2007. But it is not an uncommon approach to buying ammunition. Again, we leverage the buying power.

A word about the volume. I know a lot of people say we are buying 1.8 billion rounds of ammunition. I don't want to get too technical here, but basically we use contract vehicles, which are called indefinite delivery, indefinite quantity. What these are is you set a ceiling. I plan to buy over a period of time as much as X amount of goods and you buy it as needed.

The reality is, over the last several years, our buying per year has been pretty consistent, about 120 million rounds, and that has not changed. Has not gone up much; has not gone down much. So we don't buy 1.8 billion rounds all at once. We may never exhaust that ceiling of the contract. It depends on our usage both for training and other operational needs.

But no, this is a very common technique. The pricing, quite frankly, I think relative to retail price, is quite significant. I think an 80 percent reduction or so. I can get you that specific number. But it is a tremendous reduction from the price.

That is what I think you expect us to do. We are applying these procurement principles across all different areas, whether it is vehicles, whether it is uniforms for our officers. It is a very common practice.

Mr. ROTHFUS. Thank you.

Mr. DUNCAN. Thank the gentleman. Just for the record, we have asked GAO to do an audit of the ammo purchases and to get to the truth. That is the most I have heard from DHS on the subject since it all came about.

The Chairman will now recognize the gentleman from New Jersey for 5 minutes.

Mr. PAYNE. Thank you, Mr. Chairman.

Mr. Halinski, you know, I represent New Jersey's 10th Congressional district, which includes the Newark Liberty Airport, and so airport security is particularly a concern of mine. With sequestration well in place, TSA has stressed that it will not mandate furloughs for its TSOs, but rather implement a hiring freeze to comply

with sequestration budget levels. But with that hiring freeze in place, it is estimated that more than 1,000 TSO vacancies could result by Memorial Day weekend, and that is right before the biggest—one of the biggest travel seasons that we know.

So knowing that, how do you believe that this hiring freeze and the rapid reduction in personnel will affect passenger wait times, the flow of commerce, and most importantly safety at our airports? What is being done to make up for the expected loss of 1,000 TSOs?

Mr. HALINSKI. Yes, sir. Thank you for the opportunity to clarify that, sir. I would like to go back to what my colleagues here at the table said and what I said, is that when we looked at the sequester, it was a planning process, at least in TSA, from worst case to best case and everything in-between—talk of furlough, talk of hiring freeze—because, quite frankly, the numbers that we faced changed on a regular basis. Other factors changed on a regular basis. When we planned, we were planning for a worst-case scenario.

Quite frankly, now, when I am talking about managed hiring practices, what we are trying to look at is to preclude hiring freezes totally across the board for TSOs. We have a percentage that we believe will accomplish the mission at each of these airports. We are looking critically at each airport, specifically our CAT X airports, our CAT I airports. What do we have to do, and how many do we have to hire to maintain that percentage to accomplish that mission?

The term hiring freeze right now, I would say, has evolved into what we are calling a managed hiring process where we know what the percentage is we need to accomplish that mission. That is why we do have announcements out. That is why we are continuing to judiciously hire TSOs, and you will see that they are at critical nodes and it is based on attrition. Because what we have attrition in one airport is not the same as we might have in another part of the country. So we are trying to analyze where those rates are dropping and hire to those rates, sir, to cover that and be able to accomplish the mission.

Mr. PAYNE. All right, then let me follow up. At Newark Liberty, specifically, what are your attrition rates at an airport such as that, and do you know?

Mr. HALINSKI. I don't know for Newark right off the top of my head. I think overall we look at about 8 percent per month across the board, and that is what we are hiring at. The percentage that we are trying to look at is not 100 percent, but we are looking at a percentage near that figure. I would be hesitant to say that in an open forum, exactly what the percentage is. I would gladly tell you off-line, sir, what that percentage is, but it is the percentage that we believe will accomplish the mission and be effective for security at that airport, sir.

Mr. PAYNE. Okay. So the expected loss of 1,000 is in the ballpark or—

Mr. HALINSKI. Sir, I couldn't tell you at that specific airport. I could tell you that we factor in attrition across the board at each airport, and when we see the attrition rates, we hire to adjust and make sure that the percentage is covered to the percentage, the line that we have set that we think will be the most effective at

that airport. That is across the board. Our planning model cuts across all 450 airports in the country, sir, Federalized airports.

Mr. PAYNE. All right, thank you.

Mr. Borrás, good morning.

As you know, the State of New Jersey was hit hard by Hurricane Sandy. Back in February the Secretary said that the Disaster Relief Fund would be reduced by over \$1 billion because of the sequestration. Last month I heard rumors that the Disaster Relief Fund is running out of money, but FEMA said that it would have adequate funding for the fiscal year. In the interim, we passed a spending bill for this year.

So, Mr. Borrás, what should I tell the people of New Jersey with respect to FEMA recovery efforts in New Jersey now that sequestration has taken effect? Will recovery be slower?

Mr. BORRAS. Well, good morning to you, Congressman, and thank you for that question.

Let me give you a couple of pieces of information that I think would assuage the concerns of the residents of New Jersey, which I spent about a third of my life living in New Jersey as well, and at one point you were my Congressman.

The DRF is reduced as a result of sequestration, about a \$941 million reduction in the DRF. That sounds like a lot of money; it is a lot of money. What I need to tell you is that the current balance in the Disaster Relief Fund is about \$13.8 billion. So I see no opportunity in the near term, certainly, and we believe for the balance of the year, that we would exhaust the funds in the Disaster Relief Fund—of course assuming that we have no disaster that is the equivalent of Sandy or Katrina, et cetera.

FEMA is looking at that very carefully. They do a very good job of monitoring the balances in the Disaster Relief Fund. Again, absent an unusual number of natural disasters, we believe at present, based on the amount in the Disaster Relief Fund, that the relief efforts will continue as planned.

Mr. PAYNE. Okay. You know—

Mr. DUNCAN. The gentleman's time has expired.

Mr. PAYNE. Thank you, sir.

Mr. DUNCAN. The Chairman will now recognize the gentleman from Montana, Mr. Daines, for 5 minutes.

Mr. DAINES. Thank you, Mr. Chairman.

You know, my background prior to serving in Congress was all in the private sector, and I appreciate and applaud the efforts you all do every day to try to find ways to do more with less in these ever-increasing times of fiscal challenges. I have worked in a Fortune 20 company. I have worked in a small family construction business. I was part of a start-up technology business that grew to be one of our largest employers in my hometown, in fact. But I also have dealt with the challenges of having to work with budgets, and I am just struck by this term, you know, sequestration here in Washington as this frightening word. Granted there are better ways to reduce spending, perhaps, than this blunt-force instrument of sequestration, assuming we had a priority-based approach.

But I would humbly submit that a 5 percent kind-of reduction is a trim, not a major haircut. At least if you talk to the folks back in Montana, they are used to having to deal with much larger re-

ductions in spending to find ways to make the month balance out. Businesses have to deal with this all the time. Five percent, it is pretty par for the course.

When we start getting into 10, 20, 30 percent kind-of cuts, that is usually when it gets pretty tough. But oftentimes American businesses will find ways, most of the time to do it, or else they go out of business. I was just concerned by the comment from Secretary Napolitano in her February 14 testimony before the Senate committee when she said, no amount of planning can mitigate the negative effects of sequestration.

I think better is possible. I think it also depends upon leadership, to have the right attitude to move in and say, you know, we have got to find a way to do better.

I also have learned that sometimes our employees are our best sources of ideas from the grassroots up, oftentimes better than top-down-driven reductions. My grandmother was a civil servant for many, many years in the Federal Government. She worked very, very hard. So this is in no way talking about how hard our Federal employees work.

I think they have got some great ideas, and in fact, we heard about one potentially out in Montana. Mr. Winkowski, I am grateful that you have been out to Montana, Big Sky Country. We share that great big Northern Border with Canada, over 700 miles wide, and there is a lot of dirt between the telephone poles, we say out there, on those lonely nights. But we actually had some input from some of the good folks that work in your organization, which they are great, truly, and they were looking at some ideas of moving towards an alternate work schedule as a way perhaps to save money.

You know, the best part about it, you meet these civil servants, they are looking for ways here. They know that they have got to find ways to do it better because their job is going to be on the line here with budget austerity. They have suggested some ways they can save money and ease work schedules, the classic win/win for the employee, as well as for the employer.

Let me talk a little about what you have seen with these AWS proposals, because some of the folks back home say it is not getting up high enough, and perhaps you have an answer we can work together on that.

Mr. WINKOWSKI. We have had AWS, alternate work schedules, throughout CBP for many years, particularly in more of the desk type-of jobs, our import specialists, our mission support specialists. It has been the last few years that we have gone forward at our ports of entry. We have been able to save a lot of money.

The complexities of the ports of entry is when you have a work schedule, an AWS, whether it is 5, 4, 9, or four 10-hour workdays in a week, you have got to have predictability in what you do at your job. So that is, you know, it is better suited for those individuals that have the desk job, the mission support job, the import specialist-type job. It gets a little more complicated for our Customs and Border Protection Officers because of the ebb and flow of traffic. We are there to serve the trade community. We are there to serve the traveling public.

But we have come to grips with that, and working with our employees in a number of locations we have, in fact, at airports and

land borders, have put in alternate work schedules, which, to your point, Congressman, have saved us money. Still it has not deteriorated the service to the trade and to the traveling public.

Some of the challenges you have with AWS, particularly in the smaller ports, and I don't know if you are talking the Port of Raymond.

Mr. DAINES. Right.

Mr. WINKOWSKI. It is a smaller port. That gets a little more complicated. Then you have the seasonal, you know, in the season, May through September, they go and service some of the other temporary ports out there.

My understanding is, is that we have sat down with the union to negotiate an AWS schedule. Raymond had lost a couple people which thus made it more difficult for us to put AWS in. We are going back to sit down with the union to see if we can come up with an agreement on an AWS. I am a big proponent of it. We just need to make sure that it doesn't cost us a lot more money and it doesn't deteriorate the service aspect of it.

Mr. DAINES. Okay, and I know I am out of time. I would encourage that engagement with the Port of Raymond. They have got some employees up there I think they have some great ideas and I appreciate you listening to them. Thank you.

Mr. WINKOWSKI. Yeah.

Mr. DUNCAN. Thank the gentleman. The Chairman will now recognize the gentleman from Texas, Mr. O'Rourke, for 5 minutes.

Mr. O'ROURKE. Thank you, Mr. Chairman. I want to thank the members of the panel and the men and women who work in the agencies that you represent for the work that all of you do, work that is critical in ensuring that El Paso remains the country's safest city; work that is important in protecting and enhancing our way of life as one of the world's largest binational communities, and absolutely work that is absolutely critical to protecting the economy. In the community that I represent, tens of thousands of jobs that depend on the flow of people and trade, legitimate flow that is crossing our ports of entry.

But I also want to provide some broader context in that the trade, especially that crosses through our ports of entry, 20 percent of all U.S.-Mexico trade, is critical to supporting more than 6 million jobs here in the United States.

We were looking at the statistics for the States that have representation on this committee. In Montana, you have more than 20,000 jobs dependent on that; in North Carolina, over 180,000; in Pennsylvania, almost 250,000; Georgia, almost 200,000; South Carolina, 85,000; Arizona, 100,000; Mississippi, 50,000; New Jersey, almost 200,000; and in Texas well over 400,000.

So realizing our local critical interests, understanding the important role that we play in the National economy, our community, which may not understand everything involved in the Budget Control Act decision—I wasn't there to vote for or against it back in 2011—may not understand why and how the ports are staffed the way they are.

We, one of the poorest communities in the United States, have agreed to tax ourselves and add additional resources to your budget

to work cooperatively to ensure that we get more people and shoppers, trade, and job-producing activity across our ports of entry.

What has made that challenging is our inability to completely understand your staffing model. I think in my position and for this committee to exercise its oversight role, I think it is important that you share that with us, that we understand it. Also just from, you know, a constituent service role, when I get an email or a text from someone who has been waiting on the Paso Del Norte Bridge for 3 hours, gets to the front of the line, and sends us a picture that shows 3 or 4 of the 11 potential lanes are open, the rest are closed at a peak travel time, they want to know why you have made the staffing decisions that you have made.

So if you could please help me understand that with an eye towards working cooperatively with border communities like ours that want to help out.

Mr. WINKOWSKI. Oh, absolutely, Congressman. I have enjoyed a great relationship in my 6 years here in Washington with Mayor Cook, and others, and the chamber, and they have been very, very strong advocates of CBP and the borders. I think we have made a number of improvements on wait times. We have a ways to go.

I look at the workload staff and model that I had mentioned earlier as really kind of that game-changer. We need to be able to convince you and others that we are a good investment. You know, you invest in these 1,600 positions. You make the tough choices of changing the user fee so we can bring on another 1,877. But I have got to convince you during that time frame that we are a good investment. You know, I am going to return much more to the economy and to the community than what it is going to cost to hire these people.

So in order to do that, we have got to sit down with you, other Members of Congress, and the staff, and to go through all the science. I think you will find at the end of the day that the resource authorization matrix and the entire laydown is extremely sophisticated. We brought in a lot of really smart people. I think we have taken a whole different approach. You know, back years ago when we tried to do this stuff it would be a bunch of people like me sitting around with a calculator. It is much more sophisticated than that, and I think you will be very happy. But, yes, we have got to educate everybody on that. I would be more than happy to do that.

Mr. O'ROURKE. I realize I don't have much time left, but I will say, if you could share that information with communities like ours, I think you will already find us willing partners, and I think you will find a more productive relationship if we have the data which we can use to make investment decisions along with you.

I also just—I would be remiss in not adding that in talking with many of the Border Patrol Agents and the Customs Officers that I represent in El Paso, they are also concerned about the lack of information that is shared from leadership about their jobs, about overtime, about how they can plan for their and their family's economic future.

So would just—I know a number of the other committee Members stressed this point—but I would just, you know, add my own input that this is critical for us, for them, for morale, and to ensure the protection of our borders and our way of life, especially in com-

munities like El Paso. So again, thank you for your work and your answers.

Mr. WINKOWSKI. Duly noted.

Mr. DUNCAN. I thank the gentleman for his comments and questioning. We have got votes in about an hour, and so what I would like to do, if Members of the committee have additional questions for this panel, I will allow that, and we are going to go to a 3-minute time period, just to speed things up. We do have a second panel.

So I will begin the questioning because I had a follow-up, or at least a question to the TSA Deputy Administrator Halinski about, on February 25, 2013, the White House had a press briefing with Secretary Napolitano where she said that such delays will cause thousands of missed passenger connections daily. To date, have there been any missed passenger connections for domestic or international flights? How do you track that, I guess is—

Mr. HALINSKI. I don't know, sir. Straight up, I can't answer that question. I don't know that there have been. I would have to go back and look and get back with you on that particular day at that particular time. I don't have that right off the top of my head.

I will tell you that when we did the planning for sequestration that we continued to reassess in a changing environment, and as I said previously, we looked at worst case and best case, and we looked at furlough, we looked at hiring freeze, and a variety of things. We looked at the impact of what would be in different airports, and that was modified along the way to where we are now. It might not be that way next week.

I just would have to say at the time and at the place, based on the information that we had, you have a tendency to look at it at that day, the way this environment has changed. So I would go back, sir. I will go back on that day and see what was there, because I can't give you a specific answer in that regard. But I would tell you that when you are planning in an environment like that, and I am going to harken back to my days in the military, when you plan and the terrain is changing under your feet on a constant basis, it is very difficult, and you do plan for the worst, and you expect the worst. You know, we are continuing to move forward and adjust as things change and things are modified and they evolve, sir.

Mr. DUNCAN. I will ask Mr. Ragsdale, because Immigration and Customs Enforcement Officers are involved with international flights, if you are coming into this country, even if you have a connection. Are you seeing a reduction in those officers, and is it delaying the flights, do you know?

Mr. RAGSDALE. So at this point we have not—planning to really do any more law enforcement hiring for this year. So our law enforcement officers, it is roughly around 14,000 people was our static workforce. Our homeland security investigations agents, where we have groups at the airport, are there to serve as CBP's investigators. We are absolutely doing everything we can to make sure we are targeting every high-risk investigation at airports. But as I said before, in terms of investigative techniques that cost additional dollars, we do expect to see a reduction in that activity.

Mr. DUNCAN. Well, thank you. That is important. Just let's keep a dialogue open. I would love to know the matrix that you use and what exactly you are seeing.

Mr. Winkowski, I will come to you on that, but I also want to ask you about risk-based approach. The folks in my district say: Why are you cutting Border Patrol Agents on the Southern Border when we are seeing a lot of the need down there, when you could reallocate some resources possibly to apply sequestration, maybe from some of the less risky areas for the country? Can you answer that for me?

Mr. WINKOWSKI. Yeah. Well, first of all, I will just remind everybody, we haven't, you know, taken any personnel cuts down on the Southwest Border, and we have delayed the furlough piece.

Certainly, up on the Northern Border, if I recall correctly, the number of Border Patrol Agents we have, about 2,212 up there. I believe that there is either a Congressional requirement on that or a Congressional agreement on that. I will stand corrected otherwise, but that is what I believe, so it becomes very difficult.

I think looking at our coastal areas, Miami, New Orleans, I think at the end of the day would produce some, but a relatively small number of resources in those areas to pull from. By far, the bulk of the Border Patrol resources which have enjoyed a plus-up, a doubling of Border Patrol since 2004 down in the Southwest Border at 18,500 or so.

So I think there is always opportunities, but I think at the end of the day it is a drop in the bucket, you know, from the standpoint of going in and taking people out of these areas. I still have to do the Northern Border. No matter how you look at it, I still have to do the Northern Border. It is an important border and it requires a Border Patrol presence. But streamlining onesies and twosies, I don't think it really gets us to where we need to be.

Mr. DUNCAN. Thank you. The Chairman will now recognize the Ranking Member, Mr. Barber, for 3 minutes.

Mr. BARBER. Well, thank you, Mr. Chairman, and I think that last question you asked was well put. You know, the Border Patrol, or the Department, ruled out a plan last year, a risk-based management plan, and we have discussed it in this committee before. It is a plan that is still lacking in major components, including metrics, goals, and process of evaluation.

I really do think that we have to, if we are thinking about risk-based approach, figure out where the highest risk is and go there. Obviously, the risk can change rapidly and we have to be very nimble in our response.

My question really has to do with ICE, and how sequestration is impacting on ICE. I want to echo an earlier comment about, before I get into my question, about the release of the detainees. It may well have been in the normal course of good decision making, and I don't question that. It may well have been an appropriate release, and I don't necessarily question that. But what I do ask the Department to do is, when a decision like that is being made, at a time like this, when so much is focused on the borders, border security, immigration reform—don't blindsides us. You know, we want to help. We don't need to be finding out about these things in the newspaper.

Having said that, Mr. Ragsdale, prior to sequestration, staffing levels within the enforcement and removal operations were 8,000 strong and Homeland Security Investigations Division was 7,000, and those numbers were already deemed to be insufficient. Now that sequestration is underway, how can ICE expect to fulfill its mandate to apprehend and process apprehensions, and thus safeguard the public, if essential personnel are furloughed? I might just add that we need to continue to increase our crackdown on employers who knowingly hire people illegally. If you could, talk to us about how you intend to do that under sequestration.

Mr. RAGSDALE. Well, to answer your question first, we have roughly around 7,000 special agents in Homeland Security Investigations and about 6,000 to 7,000 law enforcement agents in enforcement removal operations. The way we can have those folks do the best work they are capable of, and these are professional law enforcement individuals, is to prioritize their work. So in the enforcement and removal side, the Director has put out several memoranda to focus enforcement and removal operations on the greatest risk to public safety, including criminal aliens and National security threats, to work in lockstep with CBP to protect the border, so recent border entrants, illegal entrants, and folks that game the immigration system, making sure that we are supporting citizenship and immigration services to make sure that folks who apply with the immigration process are held to the proper standards.

So looking at that portfolio, we do that in a way that is linked to risk. It is really just that simple. We will never be in every place at every time, so we are looking at transnational criminal organizations that move the most money, move the most narcotics, and dismantling those organizations, both using our international offices and our domestic offices.

In terms of worksite strategy, we are looking not only to bring as many employers into compliance through the I-9 inspection process, but also targeting employers that are engaging in criminal activity as it relates to their workers and their finances and a range of other criminal activity. So getting the key criminal worksite cases completed is really the linchpin of the strategy.

Mr. DUNCAN. The gentleman's time has expired. The Chairman will recognize Mr. Rothfus for 3 minutes.

Mr. ROTHFUS. I would like to follow up a little bit on what Mr. Daines was saying about, you know, the private sector. I myself come out of most of my professional career in the private sector. When issues come up on restrained, tight budgets, there is always an effort, I think, to look at redundancies or ways you can get some efficiencies.

You know, I was taking a look at some the org charts of what we have across the agency, and I notice, for example, that each of ICE, each of CBP, each of TSA, there is a leg affairs or Congressional affairs shop, there is a public affairs shop, there is a policy shop. We also have similar components at the agency level. As we look at, you know, pressure on the front-line operations and making sure that we are having adequate resources on the front line, is consideration being given at all, perhaps, you know, through the Management Directorate—Mr. Under Secretary, this is for you—to

look for efficiencies? You know, why do we need a leg affairs shop in each component? Could not we be using the resources in those components, putting them on the front line, and then relying on the agency level for those functions?

Mr. BORRAS. Well, thank you for your question. I, too, come out of the private sector, and clearly I don't think we would organize our corporate environment the way we organize the Federal Government, for a variety of reasons. We wouldn't implement a sequester-type activity in the private sector the way we implemented it in the Federal Government. That is not good or bad. That is just the difference between the way that we operate our fiduciary responsibilities.

I appreciate your point on looking for efficiencies, and I will specially address your question and just make the point again, we have been carving out efficiencies out of the Department. We have documented over \$4 billion of savings and cost avoidances. In addition, we have had to maintain basically the same level of service, as I said in my opening statement, over the last 3 years with a 4 percent reduction. So we have had no slow in the cost of growth either in personnel, salaries aside increase. There still are other personnel costs that continue to increase. We have reduced travel. We have reduced our conference spend.

Organizational movement, that is a very interesting question. This is a very complex organization. We try to find that balance between how much do we centralize in an organization certain activities, like legislative relationships with this committee and others, both in the House and the Senate side? How much do we balance the ability to do procurement for CBP, ICE, TSA, and others, locally or centrally?

I can tell you that this Congress, many Congresses over the last 10 years have not favored a large headquarters, a large corporate environment to perform these functions centrally for the components. I think that makes sense. It so specialized. The nature of the issues that we have heard today from both CBP, TSA, and ICE are so complex, it would be virtually impossible for us to have very generic legislative folks that would be conversant on all of these issues, No. 1.

No. 2—

Mr. ROTHFUS. But don't we—

Mr. BORRAS. Please.

Mr. ROTHFUS. I mean we have businesses in the private sector that are very large that have one central communication shop.

Mr. BORRAS. Absolutely. I am not sure that communications for the Federal Government would be the right thing. There are areas, like in financial management and procurement and IT, that we should look at increasing centralization. All I can tell you is, if you look at the Department's management budget, which has declined every year since I have been here, and every attempt to look at ways to strengthen management and provide additional resources has been rejected, a good point, I will say.

Accounting and auditing. Oftentimes I am asked, why doesn't DHS—which, by the way, we are on the verge of getting a clean audit—but why haven't we been able to do that? Oftentimes I am pointed to other Fortune 100 companies. No Fortune 100, no For-

tune 500, no Fortune 1000 company would have what I have, which is 40 people in our financial controls area to oversee a \$60 billion enterprise. It just wouldn't happen.

So there are opportunities for efficiencies. We have been doing it. We have gotten over \$4 billion worth of efficiencies. I might add that the proposal, the President's proposal for the budget for fiscal year 2014 reduces DHS by an additional 2 percent. I will continue to have to struggle to find efficiencies to make that, maintain our current services.

But I think your main point is very valid. I hope we can continue to dialogue with this committee about ways in which we can look at our management in the Department and try to make some good choices about how we have maintained either distributed system, work in the components versus work in the headquarters.

Mr. DUNCAN. The gentleman's time has expired. The Chairman will now recognize the gentleman from Texas, Mr. O'Rourke, for 3 minutes.

Mr. O'ROURKE. Thank you.

I realize the sequester forces some short-term decisions that are very painful. No one likes sequester. Everyone agrees that it is a very blunt, perhaps ineffective way to deal with budget concerns. But does it also provide an opportunity, perhaps, to rethink some larger long-term projects that you are currently invested in? The question comes from concerns that many of us have and many of my constituents have about the Secure Border Initiative and the virtual fence boondoggle from the last decade and the billions of dollars spent and perhaps wasted on that project.

You know, I think personally, I would like to see us review projects like that before we cut personnel, overtime, diminish morale, and imperil, you know, the economic future of the men and women who are working in these agencies.

So are there any plans or programs currently under review that are in that same category as SBI?

Mr. WINKOWSKI. Well, I like to think we are over the SBI. We have rethought that. Mistakes were made, as you said. We have got the Arizona plan rolling out. We have got pieces of that implemented where we continue to move forward. Very confident that on the Integrated Fixed Towers, that we are in a good place. We should see some movement here from the standpoint of testing systems of that in the not-so-distant future.

So I think from the standpoint of the technology piece, and when we look at this whole issue of what do we need down on the Southwest Border, it is really that technology piece that we need, that level of sophistication from technology.

I think, though, you know, it may be, perhaps, Congressman, a little different direction. Sequestration does give you a forcing function to sit down and really look at your budget. Okay? I like to think in CBP that we consistently do that. I can sit here for a long time and talk about the efficiencies and the hundreds of millions of dollars that we have returned to the Government by making changes just recently, elimination of the I-94, air passengers, eliminate \$16 million a year in costs.

But I think we have to look at, you know, what is next here? So from my standpoint, we saw sequestration coming. We looked at

opportunities. We put hiring pauses on in the mission support side, and now today we sit on 523 vacancies. We have to be concerned with that because some of these functions have to get done. You want to make sure you don't put men and women in uniform in those. So we are balancing that.

But I think some of the bigger things that really kind of is on your radar screen, but a sequestration really, you know, forces you to perhaps look at the time line more aggressively. This whole issue of rent, for example, is I think a good example in CBP. I am told we pay about \$600 million a year in rent. When you look at telework, when you look at what they call hoteling, where you really don't need everybody at work. The Ronald Reagan Building, for example, we pay \$40 million a year in rent there. I bet you that at any one time we probably don't have 30 percent of the people that are assigned there in today. You know, they are on vacation, they are on travel, they are doing other things.

So I think those opportunities. When you have a sequester, as painful as it is, and none of us like it, it does force you to look at those types of opportunities and, that is what we are doing.

Mr. O'ROURKE. I appreciate the level of scrutiny then that you are putting these longer-term non-personnel commitments under. I appreciate that.

Thank you, Mr. Chairman.

Mr. DUNCAN. The gentleman's time has expired. But I am going to ask Mr. Borrás to answer that question as well. About to jump out of your seat to answer that, so I will give you a few seconds here.

Mr. BORRAS. I will keep my seatbelt on. No, I really appreciate the question, and I love it. There are two quick points I want to make. First of all, of the \$3.2 billion that we are cutting as a result of sequestration, \$2.1 billion of that is non-personnel. So I want to assure you and this committee that this is not all personnel. Only a little over \$1 billion of it is personnel. So there are a lot of reductions. That is a lot of money. I think, Members, your constituents would understand that. Two-point-one billion dollars is a lot of money of cost that we are reducing from there that is not personnel. No. 1.

I think the Deputy Commissioner or Acting Commissioner articulated one example. But there are so many examples that, not just sequestration, but the reality of our fiscal times over the last several years has forced us and is continuing to be in many ways an important forcing function to revisit sort of our conventional wisdom, our basic assumptions on how we deliver services.

I will give you just one example that will be very brief. We maintain an aviation fleet both in Customs and Border Protection and in the U.S. Coast Guard. Historically, those fleets are maintained, operated, and acquired separately. We have been spending the better part of the last year with wonderful cooperation from both CBP and Coast Guard looking at how—this is long-term, this is 10, 15 years out—how do we transition that aviation fleet into potentially a common aviation fleet? How do we consolidate the buy so that we are not buying 29 different types—I am making that number up—of aircraft, but we are buying a smaller number and we are being smarter about how we operate it. I appreciate the Deputy

Commissioner talking about a lot of the administrative and back-room—rent, the size of our fleet—as example that we are spending a lot of time and energy on. We are consolidating our data centers so that we don't have these redundant physical centers just to house computer equipment.

Mr. DUNCAN. Thank you so much for that.

Mr. BORRAS. Thank you, Mr. Chairman.

Mr. DUNCAN. Yes, sir.

Well, that concludes the first panel. I want to thank the distinguished panelists for being here today and sitting through this. I look forward to working with you. There were some questions that were asked today I think some follow-up is required on, so I look forward to getting that back.

I will dismiss the panel. We will get ready for panel one. Thank you, gentleman. Panel two, rather.

Okay. We will go ahead and get started with panel two. We are pleased to have an additional witness before us today on this important topic. Let me remind the witness that their entire written statement will appear in the record.

Mr. Brandon Judd is our panelist. He is the president of National Border Patrol Council and has over 15 years of Border Patrol experience. The National Border Patrol Council is a professional labor union representing more than 17,000 Border Patrol Agents and support staff. The NBPC was founded in 1967. Its executive committee is comprised of current and retired Border Patrol Agents.

So I want to thank you for being here today, and I will recognize you, Mr. Judd, for your opening statement.

STATEMENT OF BRANDON JUDD, PRESIDENT, NATIONAL BORDER PATROL COUNCIL

Mr. JUDD. Thank you, Chairman Duncan and Ranking Member Barber. It is my pleasure to be here this morning representing the nearly 17,000 men and women of the United States Border Patrol and its support staff. I hope to convey their message in a manner that will help you understand the difficulties of securing our Nation's borders. As a Border Patrol Agent, I can give first-hand testimony of the difficulties my fellow agents face on a daily basis.

Our mission is to secure our borders from those who would do us harm both physically and economically. Border Patrol Agents are tasked with deterring, arresting, and seizing terrorists, weapons of mass destruction, narcotics traffickers, and human traffickers. At times, we encounter the worst of the worst.

Due to such, I want to make this point very clear. The effects of sequestration and the across-the-board cuts that have been proposed will have a negative effect on border security. Congress has mandated that the agency maintain a workforce of at least 21,370 Border Patrol Agents. For as long as I can remember, this workforce has performed 10-hour workdays, which has allowed the agency to maximum the number of agents in the field at any given time. These 10-hour workdays have also allowed the agency to operate with only three shifts instead of four to six shifts, which would deplete effective coverage on the border.

Under sequestration, it is being proposed to scale back the number of hours agents will work from 10 to 8. This will effectively reduce our workforce by 20 percent or the equivalent of losing 5,000 agents.

Over the past 10 years, we have made incredible strides in making our borders safer, but we have done this by the infusion of Border Patrol Agents and technology alike. It would be irresponsible to give back the gains we have fought so hard to earn in an effort to save a few dollars.

Some have suggested that instead of 10-hour workdays across the board, we should concentrate all of our manpower in trouble areas, such as the Tucson, Arizona, or Rio Grand Valley, Texas, Border Patrol sectors.

In response to this idea, I would simply point out the recent past in hopes that we do not create the same problem that the Border Patrol created in the State of Arizona. In the early to mid-1990s, San Diego, California, and El Paso, Texas, were ground zero for illegal immigration and narcotics smuggling. In an effort to combat this problem, the leaders of the Border Patrol implemented Operations Gatekeeper and Hold the Line. The thought was if they could control these two major crossing areas, they could effectively control the border. No one thought the smuggling organizations would risk crossing their product through the inhospitable deserts of Arizona. Nothing could have been farther from the truth.

Coupled with an extremely strong economy and Operations Gatekeeper and Hold the Line, illegal crossings in Arizona increased to levels never before seen in the history of the Border Patrol.

For the past 12 years, we have been trying to play catch-up to a problem we created. The idea that we can simply throw all of our resources at certain areas will repeat the problems of the past. We have been making indisputable gains by an across-the-board enforcement effort, so why would we scrap that by repeating past mistakes?

Sequestration is forcing the hands of our elected officials to make cuts at a time when we can't afford these cuts. The long-ranging immigration debate is well underway in Washington, but it is critical that border security be a part of that solution. Across-the-board cuts or concentrated areas of specific enforcement will create holes in the border that will be exploited by the cartels that control all illegal activity in border regions.

The long-term answer is not a short-term Band-Aid, which brings me to my second point: We need a pay reform system that will save the taxpayer and Government money while increasing border security and giving a sense of stability to Border Patrol Agents. I believe I am the first and probably the last labor organization you will ever hear from that is asking for a pay cut in an effort to make a product better.

I do not do this lightly. Almost all agents who are affected by this proposal would take home less pay. However, this proposed reform brings about certainty to the agency and to the agents; it saves money for the taxpayer; and most importantly allows for a consistent level of border security.

There is legislation that is being circulated that will certainly have the positive effect I have discussed, and I am imploring you to support this legislation when you get the chance.

In closing, I want to stress the two points I made for you. The first is there can be no question that sequestration hurts border security. The proposed cuts amount to a 20 percent reduction in manpower and is unworkable, given our current system and situation. Second, we need a pay system that is palatable to the agency, agents, and the taxpayer. The reform I have proposed saves tax dollars, reduces overtime pay, and brings about financial certainty.

I submit my remarks on behalf of the 17,000 member agents, who are dedicated to their work and our Nation's mission to have a secure border while maintaining the overarching principles of openness and fairness. I appreciate this time and I look forward to your questions.

[The prepared statement of Mr. Judd follows:]

PREPARED STATEMENT OF BRANDON JUDD

APRIL 12, 2013

Chairman Duncan, Ranking Member Barber, distinguished Members of the committee, it is an honor for me to appear before you today. I serve as the president of the National Border Patrol Council and I speak on behalf of more than 17,000 Border Patrol Agents who secure over 6,000 miles of international boundaries between Mexico and Canada, and 2,000 miles of coastal waters.

Today, I am here on behalf of the Council to discuss the effect of sequestration on border security. Let me be brief and clear: There can be no question that across-the-board cuts affect border security. As Border Patrol Agents, we strive to apprehend and deter terrorists, drug smugglers, human traffickers, and illegal immigrants from entering the United States. In 2011, we made over 350,000 apprehensions on the Mexican border alone. We seized close to 11,000 pounds of cocaine, and 2.6 million pounds of marijuana. Agents are vital even at the 700-mile stretch where fencing has been installed. Without constant surveillance and patrol, we know from experience that the fences would be quickly cut through, climbed over, or otherwise rendered useless by drug cartels and traffickers, no matter how advanced our electronic system is.

To achieve border security, over 20,000 agents work in three, 10-hour shifts, including 2 hours of overtime per agent per day. This structure is the equivalent of having 25,000 full-time Border Patrol Agents, but at a far lower cost to taxpayers. It is important to understand that the current border security system relies on agents working overtime as a cost-saving measure because it is far more economical to pay for 2 hours of overtime than it is to recruit and train 5,000 new agents, especially under current fiscal constraints. The proposed sequestration cuts would mean the loss of 2 hours of manpower per agent per day or the equivalent of scaling down the workforce to approximately 16,000 agents.

The agents typically use the 2 overtime hours to cover shift changes when points of entry at the border are the most vulnerable. Let me provide the Members of the committee with some examples to illustrate the point:

- The 2-hour overtime is commonly used to track illegal crossings that occur during shift changes. Drug cartels are well-informed about the agents' shift changes and information relevant to their chances of apprehension, from the number of beds available at detention centers to the amount of time it takes to process through a holding tank. They know their greatest chance for crossing the border illegally is at the end of each shift, and many plan their crossings accordingly. As a result, agents routinely track and investigate groups that have attempted or succeed in crossing the border during their 2-hour overtime work period.
- Similarly, criminal cartels often attempt to drive their vehicles through the border during shift changes, seeking to take advantage of the change in personnel. Agents routinely investigate leads or drive in pursuit of those vehicles during the 2-hour overtime period.

Some have suggested that the agency can limit overtime manpower only to areas that are currently experiencing high apprehension rates, such as in Casa Grande,

Arizona. Let me respond to this suggestion by providing an example from our recent history. Many of you may remember that in the mid-1990s, strict enforcement coupled with extra manpower in San Diego, California, and El Paso, Texas, caused the pattern in illegal immigration to shift to Arizona almost overnight. As a result, while San Diego and El Paso might have experienced a temporary drop in illegal crossing, towns like Nogales in Arizona saw their illegal crossings rise to the level of chaos, ultimately requiring a 30 percent increase in Border Patrol Agents to staff the crossing point. If we selectively limit manpower to current locations with high volumes of illegal crossing, all we have really achieved is in shifting the point of illegal entries to a different location, especially given how well-informed organized crime has become in the past decade. Our borders can never be secure if we do not have a comprehensive and thoughtful approach to border security. If we constantly fall one step behind criminal cartels, and if the best we can do is to merely shift the points of illegal entry, we will have accomplished nothing.

The 20,000-plus Border Patrol Agents are our Nation's first line of defense in combatting terrorism, drug trafficking, and illegal immigration. The current system relies on these agents working three, 10-hour shifts to achieve a stable border. The proposed sequestration cuts amount to a 20 percent reduction in our work force—in our ability to detect illegal weapons, to track and apprehend drug and trafficking cartels, and to prevent illegal entries.

Let me now move on to my second point. Border security should not ebb and flow with Washington's political climate. The current sequestration, if implemented would be detrimental to our Nation's security by suddenly reducing Border Patrol's workforce by 20 percent. Instead, we need a stable pay and administrative system that reduces reliance on overtime, while maximizing the existing workforce. The proposed system should save costs for the taxpayers, bring certainty to the agency's budget, and most importantly—provide a consistent level of patrol, surveillance, and investigation that leads to apprehension and deterrence.

To that end, the Border Patrol Council has proposed a long-term solution that results in a \$6,000 loss of annual income per agent, while maintaining the level of manpower necessary at borders and ports of entry without relying on further hiring. We achieve this goal by modifying the current overtime pay scheme.

Under current law, Border Patrol Agents who work in excess of 85.5 hours over a 2-week pay period are paid overtime of time-and-half up to the 100-hour threshold. Overtime that is worked beyond the 100-hour threshold is paid at half time. We propose to save costs by reducing overtime pay in exchange for a one-time, two-step increase in the agent's base pay. These changes will save the Border Patrol over \$40 million in the first year and \$125 million annually every year thereafter.

We do not propose these changes lightly. Almost all agents who are affected by the proposal would take home less pay as a result. However, the proposal, if adopted, would provide certainty for everyone—the agency, the 20,000-plus Border Patrol Agents, and the public—by providing a predictable budget, and a consistent level of border security that is resilient.

In conclusion, I want to stress the two points I made today for the committee. The first is there can be no question that sequestration hurts border security. The proposed cuts amount to a 20 percent reduction in manpower and is unworkable given our current system of three, 10-hour shifts without hiring and training more agents. From a policy standpoint, it is important to understand that in addition to apprehension, the agents' reliable and consistent presence, day in and day out, deters criminal cartels, traffickers, and terrorists by making it more difficult and costly for them to enter the United States illegally. Second, it is high time that we implemented a pay system that is palatable to the agency, agents, and the tax payer. The reform I have just proposed saves tax dollars, reduces overtime pay, and brings about financial certainty to both the Border Patrol Agents and the agency alike. I submit my remark on behalf of the 17,000 member agents who are dedicated to their work and our Nation's mission to have a secure border while maintaining the overarching principles of openness and fairness.

Thank you for your time and consideration. I look forward to answering your questions.

Mr. DUNCAN. Thank you, Mr. Judd, for your opening testimony.

Just for the record, let me say that, in my opinion, there are two valuable assets for Customs and Border Patrol: The first one is personnel, and the second one are canines. They are very effective. We have boots on the ground. We are securing the border. But I have seen, just in my short time of being in Congress and since 2008, we have increased CBP personnel by 4,000 agents. We have dou-

bled the size of CBP over the last decade, or since 9/11, and so—and I appreciate your being here.

I just want to ask you, CBP failed to adequately estimate its salary needs for its operational workforce, resulting in an estimated \$214 million shortage in fiscal year 2013, and they had to ask for some flexibility in the substitute continuing resolution recently to make up for that shortfall.

So just having kept that in—keep that in mind. I am interested in your proposal. I am interested in the changes of two-step increase in the agent's base pay, and I am also interested in how you calculate the savings, the numbers that you provided in your statement. Then I would also like you to talk a little bit about how those step increases may affect long-term liabilities for our Nation with regard to pensions and retirement and other things. So if you could address, (A), the two-step increase plan a little bit more on the record, and then also how you calculate the savings, and then what impact you think that will have, a reality would have, going forward for the future liabilities of the Nation.

Mr. JUDD. Thank you. Our current overtime system is administrative uncontrollable overtime. You are actually getting us on a very cheap scale. We don't receive time-and-a-half. In some cases, we don't even receive straight time. For the first 5.5 hours of our overtime, we are receiving straight time; for the next 14.5 hours, we receive a little bit less than time and a half, and anything over 100 hours in a pay period, which our agents regularly work, we receive half time of our base pay. So you are already getting us on a very cheap wage.

What we have proposed is to get rid of that time-and-a-half and just take us to straight time. That by getting rid of that time-and-a-half, you are looking at a savings of anywhere between \$115 million to \$135 million.

To offset that initial loss, what we are offering you is we are offering to give you \$7,000, and in return, we are asking for \$4,000 back to offset the loss in the first year that agents would face.

We are a very, very young workforce. The Border Patrol has doubled in the last few years. Because we are a young workforce, each one of us will most likely reach the highest step that we can reach. So the calculations in retirement are still going to be there, because most of us are going to reach that step.

What you are doing by giving us the two-step increase is you are offsetting the initial loss that we would face of the \$7,000, but as far as the retirement goes, because we are mostly—because most of us are going to reach that, the highest step, the retirement is going to be the same.

Mr. DUNCAN. Just a follow-up from the Panel No. 1, and that is an allocation of resources and how they apply to sequestration. My understanding is there has been a reduction in CBP personnel across the whole agency, versus a reallocation—and we asked Mr. Winkowski this question—a reallocation of those resources from some areas that are less risky and mitigate that risk by increasing or keeping personnel the same in the higher-risk areas and primarily the Southern Border at the present.

How would the union feel about reallocation of resources, and could possibly mean the relocation of personnel from their current homes or their current stations to other areas?

Mr. JUDD. The reallocation of resources, what I think that we need to look at first and foremost is without the agents in the areas where you need them, you are not going to be able to arrest the number of illegal aliens that cross the border or the narcotic smugglers that are crossing the borders. The technology is great. We have lots of drones. In fact, we are using a VADER system right now that is on loan from the Army. Those drones and that system is fantastic. They can see the people that are entering the country. But without the agents to arrest those people that enter the country, those systems just don't work, so what we would—what we would implore you to look at is to look at if we overstuff ourselves with a bunch of technology, do we have enough people to arrest the aliens that are there?

As far as reallocating resources to different areas, we have been doing that for years. We have a voluntary relocation program that we continue to ask the agency to use on a regular basis. This voluntary relocation program allows the agency to move us on a very, very cheap scale—not even close, it is a fraction of what the Department of Defense pays to move a person from one area to another area. So we absolutely encourage that.

Mr. DUNCAN. Yeah. Thanks for that. My time is expired.

I will yield to the Ranking Member, Mr. Barber.

Mr. BARBER. Thank you, Mr. Chairman.

Before I begin my questions, I would like to ask unanimous consent that a written statement provided to the subcommittee by the president of the National Treasury Employees Union be inserted into the record.

Mr. DUNCAN. Without objection, so ordered.

[The information follows:]

STATEMENT OF COLLEEN M. KELLEY, NATIONAL PRESIDENT, NATIONAL TREASURY
EMPLOYEES UNION

APRIL 12, 2013

Chairman Duncan, Ranking Member Barber, 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 329 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.

In fiscal year 2012, CBP seized more than 4.2 million pounds of narcotics across the country. In addition, the agency seized more than \$100 million in unreported currency through targeted enforcement operations. At ports of entry in fiscal year 2012, CBP Officers arrested nearly 7,700 people wanted for serious crimes, including murder, rape, assault, and robbery. Officers also stopped nearly 145,000 inadmissible aliens from entering the United States through ports of entry. Inadmissibility grounds included immigration violations, health, criminal, and National security-related grounds. Additionally, CBP agriculture specialists conducted more than 1.6 million interceptions of prohibited plant materials, meat, and animal by-

products at ports of entry while also stopping nearly 174,000 potentially dangerous pests.

CBP uniformed and non-uniformed personnel at the air, sea, and land ports of entry not only ensure a secure border, but also collect significant revenue through trade compliance and enforcement. CBP is a revenue collection agency, processing more than \$2.3 trillion in fiscal year 2012 in total trade value. CBP processed 25.3 million cargo containers through the Nation's ports of entry in fiscal year 2012, up about 4 percent from the previous year. In addition, CBP conducted nearly 23,000 seizures of goods that violate intellectual property rights, with a total retail value of \$1.2 billion, representing a 14 percent increase in value over fiscal year 2011.

CBP personnel at the ports of entry are key to achieving and maintaining a secure border and the greatest current threat to border security is sequestration under the Budget Control Act that went into effect on March 1.

Under sequestration, CBP's Salaries and Expenses (S&E) discretionary and mandatory accounts must be reduced by \$512 million. This number includes a cut of \$75 million in CBP user fee accounts. User fees will continue to be collected from industry to provide travel and trade security, immigration and agriculture inspection services, but CBP will be prohibited from using a portion of these user fees. User fees are not a tax, by law they pay for specific services provided by the Government. Sequestration limits the use of these collected fees to pay for CBP inspectional services.

Also, under sequestration, the cut to the CBP S&E account included a reduction of \$37.5 million for inspectional overtime at the POEs. Overtime is essential when staffing levels are insufficient to ensure that inspectional duties can be fulfilled, that CBP Officers have sufficient back-up and that wait times are mitigated. In CBP's own words, "Overtime allows CBP Office of Field Operations to schedule its personnel to cover key shifts with a smaller total personnel number." The sequester significantly cuts overtime hours and will result in longer wait times at the ports of entry.

On March 26, the President signed a Continuing Resolution (CR) to fund the Government through the end of the fiscal year. The CR does not cancel the sequester. Congress did provide some additional funding for the CBP S&E account in the CR, but also required CBP to maintain the current CBP Officer staffing level. Maintaining current staffing floors means CBP cannot use all of the increased funding in the CR to reduce furloughs for current employees since it must continue to fill vacant positions.

Prior to enactment of the CR, the CBP sequester plan required all CBP employees to be furloughed up to 14 days during the remainder of fiscal year 2013 or 1 day per pay period beginning early to mid-April through September 30, resulting in a 10% pay cut for all CBP employees. The initially-proposed furloughs would have exacerbated an already unsustainable shortage of CBP inspection and enforcement personnel at international air, sea, and land ports of entry.

With the additional funding included in the CR, however, there may be a reduction in the number of furlough days that all CBP employees must take before the end of the fiscal year. In light of the new funding bill, CBP is re-evaluating previously planned furloughs, and has postponed implementation of furloughs pending that re-examination.

There is no greater roadblock to legitimate trade and travel efficiency, however, than the lack of sufficient staff at the ports of entry. 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.

CBP STAFFING SHORTAGE EFFECTS IN FLORIDA, TEXAS, AND CALIFORNIA

On February 20, DHS Secretary Napolitano, at the request of Florida's Governor Rick Scott, toured the Miami International Airport (MIA) with a delegation from Congress and airline and cruise representatives and other industry stakeholders. Governor Scott noted that insufficient staffing at the new state-of-the-art CBP facility at MIA caused a "bottleneck" for passengers trying to exit customs. "As a result, customers—often numbering well over 1,000 a day—and their baggage are misconnected and must be rebooked on later flights, many leaving the next day."

In a letter to the Secretary, Governor Scott stated, "If this staffing problem is not corrected immediately, it has the potential to damage Florida's international competitiveness. More than 1 million jobs in Florida depend on international trade and investment. The engineering models and recommendations reflected that for optimal operations a minimum of 62 of the 72 lanes must be staffed at peak arrival periods."

Congressman Mario Diaz-Balart said after the tour, "Tourism is the backbone of Florida's economy, and DHS must do more to adequately staff our ports. Our CBP agents are working diligently to protect us from any security threats, illegal substances, and invasive pests and diseases entering the United States, but the lack of staffing is creating long and disorganized lines for travelers, and discouraging travelers from visiting and using South Florida's ports."

Another State with on-going significant CBP personnel staffing shortages is Texas where more than 420,000 jobs depend on trade with Mexico. Texas leads the Nation with 29 international ports of entry. The Houston field office manages 19 of these, including the Port of Houston, George Bush Intercontinental Airport (IAH) and airports at Dallas-Fort Worth, Austin, San Antonio, Midland, Lubbock, Amarillo, and also Oklahoma City and Tulsa. Currently IAH wait times are considerably longer than Houston's airport competitors—Dallas and Atlanta. And the city of Houston is considering a proposal to allow international commercial flights at Hobby Airport.

In El Paso, city officials have used the word "crisis" to describe the sometimes hours-long wait times at the local ports of entry and are considering legal action over the environmental effect of international bridge wait times and "CBP's failure to keep those booths open."

Wait times of up to 3 hours at Los Angeles International Airport (LAX), the Nation's third-busiest airport moved 10 Members of Congress to demand that CBP transfer CBP Officers from other ports of entry to LAX. Despite continuing staffing shortages at LAX, the Bradley terminal is undergoing a \$1.5 billion overhaul that calls for expanding the number of CBP inspection booths to 81.

Also in California, Congress has funded the first phase of a \$583 million upgrade of the Port of San Ysidro. When the first phase is completed in September 2014, there will be 46 inspection booths—up from the current 33. An additional 17 booths would be built in the third phase bringing the total number of booths needing CBP Officer staffing from 33 to 63.

As noted in these examples, Congress, local jurisdictions, and industry stakeholders continue to act as if CBP can staff whatever is built.

CBP cannot adequately staff existing port facilities under current funding levels provided by Congress. Proposed port expansions, allowing international flights at airports that are currently not served by international flights, and other new construction to address the growth in international trade and travel, is not possible under the Congressionally-mandated sequester. And, if the sequester, which is intended to be permanent, continues into fiscal year 2014, the current levels of CBP staffing, as set by Congress in statute, will be unsustainable.

CBP'S ON-GOING POE STAFFING SHORTAGES AND THE FISCAL YEAR 2014 BUDGET

The sequester only exacerbates CBP's on-going staffing shortage problem. In 2008, the Government Accountability Office (GAO) reported, "At seven of the eight major ports we visited, officers and managers told us that not having sufficient staff contributes to morale problems, fatigue, lack of back-up support and safety issues when officers inspect travelers—increasing the potential that terrorists, inadmissible travelers and illicit goods could enter the country." (See GAO-08-219, page 7.)

"Due to staffing shortages, ports of entry rely on overtime to accomplish their inspection responsibilities. Double shifts can result in officer fatigue . . . officer fatigue caused by excessive overtime negatively affected inspections at ports of entry. On occasion, officers said they are called upon to work 16-hour shifts, spending long stints in primary passenger processing lanes in order to keep lanes open, in part to minimize traveler wait times. Further evidence of fatigue came from officers who said that CBP officers call in sick due to exhaustion, in part to avoid mandatory

overtime, which in turn exacerbates the staffing challenges faced by the ports.” (See GAO-08-219, page 33.)

Without adequate personnel at secondary, wait times back up and searches are not done to specifications. This is a significant cargo security issue. A full search of one vehicle for counterfeit currency will take two officers on average a minimum of 45 minutes. Frequently, only one CBP Officer is available for this type of search and the search will then take well over an hour.

Also, when CBP was created, it was given a dual mission of safeguarding our Nation’s borders and ports as well as regulating and facilitating international trade. It also collects import duties and enforces U.S. trade laws. Since CBP was established in March 2003, there has been no increase in CBP trade enforcement and compliance personnel. In effect, there has been a CBP trade operations staffing freeze at March 2003 levels and, as a result, CBP’s revenue function has suffered and duty and fee revenue collected has remained flat.

NTEU applauds the administration’s fiscal year 2014 budget that would end sequestration and provide \$221 million to fund 1,600 new CBP Officers and mobile equipment. The budget also proposes to increase the Immigration Inspection User Fee and COBRA user fees by \$2. These user fee increases, if enacted, would fund 1,877 additional new CBP Officers. Together the appropriations and user fee increases would fund 3,477 new CBP Officers.

NTEU would ask that Congress also consider increasing the number of CBP Agriculture Specialists and non-uniformed CBP trade operations personnel to address the ever-increasing volume of agriculture commodities (along with pests) and imports entering through the U.S. air, sea, and land ports of entry.

CONCLUSION

As noted by Members of Congress, industry stakeholders, the traveling public, and DHS’s own Advisory Council, for too long, CBP at the POEs has been underfunded and understaffed.

NTEU applauds the administration’s the fiscal year 2014 budget submission that adds 3,477 new CBP Officer hires at the air, sea, and land ports of entry—1,600 paid for through appropriations and 1,877 paid for by an increase in customs and immigration user fees that have not been increased since 2001.

But, by allowing the sequester to go into effect on March 1, Congress continues to exacerbate staffing shortages at the U.S. ports of entry, and the U.S. economy, dependent on international trade and travel, will suffer and U.S. private-sector jobs will be lost. Therefore, NTEU strongly urges Congress to end the sequester.

The more than 24,000 CBP employees represented by the NTEU are capable and committed to the varied missions of DHS from border control to the facilitation of legitimate trade and travel. These men and women are deserving of more resources and technology to perform their jobs better and more efficiently.

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

Mr. BARBER. I appreciate that written testimony, because while I focused a lot of my concern and questions on the impact of sequestration on the Border Patrol, I am aware that there is an impact, obviously, on our officers who are at the ports of entry, and I want to make sure we attend to both.

But the impact potentially to the Border Patrol Agents is the largest, I think, of any Federal workforce. It could be as much as 40 percent cut in salary with the elimination of overtime, which is really essential time, and the elimination or the reduction by furloughs.

Last week, as I mentioned earlier, I met in Arizona, first of all, at a roundtable that Secretary Napolitano conducted with law enforcement, chiefs of police forces and the sheriff of the county. I met with members of the Border Patrol in my district, met with ranchers. I met with people in the city of Douglas, which is a border town, and I heard from all of them about their concerns about sequestration.

When I met previous to that with about 160 Border Patrol Agents and their family members, I was—it was a very emotional

meeting, quite frankly, because seeing the children and seeing the spouses of Border Patrol Agents and listening to them talk about what are they going to do, how are they going to figure out how to manage their household budgets with those kinds of cuts? Morale is already, I think, low enough in the Department without making it lower this way.

I also want to thank you, Mr. Judd, for your proposed pay plan. I think we need to take a hard look at it, both the Department and the Congress, to see how it might better improve our border security and get some certainty to agents and to our efforts to secure the homeland.

Let me ask you, Mr. Judd, about the furlough and elimination of overtime notices that you received. Of course, we have passed a continuing resolution that allows some flexibility and restores some money. Let me just ask, if you could tell us, I already mentioned the number, but a little bit more about the financial impact that this would have on agents and their family members, and what would that likely do at that level?

Mr. JUDD. That financial impact would be devastating. I don't know of anybody that can absorb a 25 to 40 percent pay cut. We have built our budgets, our financial structures around the pay that we have received for, in my case, nearly 16 years. It will have a devastating impact to communities, such as those that are in your district. I am from—originally from your district, southeastern, Arizona, a small ranching community, and to remove that amount of disposal income that can be used in those areas would also have a devastating effect on those small towns and those small areas. We, flatly stated, we can't absorb that kind of a pay cut.

Mr. BARBER. Let me move to the second part of that. There was a study released not too long ago looking at 19 different Federal agencies, and an employee satisfaction study was done, and it found that Department of Homeland Security was 19 out of 19. I think further investigation suggested that within the Department of Homeland Security, CBP was at the very bottom in terms of morale.

Apart from this most recent impact, which is not what was studied back then, why is this happening? Why do we have such low morale in this very vital element of our Homeland Security Department?

Mr. JUDD. Part of the reason is, is some of the things that Mr. Winkowski said in his testimony. When he was talking about sequestration, he specifically focused on the inability to promote managers, the inability to move managers.

The problem with our agency is they have always been management-focused. I don't know of another agency where you can point to a management rank-and-file structure where there is 1 to 4. That is what we have in our agency. In some places, it is a 1 to 3: One manager for every three agents. That is part of the reason why the morale is so low.

The other part is we love our jobs. We absolutely love the work we do. We love securing the border, but when you have a 1 to 3, 1 to 4 management-to-agent ratio, those managers are looking for things to do, and oftentimes it comes down to micromanaging.

Micromanaging law enforcement will never work. That is a large part of the problem.

Mr. BARBER. I appreciate that. Let me just—I know my time is up, but I want to just put one other question on the record. You know, both of us are Arizonans, and I think one of the benefits that you bring to your position is that you know what we are dealing with in still one of the most porous sector of our Southwest Border. More than 50 percent of the drugs seized come right through our backyard, and your agents are there to try to prevent that. It is rugged terrain, conditions are harsh, temperatures are pretty severe. I know from talking to agents, that the dangers are around every single corner, whether it is a cartel group armed with AK-47s or a rip crew armed to the teeth trying to rip off the drugs of another group coming through, that rip crew was probably most likely responsible for the death of Agent Terry. The death of Rob Krentz, a rancher east of Douglas, was most likely the result of a cartel member who decided to kill a fifth-generation rancher.

Please, if you could, from your own perspective as an agent who wore the uniform on the ground, talk to us a little bit about the dangers that you see, the challenges you see, and what these cuts would do to the ability of your—the men and women you represent to do their jobs and to secure the border.

Mr. JUDD. Chairman Duncan, you mentioned canines. I used to be a canine handler in Arizona. The canines are a phenomenal tool. The largest group of illegal aliens that I and my canine partner ever arrested by ourselves was a group of 66. That would have been impossible without that canine, but we spent over 4 hours tracking that group before we ended up catching up to them. It was in the middle of the day. It was right before the summertime. My canine is a German—was a German Shepherd, and that canine was absolutely exhausted at that time.

With these cuts, we are looking at having less agents on the border at any given time. We are looking at less canines. We are looking at less resources. We cannot—without that canine, I wouldn't have been able to arrest that group of 66. We cannot deplete our workforce and expect our agents to be able to control and handle groups of 66 by themselves or even with two, with two agents. We need the agents in the areas on the ground to be able to control the large groups. We are starting to see those large groups starting to reenter Arizona right now as we speak.

Mr. BARBER. Thank you, Mr. Chairman.

Mr. DUNCAN. I tell you what, I will put the canines up against the technology I have seen any day of the week.

The Chairman will recognize the gentleman from Texas for 5 minutes.

Mr. O'ROURKE. Thank you, Mr. Chairman.

I want to thank Mr. Judd and Congressman Barber for organizing the briefing held yesterday to give Members of Congress and their staffs, their teams a better understanding of what you do, the agents that you represent, what their day-to-day lives are, and how important it is to the security of our country, to the welfare of communities like El Paso, really any community in the United States. I want add that I appreciate what you and the membership that you represent do on a daily basis.

Again, I said earlier in the last panel, we would not be the city we are but for the hard work that the men and women of the Border Patrol perform each and every day, and that is part of the reason we are the safest city in the United States 3 years running, so thank you.

One of the very constructive things that I heard yesterday from you was a proposal on how to better structure payment and salaries and compensation to the Border Patrol. In that same light, with that same attitude, you know, if our most important priority from the perspective of this committee, from DHS, from the Border Patrol is in securing our borders, if you were at the table with CBP leadership, how would you suggest that they prioritize and allocate resources in a time of sequester, in a time of budget uncertainty, or really any time for that matter? What is the best mix or allocation of resources, in your opinion and the opinion of your membership?

Mr. JUDD. Well, the first thing that you have to look at is you have to look at how are you going to get the best bang for your buck and how are you going to secure that border? That is the first thing that you have to look. That is your baseline. That is your baseline starting point.

You have to begin with the agent. It is the agents that arrest the illegal aliens. It is not the drones. It is not the canines that arrest the illegal aliens. It is the agents that arrest the illegal aliens. We have to keep—Congress has mandated that we have 21,370 agents. With the cuts that they are talking about, they are talking about effectively reducing our workforce by about 5,000 agents. That is unacceptable. You are going to create holes in the borders.

So that is the first place that you have to look at. You have to look at, how do we keep the agents in the field to allow border security? Then you start looking at cuts from there.

Congressman O'Rourke, I can tell you, there are many, many places that we can make cuts. A couple years ago, looking at how much money the agency was spending on the camps, what we called forward-operating bases in Arizona, the agents came to me and made a proposal to me for an alternative work schedule that one of the Congressmen suggested that would have saved the Government nearly a million dollars per FOB. We currently have several FOBs. As we approached the agency and we gave them a PowerPoint showing them exactly—it was irrefutable. They agreed that the savings would have been there, and they still opted not to go with that.

There are many places that we can make savings, and we have to look to those places. We have to make those cuts even if those cuts seem difficult at the time, but we—you have to look at the baseline, and the baseline are the agents. You must have them in the field to effect the arrests.

Mr. O'ROURKE. You know, I appreciate that, because that is a real specific area we can look at in addition to these FOBs and then looking at where you might trim in the face of sequester. Kind of along the lines of a question I asked the previous panel—Are there any larger projects that should receive additional scrutiny, perhaps well intentioned technology-based projects, I mentioned SBI earlier, and that is probably too easy to attack that one, that

was a clear boondoggle and a poor investment by DHS, but anything like that right now that you or the agents you represent can point to that you say, you know, I don't know if this is the right way to go, or this is clearly not working, and we should stop investing in this?

Mr. JUDD. Absolutely. Several years ago, we used to be a—our structure under INS was a region-based structure. INS answered to specific regions. Under DHS, they decided that this was not the most effective way to operate. It was ineffective to have to go to the regions and decide: How are we going to operate in this region? How are we going to operate in this region and this region?

The agency has started to bring those back, those regions back with the Joint Field Command. They have been building new structures for the Joint Field Command, which are a complete and total waste of money. We have seen nothing come out of those joint field commands as far as an agent's perspective and how those—how that Joint Field Command has changed our job. So, absolutely, there are many places.

The management upgrades they have just given. I can tell you back in 2004, the Naco Border Patrol station was the busiest Border Patrol station in the entire Nation. I served as a temp supervisor at that time. The temp supervisor at that time—the supervisor at that time, if they were assigned to control, were in charge of control, processing, and radio. Now we have three supervisors that are in charge of each individual, and we don't have near the traffic. So there are many places of fat that we can cut, and we need to first look at the Joint Field Command and the structures that they are currently building for those—for the Joint Field Command.

Mr. O'ROURKE. Thank you.

Thank you, Mr. Chairman.

Mr. DUNCAN. We have time for a second round if you want to expound on anything. Okay.

Well, listen, I want to thank Mr. Judd for being here, your valuable testimony. I want to thank the Members of the committee for their questions today for both the panels.

Members of the committee may have some additional questions for not only you, Mr. Judd, but Panel No. 1 as well, and we will ask all the witnesses to respond to these in writing. With no further questions and without objection, the subcommittee stands adjourned.

Mr. JUDD. Thank you.

[Whereupon, at 11:24 a.m., the subcommittee was adjourned.]

