# FASTER AND SMARTER FUNDING FOR FIRST RESPONDERS ACT OF 2004

APRIL 2, 2004.—Ordered to be printed

Mr. Cox, from the Select Committee on Homeland Security, submitted the following

# REPORT

[To accompany H.R. 3266]

[Including cost estimate of the Congressional Budget Office]

The Select Committee on Homeland Security, to whom was referred the bill (H.R. 3266) to authorize the Secretary of Homeland Security to make grants to first responders, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

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The amendment is as follows:

Strike all after the enacting clause and insert the following: SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

- (a) SHORT TITLE.—This Act may be cited as the "Faster and Smarter Funding for First Responders Act of 2004".
  - (b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents Sec. 2. Findings.

Sec. 3. Faster and Smarter Funding for First Responders

### "TITLE XVIII—FUNDING FOR FIRST RESPONDERS

"1801. Faster and smarter funding for first responders.
"1802. Essential capabilities for first responders.
"1803. Task Force on Essential Capabilities for First Responders.
"1804. Covered grant eligibility and criteria.
"1805. Use of funds and accountability requirements.
"1806. National standards for first responder equipment and training.

"1807. Definitions.

Sec. 4. Modification of Homeland Security Advisory System.

"Sec. 203. Homeland Security Advisory System.

Sec. 5. Coordination of industry efforts.

Sec. 6. Superseded provision.
Sec. 7. Sense of Congress regarding interoperable communications.
Sec. 8. Sense of Congress regarding Citizen Corps councils.
Sec. 9. Study regarding nationwide emergency notification system.

Sec. 10. Authorization of appropriations.

#### SEC. 2. FINDINGS

The Congress finds the following:

(1) In order to achieve its objective of minimizing the damage, and assisting in the recovery, from terrorist attacks, the Department of Homeland Security must play a leading role in assisting communities to reach the level of preparedness they need to respond to a terrorist attack.

(2) First responder funding is not reaching the men and women of our Nation's first response teams quickly enough, and sometimes not at all.

(3) To reform the current bureaucratic process so that homeland security dollars reach the first responders who need it most, it is necessary to clarify and consolidate the authority and procedures of the Department of Homeland Security to support first responders.

(4) Ensuring adequate resources for the new national mission of homeland security requires a discrete and separate grant making process for homeland security funds for first response to terrorist acts, on the one hand, and for first re-

sponder programs designed to meet pre-9/11 priorities, on the other.

(5) Homeland security grants to first responders must be based on the best intelligence concerning the capabilities and intentions of our terrorist enemies, and that intelligence must be used to target resources to the Nation's greatest

risks, vulnerabilities, and consequences.

(6) The Nation's first response capabilities will be improved by sharing resources, training, planning, personnel, and equipment among neighboring jurisdictions through mutual aid agreements and regional cooperation. Such regional cooperation should be supported, where appropriate, through direct grants from

the Department of Homeland Security.

(7) An essential prerequisite to achieving the Nation's homeland security objectives for first responders is the establishment of well-defined national goals for terrorism preparedness. These goals should delineate the essential capabilities that every jurisdiction in the United States should possess or to which it should have access.

(8) A national determination of essential capabilities is needed to identify levels of State and local government terrorism preparedness, to determine the nature and extent of State and local first responder needs, to identify the human and financial resources required to fulfill them, and to direct funding to meet those needs and to measure preparedness levels on a national scale.

(9) To facilitate progress in attaining essential capabilities for State and local first responders, the Department of Homeland Security should seek to allocate

homeland security funding for first responders to meet nationwide needs.

(10) Private sector resources and citizen volunteers can perform critical functions in assisting in preventing and responding to terrorist attacks, and should be integrated into State and local planning efforts to ensure that their capabilities and roles are understood, so as to provide enhanced State and local operational capability and surge capacity.

(11) Public-private partnerships, such as the partnerships between the Business Executives for National Security and the States of New Jersey and Georgia, can be useful to identify and coordinate private sector support for State and local first responders. Such models should be expanded to cover all States and

territories.

(12) An important component of national standards is measurability, so that it is possible to determine how prepared a State or local government is now, and what additional steps it needs to take, in order to respond to acts of ter-

(13) The Department of Homeland Security should establish, publish, and regularly update national voluntary consensus standards for both equipment and training, in cooperation with both public and private sector standard setting organizations, to assist State and local governments in obtaining the equipment and training to attain the essential capabilities for first response to acts of terrorism, and to ensure that first responder funds are spent wisely.

#### SEC. 3. FASTER AND SMARTER FUNDING FOR FIRST RESPONDERS.

- (a) In General.—The Homeland Security Act of 2002 (Public Law 107–296; 6 U.S.C. 361 et seq.) is amended-
  - (1) in section 1(b) in the table of contents by adding at the end the following:

### "TITLE XVIII—FUNDING FOR FIRST RESPONDERS

- Faster and smarter funding for first responders

- "1802. Essential capabilities for first responders.
  "1803. Task Force on Essential Capabilities for First Responders.
  "1804. Covered grant eligibility and criteria.
  "1805. Use of funds and accountability requirements.
  "1806. National standards for first responder equipment and training.
  "1807. Definitions."; and
- - (2) by adding at the end the following:

# "TITLE XVIII—FUNDING FOR FIRST RESPONDERS

### "SEC. 1801. FASTER AND SMARTER FUNDING FOR FIRST RESPONDERS.

"(a) COVERED GRANTS.—This title applies to any grant provided by the Department to States or regions to improve the ability of first responders to prevent, prepare for, respond to, or mitigate threatened or actual terrorist attacks, especially those involving weapons of mass destruction, and including any grant under the fol-

lowing:

"(1) STATE HOMELAND SECURITY GRANT PROGRAM.—The State Homeland Security Grant Program of the Department, or any successor to such grant program. "(2) URBAN AREA SECURITY INITIATIVE.—The Urban Area Security Initiative of the Department, or any successor to such grant program.

"(b) EXCLUDED PROGRAMS.—This title does not apply to or otherwise affect the following Federal grant programs or any grant under such a program:

'(1) NONDEPARTMENT PROGRAMS.—Any Federal grant program that is not administered by the Department.

(2) FIRE GRANT PROGRAMS.—The fire grant programs authorized by sections 33 and 34 of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C.

"(3) EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE ACCOUNT GRANTS. The Emergency Management Performance Grant program and the Urban Search and Rescue Grants program authorized by title VI of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5195 et seq.); the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000 (113 Stat. 1047 et seq.); and the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7701 et seq.).

### "SEC. 1802, ESSENTIAL CAPABILITIES FOR FIRST RESPONDERS.

"(a) Establishment of Essential Capabilities.

"(1) IN GENERAL.—The Secretary shall establish clearly defined essential capabilities for State and local government preparedness for terrorism, in consultation with-

"(A) the Task Force on Essential Capabilities for First Responders estab-

lished under section 1803;
"(B) the Under Secretaries for Emergency Preparedness and Response, Border and Transportation Security, Information Analysis and Infrastructure Protection, and Science and Technology, and the Director of the Office for Domestic Preparedness;

(C) other appropriate Federal agencies;

"(D) State and local first responder agencies and officials; and

"(E) groups responsible for setting standards relevant to the first responder community.

"(2) DEADLINES.—The Secretary shall—

"(A) establish essential capabilities under paragraph (1) within 30 days after receipt of the initial submission of a final report under section 1803(c)(2); and

"(B) regularly update such essential capabilities as necessary, but not less

than every 3 years.

"(3) Provision of Essential Capabilities.—The Secretary shall ensure that essential capabilities established under paragraph (1) are provided promptly to the States and to the Congress. The States shall make the essential capabilities available as necessary and appropriate to local governments within their jurisdictions.

"(b) OBJECTIVES.—The Secretary shall ensure that essential capabilities established under subsection (a)(1) meet the following objectives:

- "(1) Specificity.—The determination of essential capabilities specifically shall describe the training, planning, personnel, and equipment that different types of communities in the Nation should possess, or to which they should have access, in order to meet the Department's goals for terrorism preparedness based
  - "(A) the most current risk assessment available by the Directorate for In-formation Analysis and Infrastructure Protection of the threats of terrorism against the United States; and

"(B) the types of threats, vulnerabilities, geography, size, and other factors that the Secretary has determined to be applicable to each different

- type of community.

  "(2) Flexibility.—The establishment of essential capabilities shall be sufficiently flexible to allow State and local government officials to set priorities based on particular needs, while reaching nationally determined terrorism preparedness levels within a specified time period.
- "(3) MEASURABILITY.—The establishment of essential capabilities shall be designed to enable measurement of progress towards specific terrorism preparedness goals.

"(c) Threats to Be Considered.-

- "(1) IN GENERAL.—In establishing essential capabilities under subsection (a)(1), the Secretary specifically shall consider the variables of threat, vulnerability, and consequences with respect to the Nation's population (including transient commuting and tourist populations) and critical infrastructure. Such consideration shall be based upon the most current risk assessment available by the Directorate for Information Analysis and Infrastructure Protection of the threats of terrorism against the United States.
- "(2) Critical infrastructure sectors.—The Secretary specifically shall consider threats of terrorism against the following critical infrastructure sectors in

all areas of the Nation, urban and rural:

"(A) Agriculture.

- "(B) Banking and finance.
- "(C) Chemical industries.
- "(D) The defense industrial base.
- "(E) Emergency services.
- "(F) Energy.
- "(G) Food.
- "(H) Government.
- "(I) Postal and shipping.
- "(J) Public health.
- "(K) Information and telecommunications networks.
- "(L) Transportation.
- "(M) Water.

The order in which the critical infrastructure sectors are listed in this paragraph shall not be construed as an order of priority for consideration of the im-

portance of such sectors.

(3) CONSIDERATION OF ADDITIONAL THREATS.—In establishing essential capabilities under subsection (a)(1), the Secretary shall take into account any other specific threat to a population (including a transient commuting or tourist population) or critical infrastructure sector that the Secretary has determined to

### "SEC. 1803. TASK FORCE ON ESSENTIAL CAPABILITIES FOR FIRST RESPONDERS.

"(a) ESTABLISHMENT.—To assist the Secretary in establishing essential capabilities under section 1802(a)(1), the Secretary shall establish an advisory body to be known as the Task Force on Essential Capabilities for First Responders not later than 60 days after the date of the enactment of this section.

(b) Draft Report.-

"(1) IN GENERAL.—The Task Force shall submit to the Secretary, not later than one year after its establishment by the Secretary under subsection (a) and every 3 years thereafter, a draft report on its recommendations for the essential capabilities all State and local government first responders should possess, or to which they should have access, to enhance terrorism preparedness, includ-

'(A) to prevent a terrorist attack;

"(B) to protect persons and critical infrastructure against attack; and "(C) to enhance terrorism response and mitigation capabilities if such an attack occurs.

"(2) THREATS TO BE CONSIDERED IN DETERMINING ESSENTIAL CAPABILITIES.— "(A) IN GENERAL.—In reporting to the Secretary on its recommendations for essential capabilities, the Task Force specifically shall consider the critical infrastructure sectors described in section 1802(c)(2), and the threats to populations in all areas of the Nation, urban and rural, including the following:

"(i) Biological threats.

- "(ii) Nuclear threats.
  "(iii) Radiological threats.
- "(iv) Incendiary threats.
- "(v) Chemical threats.

"(vi) Explosives.

"(vii) Suicide bombers.

"(viii) Cyber threats.

"(ix) Any other threats based on proximity to specific past acts of terrorism or the known activity of any terrorist group.

"(B) NO PRIORITY.—The order in which the threats are listed in subparagraph (A) shall not be construed as an order of priority for consideration of the importance of such threats.

"(3) RISK-BASED.—The draft report shall be based upon the most current risk assessment available by the Directorate for Information Analysis and Infra-structure Protection of the threats of terrorism against the United States provided to the Task Force pursuant to subsection (d). "(4) CONTENTS.—The draft report shall—

"(A) include a priority ranking of essential capabilities, in order to provide guidance to the Secretary and to the Congress on determining the appropriate allocation of, and funding levels for, first responder needs;

"(B) set forth a methodology by which any State or local government will be able to determine the extent to which it possesses or has access to the essential capabilities that States and local governments having similar risks should obtain;

(C) describe the availability of national voluntary consensus standards, and whether there is a need for new national voluntary consensus standards, with respect to first responder training and equipment;

"(D) include such additional matters as the Secretary may specify in order to further the terrorism preparedness capabilities of first responders; and

"(E) include such revisions to the contents of past reports as are necessary to take into account changes in the most current risk assessment available by the Directorate for Information Analysis and Infrastructure Protection or other relevant information as determined by the Secretary

"(c) REVIEW AND REVISION OF DRAFT REPORT.

"(1) REVIEW AND COMMENTS.—Within 30 days after the date of the submission of the draft report by the Task Force under subsection (b), the Secretary shall review and provide comments to the Task Force on the contents of the draft re-

"(2) REVISION AND SUBMISSION OF FINAL REPORT.—Within 30 days after receiving the Secretary's comments, the Task Force shall—

(A) revise its draft report based on the comments provided by the Secretary, and any other comments it has solicited and received, if the Task Force determines that such revisions are appropriate; and "(B) submit the final report on essential capabilities to the Secretary and

to the Congress.

"(d) Task Force Access to Information.—

"(1) SECURITY CLEARANCES.—For purposes of carrying out its responsibilities under this section, the Task Force shall be provided as a matter of priority appropriate security clearances, including interim security clearances.

"(2) ACCESS TO FINISHED INTELLIGENCE.—For purposes of carrying out its responsibilities under this section, the Task Force shall be provided access to all finished intelligence and analytic products it may request from the Directorate for Information Analysis and Infrastructure Protection or other sources within the Department concerning the nature and likelihood of terrorist attacks on the

territory of the United States.

"(3) ACCESS TO ASSESSMENT TOOLS.—For purposes of carrying out its responsibilities under this section, the Task Force shall be provided access to all tools or methodologies currently or formerly used by the Department and its predecessor organizations to assess the preparedness capabilities of State and local governments.

"(4) VALID CLEARANCES.—Nothing in this section shall be considered to authorize a member of the Task Force to have access to classified information unless that member possesses a valid clearance to receive such information.

"(e) Membership.-

"(1) IN GENERAL.—The Task Force shall consist of 25 members appointed by the Secretary, and shall-

"(A) represent a cross section of first responder disciplines; and "(B) include both State and local representatives within each discipline. "(2) TERM OF MEMBERS.—Each appointed member of the Task Force shall serve for a term not to exceed 18 months. No individual may be appointed as a member of the Task Force for more than 2 terms.

(3) SELECTION OF MEMBERS.—The Secretary shall include in the membership

of the Task Force-

"(A) members selected from the emergency response field, including firefighters and law enforcement, hazardous materials response, emergency medical services, and emergency management personnel (including public

works personnel routinely engaged in emergency response);

"(B) health scientists, emergency and inpatient medical providers, and public health professionals, including experts in emergency health care response to chemical, biological, radiological, and nuclear terrorism, and experts in providing mental health care during emergency response operations;

"(C) experts from Federal, State, and local governments, and the private sector, representing standards-setting organizations, including representa-tion from the voluntary consensus codes and standards development community, particularly those with expertise in firefighting, law enforcement, and emergency medical services delivery; and

'(D) State and local officials with expertise in terrorism preparedness, subject to the condition that if any such officials are elected officials, an equal number shall be selected from each of the two major political parties.

"(4) Ex OFFICIO MEMBERS.—The Secretary shall designate one or more officers of the Department to serve as ex officio members of the Task Force, one of whom shall be the designated officer of the Federal Government for purposes of subsection (e) of section 10 of the Federal Advisory Committee Act.

(5) DIVERSITY IN COMPOSITION OF TASK FORCE.—In appointing members to the Task Force, the Secretary shall ensure, to the extent practicable, that its

membership-

(A) is geographically diverse;

"(B) includes representatives from both rural and urban jurisdictions;

"(C) includes representatives from both management and labor;

"(D) includes representatives from both uniformed and nonuniformed professions:

"(E) includes representatives from both voluntary and professional serv-

ices; "(F) includes representatives from both government and nongovernment

emergency medical services; and

"(G) includes sufficient personnel with security clearances necessary to review classified materials that may be needed to conduct the business of the Task Force.

"(6) Chair.—At the first meeting of the Task Force, the membership of the Task Force appointed under paragraph (3) shall elect a chair of the Task Force. "(f) Meetings.—The Task Force shall meet as often as necessary to complete reports in accordance with this section.

"(g) PAY.—
"(1) IN GENERAL.—Members of the Task Force shall serve without pay by reason of their work on the Task Force.

"(2) FEDERAL OFFICERS AND EMPLOYEES.—Members of the Task Force who are officers or employees of the United States shall receive no additional pay by reason of their service as a member of the Task Force.

"(h) TRAVEL EXPENSES.—Members of the Task Force shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Task Force.

"(i) SERVICES, FUNDS, AND STAFF.—The Secretary shall provide to the Task Force, on a non-reimbursable basis, such administrative services, funds, staff, facilities, and other support services as the Secretary determines necessary, in consultation with the chair of the Task Force, for the Task Force to perform its duties efficiently and in accordance with this section.

"(j) DETAILS.—Upon the request of the Task Force, the Secretary may detail, without reimbursement, any personnel of the Department to assist the Task Force in carrying out its duties. Any such detail of an employee shall be without interruption

or loss of civil service status or privilege.

"(k) APPLICABILITY OF FEDERAL ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act (5 U.S.C. App.), including subsections (a), (b), and (d) of section 10 of such Act, and section 552b(c) of title 5, United States Code, shall apply to the Task Force.

### "SEC. 1804. COVERED GRANT ELIGIBILITY AND CRITERIA.

"(a) GRANT ELIGIBILITY.—Any State or region shall be eligible to apply for a cov-

ered grant.

"(b) Grant Criteria.—In awarding covered grants, the Secretary shall assist States and local governments in achieving the essential capabilities for first responders established by the Secretary under section 1802.

"(c) State Homeland Security Plans.—

"(1) SUBMISSION OF PLANS.—The Secretary shall require that any State applying to the Secretary for a covered grant must submit to the Secretary a 3-year State homeland security plan that

(A) demonstrates the extent to which the State has achieved the essential capabilities that apply to the State, and describes the extent to which the State used the methodology developed pursuant to section 1803(b)(4)(B)

to evaluate the level of its essential capabilities;
"(B) demonstrates the additional needs of the State necessary to achieve

the essential capabilities that apply to the State;

"(C) includes a prioritization of such additional needs based on threat, vulnerability, and consequence assessment factors applicable to the State; "(D) describes how the State intends—

"(i) to address such additional needs at the city, county, regional,

State, and interstate level; "(ii) to use all Federal, State, and local resources available for the purpose of addressing such additional needs; and

(iii) to give particular emphasis to regional planning and cooperation, both within its jurisdictional borders and with neighboring States;

"(E) is developed in consultation with and subject to appropriate comment

by local governments within the State.

"(2) APPROVAL BY SECRETARY.—The Secretary may not award any covered grant to a State unless the Secretary has approved the applicable State homeland security plan.

"(d) CONSISTENCY WITH STATE PLANS.—The Secretary shall ensure that each covered grant is used to supplement and support, in a consistent and coordinated manner, the applicable State homeland security plan or plans.

"(e) Application for Grant.—
"(1) In general.—Any State or region may apply for a covered grant by submitting to the Secretary an application at such time, in such manner, and containing such information as is required under this subsection, or as the Sec-

retary may reasonably require.

"(2) DEADLINES FOR APPLICATIONS AND AWARDS.—All applications for covered grants must be submitted to the Secretary no later than February 15 of the fis-cal year for which they are submitted. The Secretary shall award covered grants pursuant to all approved applications for such fiscal year as soon as practicable,

but not later than July 31 of such year.

"(3) AVAILABILITY OF FUNDS.—All funds awarded by the Secretary under covered grants in a fiscal year shall be available for obligation through the end of

the subsequent fiscal year.

"(4) MINIMUM CONTENTS OF APPLICATION.—The Secretary shall require that

each applicant include in its application, at a minimum-

(A) the purpose for which the applicant seeks covered grant funds and the reasons why the applicant needs the covered grant to meet the essential capabilities for terrorism preparedness within the State or region to which the application pertains;

"(B) a description of how, by reference to the applicable State homeland security plan or plans under subsection (c), the allocation of grant funding proposed in the application, including, where applicable, the amount not passed through under section 1805(e)(1), would assist in fulfilling the essential capabilities specified in such plan or plans;

"(C) a statement of whether a mutual aid agreement applies to the use of all or any portion of the covered grant funds;

"(i) a precise geographical description of the region and a specification of all participating and nonparticipating local governments within the geographical area comprising that region;

"(ii) a specification of what governmental entity within the region will administer the expenditure of funds under the covered grant; and

"(E) a capital budget showing how the applicant intends to allocate and

expend the covered grant funds; and "(F) a statement of how the applicant intends to meet the matching requirement, if any, that applies under section 1805(e)(2). "(5) REGIONAL APPLICATIONS.—

"(A) SUBMISSION TO STATE OR STATES.—To ensure the consistency required under subsection (d), an applicant that is a region must simultaneously submit its application to the Department and to each State of which any part is included in the region.

"(B) OPPORTUNITY FOR STATE COMMENT.—Before awarding any covered grant to a region, the Secretary shall provide an opportunity to each State of which any part is included in a region, during the 30-day period beginning on the date on which the region submits an application for a covered grant, to comment to the Secretary on the consistency of the region's plan with the State's homeland security plan.

(C) FINAL AUTHORITY.—The Secretary shall have final authority to determine the consistency of any regional application with the applicable State homeland security plan or plans and approve any regional application. The Secretary shall notify each State of which any part is included in a region of the approval of a regional application for that region.

"(D) REGIONAL LIAISONS.—A regional liaison designated under paragraph

(4)(D)(iii) shall-

"(i) coordinate with Federal, State, local, regional, and private offi-

cials within the region concerning terrorism preparedness;

"(ii) develop a process for receiving input from Federal, State, local, regional, and private sector officials within the region to assist in the development of the regional application and to improve the region's access to covered grants; and

(iii) administer, in consultation with State, local, regional, and private officials within the region, covered grants awarded to the region. "(6) EQUIPMENT STANDARDS.—If an applicant for a covered grant proposes to upgrade or purchase, with assistance provided under the grant, new equipment or systems that do not meet or exceed any applicable national voluntary consensus standards established by the Secretary under section 1806(a), the applicant shall include in the application an explanation of why such equipment or systems will serve the needs of the applicant better than equipment or systems

that meet or exceed such standards. "(f) First Responder Grants Board.-

"(1) ESTABLISHMENT OF BOARD.—The Secretary shall establish a First Responder Grants Board, consisting of—

- "(A) the Secretary;
  "(B) the Under Secretary for Emergency Preparedness and Response;
  "(C) the Under Secretary for Border and Transportation Security;
  "(D) the Under Secretary for Information Analysis and Infrastructure Protection:
  - "(E) the Under Secretary for Science and Technology; and "(F) the Director of the Office for Domestic Preparedness.

"(2) CHAIRMAN.

"(A) IN GENERAL.—The Secretary shall be the Chairman of the Board.

"(B) EXERCISE OF AUTHORITIES BY DEPUTY SECRETARY.—The Deputy Secretary of Homeland Security may exercise the authorities of the Chairman, if the Secretary so directs.

"(3) RANKING OF GRANT APPLICATIONS.—
"(A) PRIORITIZATION OF GRANTS.—The Board shall evaluate and annually prioritize all pending applications for covered grants based upon the degree to which they would lessen the threat to, vulnerability of, and consequences

for persons and critical infrastructure.

"(B) ACHIEVING NATIONWIDE CAPABILITY.—In evaluating and prioritizing

grant applications under subparagraph (A), the Board shall-

(i) seek to achieve and enhance essential capabilities throughout the

Nation; and

"(ii) seek to allocate a portion of the funds available for covered grants each fiscal year for the purpose of making covered grants to each approved applicant that the Board determines has demonstrated a valid need in its application.

"(4) FUNCTIONS OF UNDER SECRETARIES.—The Under Secretaries referred to in paragraph (1) shall seek to ensure that the relevant expertise and input of the staff of their directorates are available to and considered by the Board.

### "SEC. 1805. USE OF FUNDS AND ACCOUNTABILITY REQUIREMENTS.

"(a) IN GENERAL.—A covered grant may be used for-

"(1) purchasing or upgrading equipment, including computer software, to enhance terrorism preparedness and response;

(2) exercises to strengthen terrorism preparedness and response;

"(3) training for prevention (including detection) of, preparedness for, or response to attacks involving weapons of mass destruction, including training in the use of equipment and computer software;

'(4) developing or updating response plans;

"(5) establishing or enhancing mechanisms for sharing terrorism threat infor-

mation pursuant to this Act;

"(6) systems architecture and engineering, program planning and management, strategy formulation and strategic planning, life-cycle systems design, product and technology evaluation, and prototype development for terrorism preparedness and response purposes;

"(7) additional personnel costs resulting from—
"(A) elevations in the threat alert level of the Homeland Security Advi-

sory System;
"(B) travel to and participation in exercises and training in the use of

equipment and on prevention activities; and

- '(C) the temporary replacement of personnel during any period of travel to and participation in exercises and training in the use of equipment and on prevention activities;
- "(8) the costs of equipment (including software) required to receive, transmit, handle, and store classified information;
- "(9) enhancing facilities to serve as operations centers, or hardening critical infrastructure against potential attack by the addition of barriers, fences, gates, and other such devices;
- "(10) the costs of commercially available equipment that complies with, where applicable, national voluntary consensus standards, and that facilitates interoperability, coordination, and integration between emergency communications systems, including—

"(A) mobile vehicles that contain equipment such as commercial telephone trunk lines, VHF and UHF radios, patch panels, and crosspatches, among other technologies and equipment; and

(B) communications system overlay software and hardware that allow multiple disparate communications networks to act as one network;

"(11) educational curricula development for first responders to ensure that

they are prepared for terrorist attacks;

12) training and exercises to assist public elementary and secondary schools in developing and implementing programs to instruct students regarding ageappropriate skills to prepare for and respond to an act of terrorism; and

(13) other appropriate activities as determined by the Secretary.

- "(b) PROHIBITED USES.—Funds provided as a covered grant may not be used—
  "(1) to supplant State or local funds for, or otherwise support, traditional mis
  - sions of State and local law enforcement, firefighters, emergency medical services, or public health agencies, unless such support serves a dual purpose and the funds are primarily intended to enhance terrorism preparedness;

(2) to construct buildings or other physical facilities;

"(3) to acquire land; or

"(4) for any State or local government cost sharing contribution.

"(c) Assistance Requirement.—The Secretary may not request that equipment paid for, wholly or in part, with funds provided as a covered grant be made available for responding to emergencies in surrounding States, regions, and localities, unless the Secretary undertakes to pay the costs directly attributable to transporting

and operating such equipment during such response.

(d) FLEXIBILITY IN UNSPENT HOMELAND SECURITY GRANT FUNDS.—Upon request by the recipient of a covered grant, the Secretary may authorize the grantee to transfer all or part of funds provided as the covered grant from uses specified in the grant agreement to other uses authorized under this section, if the Secretary determines that such transfer is in the interests of homeland security.

"(e) STATE AND REGIONAL RESPONSIBILITIES.

"(1) PASS-THROUGH.—The Secretary shall require a recipient of a covered grant that is a State to obligate or otherwise make available to local governments, first responders, and other local groups, to the extent required under the State homeland security plan or plans specified in the application for the grant, not less than 80 percent of the grant funds, resources purchased with the grant funds having a value equal to at least 80 percent of the amount of the grant, or a combination thereof, by not later than the end of the 45-day period beginning on the date the grant recipient receives the grant funds.

(2) Cost sharing.

"(A) IN GENERAL.—The Federal share of the costs of an activity carried out with a covered grant to a State or region awarded after the 2-year period beginning on the date of the enactment of this section shall not exceed

"(B) Interim rule.—The Federal share of the costs of an activity carried out with a covered grant awarded before the end of the 2-year period beginning on the date of the enactment of this section shall be 100 percent.

"(C) IN-KIND MATCHING.—Each recipient of a covered grant may meet the matching requirement under subparagraph (A) by making in-kind contributions of goods or services that are directly linked with the purpose for which the grant is made, including, but not limited to, any necessary personnel overtime, contractor services, administrative costs, equipment fuel and maintenance, and rental space.

"(3) CERTIFICATIONS REGARDING DISTRIBUTION OF GRANT FUNDS TO LOCAL GOV-ERNMENTS.—Any State that receives a covered grant shall certify to the Secretary, by not later than 30 days after the expiration of the period described in paragraph (1) with respect to the grant, that the State has made available for expenditure by local governments, first responders, and other local groups

the required amount of grant funds pursuant to paragraph (1).

"(4) REPORT ON HOMELAND SECURITY SPENDING.—Each recipient of a covered grant shall submit a report to the Secretary not later than 60 days after the end of each fiscal year. Each recipient of a covered grant that is a region must simultaneously submit its report to each State of which any part is included in the region. Each report must include the following:

"(A) The amount, ultimate recipients, and dates of receipt of all funds re-

ceived under the grant during the previous fiscal year.

"(B) The amount and the dates of disbursements of all such funds expended in compliance with paragraph (1) or pursuant to mutual aid agreements or other sharing arrangements that apply within the State or region, as applicable, during the previous fiscal year.

"(Ĉ) How the funds were utilized by each ultimate recipient or beneficiary

during the preceding fiscal year.

"(D) The extent to which essential capabilities identified in the applicable State homeland security plan or plans were achieved or enhanced as the result of the expenditure of grant funds during the preceding fiscal year.

"(E) The extent to which essential capabilities identified in the applicable

State homeland security plan or plans remain unmet.

- "(5) INCLUSION OF RESTRICTED ANNEXES.—A recipient of a covered grant may submit to the Secretary an annex to the report under paragraph (4) that is subject to appropriate handling restrictions, if the recipient believes that discussion in the report of unmet needs would reveal sensitive but unclassified informa-
- "(6) Provision of Reports.—The Secretary shall ensure that each report under paragraph (4) is provided to the Under Secretary for Emergency Preparedness and Response and the Director of the Office for Domestic Preparedness
- "(f) Incentives to Efficient Administration of Homeland Security GRANTS.
  - "(1) PENALTIES FOR DELAY IN PASSING THROUGH LOCAL SHARE.—If a recipient of a covered grant that is a State fails to pass through to local governments, first responders, and other local groups funds or resources required by sub-

section (e)(1) within 45 days after receiving funds under the grant, the Sec-

retary may—
"(A) reduce grant payments to the grant recipient from the portion of grant funds that is not required to be passed through under subsection

"(B) terminate payment of funds under the grant to the recipient, and transfer the appropriate portion of those funds directly to local first responders that were intended to receive funding under that grant; or

(C) impose additional restrictions or burdens on the recipient's use of

funds under the grant, which may include—

"(i) prohibiting use of such funds to pay the grant recipient's grant-

related overtime or other expenses;

"(ii) requiring the grant recipient to distribute to local government beneficiaries all or a portion of grant funds that are not required to be passed through under subsection (e)(1); or

"(iii) for each day that the grant recipient fails to pass through funds or resources in accordance with subsection (e)(1), reducing grant payments to the grant recipient from the portion of grant funds that is not required to be passed through under subsection (e)(1), except that the total amount of such reduction may not exceed 20 percent of the total amount of the grant.

"(2) EXTENSION OF PERIOD.—The Governor of a State may request in writing that the Secretary extend the 45-day period under paragraph (1) for an additional 15-day period. The Secretary may approve such a request, and may extend such period for additional 15-day periods, if the Secretary determines that the resulting delay in providing grant funding to the local government entities that will receive funding under the grant will not have a significant detrimental impact on such entities' terrorism preparedness efforts.

(3) Provision of non-local share to local government.

"(A) IN GENERAL.—The Secretary may upon request by a local government pay to the local government a portion of the amount of a covered grant awarded to a State in which the local government is located, if-

"(i) the local government will use the amount paid to expedite planned enhancements to its terrorism preparedness as described in any applicable State homeland security plan or plans;

"(ii) the State has failed to pass through funds or resources in accord-

ance with subsection (e)(1); and

"(iii) the local government complies with subparagraphs (B) and (C). "(B) SHOWING REQUIRED.—To receive a payment under this paragraph, a local government must demonstrate that-

(i) it is identified explicitly as an ultimate recipient or intended ben-

eficiary in the approved grant application;

(ii) it was intended by the grantee to receive a severable portion of the overall grant for a specific purpose that is identified in the grant application;

"(iii) it petitioned the grantee for the funds or resources after expira-

tion of the period within which the funds or resources were required to be passed through under subsection (e)(1); and

(iv) it did not receive the portion of the overall grant that was earmarked or designated for its use or benefit.

"(C) Effect of payment.-Payment of grant funds to a local government under this paragraph-

(i) shall not affect any payment to another local government under this paragraph; and

"(ii) shall not prejudice consideration of a request for payment under this paragraph that is submitted by another local government.

"(D) DEADLINE FOR ACTION BY SECRETARY.—The Secretary shall approve or disapprove each request for payment under this paragraph by not later than 15 days after the date the request is received by the Department.

"(g) REPORTS TO CONGRESS.—The Secretary shall submit an annual report to the

Congress by December 31 of each year—

"(1) describing in detail the amount of Federal funds provided as covered grants that were directed to each State and region in the preceding fiscal year; (2) containing information on the use of such grant funds by grantees; and

"(3) describing, on a nationwide and State-by-State basis "(A) the extent to which essential capabilities identified in applicable State homeland security plan or plans were created or enhanced as the result of the expenditure of covered grant funds during the preceding fiscal year;

"(B) the extent to which essential capabilities identified in applicable

State homeland security plan or plans remain unmet; and "(C) an estimate of the amount of Federal, State, and local expenditures required to attain across the United States the essential capabilities established under section 1802(a).

### "SEC. 1806. NATIONAL STANDARDS FOR FIRST RESPONDER EQUIPMENT AND TRAINING.

"(a) EQUIPMENT STANDARDS.—

- "(1) IN GENERAL.—The Secretary, in consultation with the Under Secretary for Science and Technology and the Director of the Office for Domestic Preparedness, shall, not later than 6 months after the date of enactment of this section, support the development of, promulgate, and update as necessary national voluntary consensus standards for the performance, use, and validation of first responder equipment for purposes of section 1804(e)(6). Such standards—
  - "(A) shall be, to the maximum extent practicable, consistent with any existing voluntary consensus standards;
  - "(B) shall take into account, as appropriate, new types of terrorism threats that may not have been contemplated when such existing standards were developed; and
  - were developed; and

    "(C) shall be focused on maximizing interoperability, interchangeability, durability, flexibility, efficiency, efficacy, portability, sustainability, and safety.
- "(2) REQUIRED CATEGORIES.—In carrying out paragraph (1), the Secretary shall specifically consider the following categories of first responder equipment:

"(A) Thermal imaging equipment.

- "(B) Radiation detection and analysis equipment. "(C) Biological detection and analysis equipment. "(D) Chemical detection and analysis equipment. "(E) Decontamination and sterilization equipment.
- "(F) Personal protective equipment, including garments, boots, gloves, and hoods and other protective clothing.

"(G) Respiratory protection equipment.

- "(H) Interoperable communications, including wireless and wireline voice, video, and data networks.
- "(I) Explosive mitigation devices and explosive detection and analysis equipment.

"(J) Containment vessels.

- "(K) Contaminant-resistant vehicles.
- "(L) Such other equipment for which the Secretary determines that national voluntary consensus standards would be appropriate.

"(b) Training Standards.—

- "(1) IN GENERAL.—The Secretary, in consultation with the Under Secretaries for Emergency Preparedness and Response and Science and Technology and the Director of the Office for Domestic Preparedness, shall support the development of, promulgate, and regularly update as necessary national voluntary consensus standards for first responder training carried out with amounts provided under covered grant programs, that will enable State and local government first responders to achieve optimal levels of terrorism preparedness as quickly as practicable. Such standards shall give priority to providing training to—
  - "(A) enable first responders to prevent, prepare for, respond to, and mitigate terrorist threats, including threats from chemical, biological, nuclear, and radiological weapons and explosive devices capable of inflicting significant human casualties; and
  - "(B) familiarize first responders with the proper use of equipment, including software, developed pursuant to the standards established under subsection (a).
- "(2) REQUIRED CATEGORIES.—In carrying out paragraph (1), the Secretary specifically shall include the following categories of first responder activities:

"(A) Regional planning.

- "(B) Joint exercises.
- "(C) Intelligence collection, analysis, and sharing.
- "(D) Emergency notification of affected populations.
- "(E) Detection of biological, nuclear, radiological, and chemical weapons of mass destruction.
- "(F) Such other activities for which the Secretary determines that national voluntary consensus training standards would be appropriate.
- "(c) CONSULTATION WITH STANDARDS ORGANIZATIONS.—In establishing national voluntary consensus standards for first responder equipment and training under

this section, the Secretary shall consult with relevant public and private sector groups, including—
"(1) the National Institute of Standards and Technology;

"(2) the National Fire Protection Association;

- "(3) the National Association of County and City Health Officials;
- "(4) the Association of State and Territorial Health Officials;

"(5) the American National Standards Institute;

"(6) the National Institute of Justice;

- "(7) the Inter-Agency Board for Equipment Standardization and Interoperability;
  - "(8) the National Public Health Performance Standards Program;

"(9) the National Institute for Occupational Safety and Health;

"(10) ASTM International; and

"(11) to the extent the Secretary considers appropriate, other national voluntary consensus standards development organizations, other interested Federal, State, and local agencies, and other interested persons.

### "SEC. 1807, DEFINITIONS.

"In this title:

"(1) BOARD.—The term 'Board' means the First Responder Grants Board established under section 1804(f).

"(2) COVERED GRANT.—The term 'covered grant' means any grant to which

this title applies under section 1801.

"(3) ELEVATIONS IN THE THREAT ALERT LEVEL.—The term 'elevations in the threat alert level' means any designation (including those that are less than national in scope) that raises the homeland security threat level to either the highest or second highest threat level under the Homeland Security Advisory System referred to in section 201(d)(7).

"(4) ESSENTIAL CAPABILITIES.—The term 'essential capabilities' means the lev-

els, availability, and competence of emergency personnel, planning, training, and equipment across a variety of disciplines needed to effectively and efficiently prevent, prepare for, and respond to acts of terrorism consistent with es-

tablished practices.

"(5) Region.—The term 'region' means—

'(A) any geographic area consisting of all or parts of 2 or more contiguous States, counties, municipalities, or other local governments that have a combined population of at least 1,650,000 or have an area of not less than 20,000 square miles, and that, for purposes of an application for a covered grant, is represented by 1 or more governments or governmental agencies within such geographic area, and that is established by law or by agreement of 2 or more such governments or governmental agencies in a mutual aid agreement; or

"(B) any other combination of contiguous local government units (including such a combination established by law or agreement of two or more governments or governmental agencies in a mutual aid agreement) that is formally certified by the Secretary as a region for purposes of this Act with

the consent of-

"(i) the State or States in which they are located, including a multi-State entity established by a compact between two or more States; and "(ii) the incorporated municipalities, counties, and parishes which they encompass.

"(6) TASK FORCE.—The term 'Task Force' means the Task Force on Essential Capabilities for First Responders established under section 1803.

(7) FIRST RESPONDER.—The term 'first responder' shall have the same mean-

ing as the term 'emergency response provider'.".

(b) DEFINITION OF EMERGENCY RESPONSE PROVIDERS.—Section 2(6) of the Homeland Security Act of 2002 (Public Law 107–296; 6 U.S.C. 101(6)) is amended by inserting "fire," after "law enforcement,".

(c) TEMPORARY LIMITATION ON APPLICATION.—The following provisions of title XVIII of the Homeland Security Act of 2002, as amended by subsection (a), shall not apply during the 2 year period beginning on the date of the enactment of this Act:

- (1) Subsections (b), (c), (e) (except paragraph (5) of such subsection), and (f)(3)(B) of section 1804.
- (2) Subparagraphs (D) and (E) of section 1805(e)(4).

(3) Section 1805(g)(3).

### SEC. 4. MODIFICATION OF HOMELAND SECURITY ADVISORY SYSTEM.

(a) IN GENERAL.—Subtitle A of title II of the Homeland Security Act of 2002 (Public Law 107-296; 6 U.S.C. 121 et seq.) is amended by adding at the end the fol-

### "SEC. 203. HOMELAND SECURITY ADVISORY SYSTEM.

"(a) IN GENERAL.—The Secretary shall revise the Homeland Security Advisory System referred to in section 201(d)(7) to require that any designation of a threat level or other warning shall be accompanied by a designation of the geographic re-

gions or economic sectors to which the designation applies.

(b) REPORTS.—The Secretary shall report to the Congress annually by not later than December 31 each year regarding the geographic region-specific warnings and economic sector-specific warnings issued during the preceding fiscal year under the Homeland Security Advisory System referred to in section 201(d)(7), and the bases for such warnings. The report shall be submitted in unclassified form and may, as necessary, include a classified annex."

(b) CLERICAL AMENDMENT.—The table of contents in section 1(b) of the Homeland Security Act of 2002 (6 U.S.C. 101 et seq.) is amended by inserting after the item relating to section 202 the following:

"203. Homeland Security Advisory System.".

### SEC. 5. COORDINATION OF INDUSTRY EFFORTS.

Section 102(f) of the Homeland Security Act of 2002 (Public Law 107–296; 6 U.S.C. 112(f)) is amended by striking "and" after the semicolon at the end of paragraph (6), by striking the period at the end of paragraph (7) and inserting "; and", and by adding at the end the following:

"(8) coordinating industry efforts to identify private sector resources and capabilities that could be effective in supplementing Federal, State, and local government agency efforts to prevent or respond to a terrorist attack.".

### SEC. 6. SUPERSEDED PROVISION.

This Act supersedes section 1014 of Public Law 107-56.

### SEC. 7. SENSE OF CONGRESS REGARDING INTEROPERABLE COMMUNICATIONS.

(a) FINDING.—The Congress finds that—

(1) many first responders working in the same jurisdiction or in different jurisdictions cannot effectively and efficiently communicate with one another, and

(2) their inability to do so threatens the public's safety and may result in un-

necessary loss of lives and property.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that it is of national importance that interoperable emergency communications systems that to the extent possible meet national voluntary consensus standards should be developed and promulgated as soon as practicable for use by the first responder community.

### SEC. 8. SENSE OF CONGRESS REGARDING CITIZEN CORPS COUNCILS.

(a) FINDING.—The Congress finds that Citizen Corps councils help to enhance local citizen participation in terrorism preparedness by coordinating multiple Citizen Corps programs, developing community action plans, assessing possible threats, and identifying local resources.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that individual Citizen Corps councils should seek to enhance the preparedness and response capabilities of all organizations participating in the councils, including by providing funding to as many of their participating organizations as practicable to promote local terrorism preparedness programs.

# SEC. 9. STUDY REGARDING NATIONWIDE EMERGENCY NOTIFICATION SYSTEM.

(a) STUDY.—The Secretary of Homeland Security, in consultation with the heads of other appropriate Federal agencies and representatives of providers and participants in the telecommunications industry, shall conduct a study to determine whether it is cost-effective, efficient, or feasible to establish and implement an emergency telephonic alert notification system that will-

(1) alert persons in the United States of imminent or current hazardous events caused by acts of terrorism; and

(2) provide information to individuals regarding appropriate measures that may be undertaken to alleviate or minimize threats to their safety and welfare posed by such events.

(b) TECHNOLOGIES TO CONSIDER.—In conducting the study, the Secretary shall consider the use of the telephone, wireless communications, and other existing communications networks to provide such notification.

(c) REPORT.—Not later than 9 months after the date of the enactment of this Act, the Secretary shall submit to the Congress a report regarding the conclusions of the study.

### SEC. 10. AUTHORIZATION OF APPROPRIATIONS.

For making covered grants (as that term is defined in section 1807 of the Homeland Security Act of 2002, as amended by this Act) there is authorized to be appropriated to the Secretary of Homeland Security \$3,400,000,000 for fiscal year 2006.

### PURPOSE AND SUMMARY

H.R. 3266, the Faster and Smarter Funding for First Responders Act of 2004, would reform the manner in which the Department of Homeland Security (DHS) issues grants to enhance the ability of States, local governments, and first responders to prevent, prepare for, mitigate, and respond to acts of terrorism. The bill does not create a new terrorism preparedness grant program. Rather, it directs the Secretary of DHS to establish "essential capabilities" that different types of communities should obtain in order to prepare for potential terrorist acts, improves the grant process by streamlining and speeding the delivery of Federal grant assistance for first responders to build these essential capabilities in a measurable fashion, and establishes a consolidated structure for evaluating and prioritizing grant applications based on the degree to which they would lessen the threat to, vulnerability of, and consequences for persons and critical infrastructure sectors in the event of a terrorist attack.

# BACKGROUND AND NEED FOR LEGISLATION

The need for legislative reform of the current terrorism preparedness grant funding process is obvious. Since 2001, and including the President's budget request for fiscal year 2005, roughly \$11 billion has been, or will be, appropriated to DHS for distribution to State and local governments for terrorism preparedness. Of this amount, almost \$9 billion either remains in, or has yet to be put into, the terrorism preparedness grant program pipeline, and has not been expended yet at the State or local level. Reasons for this bottleneck include the lack of advance planning by State and local governments for use of these monies, the lack of specific guidance—or, as described in H.R. 3266, "essential capabilities"—to assist in formulating procurement and resource allocation priorities, and confusion at all levels of government regarding grant requirements, timelines, use of funds, and DHS application and obligation procedures. Moreover, DHS terrorism preparedness grant funds currently are allocated to each State based on rigid and arbitrary formulas that were established immediately after September 11, 2001. Such allocations—which direct funds to States regardless of risk or need—hamper our efforts to ensure that our Nation's highest security priorities are addressed in a timely manner. H.R. 3266 eliminates these arbitrary formulas and requires that the Secretary allocate terrorism preparedness grants to States and qualifying regions based on a comprehensive risk analysis.

In addition, several independent analyses have noted that establishing national goals or benchmarks for appropriate levels of preparedness is a critical first step toward determining the nature and extent of additional requirements and the human and financial resources needed to fulfill them. By requiring the Secretary to estab-

lish essential capabilities for terrorism preparedness, H.R. 3266 also addresses the need to build State and local capabilities based

upon measurable objectives.

The Committee notes that it is important to put the need for these reforms into their broader context. Arming our first responders with the best technologies, equipment, and training to react in the event of a catastrophic terrorist attack is vital for protection of the Nation. Terrorism preparedness grants for first responders must be allocated quickly to where the risk is greatest. But our top priority must, above all, be to prevent the attacks that would require our first responders to act. The Committee has stressed this overriding objective throughout its activities.

Good intelligence on the threat posed by foreign and domestic terrorists can help prevent or deter attacks. Provisions in this bill that allow grant funds to be used to establish or enhance mechanisms for sharing terrorism threat information will assist first responders in preventing, disrupting, or deterring potential terrorist attacks. Any of these results is far preferable to having our police officers, firefighters, and emergency medical personnel put their

lives in danger in responding to a terrorist attack.

Since the attacks of September 11, 2001, the Nation has bolstered its terrorism response capabilities. This bill will contribute significantly to that ongoing effort. The Nation must continue to strengthen its defenses, including the capabilities of our law enforcement and intelligence communities, understanding that the key to effective response will often be enhanced awareness and preparedness. Balancing resources allocated to each of those purposes will be essential to protecting the American people and territory—our homeland—for the foreseeable future.

This bill draws on the analytic resources of the DHS Directorate of Information Analysis and Infrastructure Preparedness (IAIP) to inform and help prioritize the provision of terrorism preparedness grant support for the Nation's first responders. In this context, as in all others, the Committee stresses the importance it attaches to bringing the IAIP Directorate, especially its employed analytic cadre, to its full, statutorily-authorized end strength as quickly as possible. Resources expended in that effort are likely to contribute directly to reducing the chances that our first responders will again be put at risk while responding to another catastrophic attack.

### HEARINGS AND BRIEFINGS

On July 17, 2003, the Full Committee held an oversight hearing on First Responders: How States, Localities, and the Federal Government Are Working Together to Make America Safer. Testimony was received from The Honorable Mitt Romney, Governor, Commonwealth of Massachusetts; Jamie F. Metzl, Senior Fellow and Coordinator for Homeland Security Programs, Council on Foreign Relations; George Jaramillo, Assistant Sheriff, Orange County, California Sheriff's Department; Michael Grossman, Captain, Los Angeles County Sheriff's Department; and Ray Kiernan, Fire Commissioner and Chief of New Rochelle Fire Department & Member of Westchester Career Fire Chiefs and Northeast Fire Consortium, New Rochelle Fire Department, New Rochelle, New York.

On Wednesday, October 15, 2003, the Subcommittee on Emergency Preparedness and Response and the Subcommittee on

Cybersecurity, Science, and Research & Development received a joint briefing on Communications Technology and Interoperability: Can Science and Technology Help Overcome Communications Obstacles for First Responders. Members of the Committee were briefed by David Boyd, Ph.D., Deputy Director, Research and Development, Director, SAFECOM Program Office, Department of Homeland Security; Mr. Gary Grub, Chief Technology Officer, Motorola, Inc.; and Mr. Edward Flynn, Secretary of Public Safety, State of Massachusetts. The Committee examined the technological limitations of communications systems, possible solutions to interoperability, and governmental requirements to create an effective first responder notification system.

On Thursday, October 16, 2003, the Subcommittee on Emergency Preparedness and Response held a legislative hearing on H.R. 3266. Testimony was received from The Honorable James A. Garner, Mayor of Hempstead, New York, President, The United States Conference of Mayors; Col. Randy Larsen (Ret.), Founder and CEO, Homeland Security Associates, Former Director, Institute of Homeland Security, Former Chairman of Military Department at the National War College; and Mr. Robert Latham, Director, Mississippi

Emergency Management Agency.

On Tuesday, October 21, 2003, the Full Committee held an oversight hearing on Funding for First Responders: Ensuring That Federal Funds Are Distributed Intelligently. This hearing focused on reforming the current system of allocating federal funds to first responders. Testimony was received from The Honorable John G. Rowland, Governor, State of Connecticut; Mr. John D. Cohen, Special Assistant to the Secretary of Public Safety, Commonwealth of Massachusetts; Mr. Ray A. Nelson, Executive Director, Office for Security Coordination, Commonwealth of Kentucky; and Lt. Col. Scott Behunin, Director, Division of Emergency Service & Homeland Security, State of Utah who Testified on Behalf of the National Emergency Management Association.

### COMMITTEE CONSIDERATION

H.R. 3266 was introduced by Mr. Cox on October 8, 2003, and referred to the Select Committee on Homeland Security, and in addition to the Committee on Transportation and Infrastructure, the Committee on the Judiciary, and the Committee on Energy and Commerce. Within the Select Committee on Homeland Security, H.R. 3266 was referred to the Subcommittee on Emergency Preparedness and Response on October 14, 2003.

The Subcommittee on Emergency Preparedness and Response held a hearing on H.R. 3266 on October 16, 2003.

On Wednesday, November 20, 2003, the Subcommittee on Emergency Preparedness and Response met in open markup session and forwarded H.R. 3266, amended, to the Full Committee for consideration by Voice Vote.

On Thursday, March 18, 2004, the Full Committee met in open markup session and ordered H.R. 3266 favorably reported to the House of Representatives, amended, by a record vote of 37 yeas and 0 nays (Record Vote No. 10.)

# COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the record votes on the motion to report legislation and amendments thereto.

H.R. 3266, to authorize the Secretary of Homeland Security to make grants to first responders, and for other purposes; was ordered favorably reported to the House, amended, by a recorded vote of 37 yeas and 0 nays, as follows:

# SELECT COMMITTEE ON HOMELAND SECURITY U.S. House of Representatives 108<sup>th</sup> Congress

Mr. Hunter, California

Mr. Rogers, Kentucky

Mr. Smith, Texas

Mr. Goss, Florida Mr. Camp, Michigan

Mr. Boehlert, New York

Mr. Weldon, Pennsylvania

Mr. Shays, Connecticut

Mr. Diaz-Balart, Florida

Mr. Goodlatte, Virginia

Mr. Istook, Oklahoma Mr. King, New York

Mr. Linder, Georgia

Mr. Souder, Indiana

Mr. Shadegg, Arizona

Mr. Thornberry, Texas

Mr. Gibbons, Nevada

Ms. Granger, Texas Mr. Sessions, Texas Mr. Sweeney, New York

Date:	ch 18,	2004		Con	vened:	10	:52 a.m.			
	Adjourned: 1				12	:24 p.m.				
Meeting on: N	Markup of H.F	. 3266	, to au	thorize the	Secretary of Homeland Securit	y to ma	ake gra	nts to first		
r	responders, and for other purposes.									
N	Motion on Favorably reporting to the House, as amended.									
☐ Attendance	· Ø	Recor	ded Vo	ote '	Vote Number 10 . Total:	Yeas _	<u>37</u> N	Vays <u>0</u> .		
		YEA	NAY	PRESENT		YEA	NAY	PRESENT		
Ms. Dunn, Washington Vice Chair		1			Mr. Turner, Texas Ranking Member	1				
Mr. Bill Young, Florida		1			Mr. Thompson, Mississippi	1				
Mr. Don Young, Alaska					Ms. Sanchez, California	1				
Mr. Sensenbren				Mr. Markey, Massachusetts	1					
Mr. Tauzin, Louisiana					Mr. Dicks, Washington	1				
Mr. Dreier, California					Mr. Frank, Massachusetts	1				

Ms. Harman, California Mr. Cardin, Maryland

Ms. Slaughter, New York

Mr. DeFazio, Oregon

Ms. Lowey, New York

Mr. Andrews, New Jersey

Ms. Lofgren, California

Ms. McCarthy, Missouri

Ms. Jackson-Lee, Texas Mr. Pascrell, New Jersey

Ms. Christensen, U.S.V.I.

Mr. Lucas, Kentucky

Mr. Meek, Florida

Mr. Cox, California, Chairman

Total

VACANCY

Mr. Etheridge, North Carolina

Mr. Langevin, Rhode Island

/

37

0

Ms. Norton, District of Columbia

The following amendments were offered:

An Amendment in the Nature of a Substitute offered by Ms. Dunn (#1), was agreed to, as amended, by Voice Vote.

An amendment offered by Ms. Sanchez to the Amendment in the Nature of a Substitute offered by Ms. Dunn (#1A), Page 29, after line 24, insert a new Section 1404A entitled "Distribution of 50 Percent of Grant Funds to Local Entities" was withdrawn.

An amendment offered by Ms. Jackson-Lee to the Amendment in the Nature of a Substitute offered by Ms. Dunn (#1B), Page 15, after line 10, insert a new subsection (1) "Public Comment." was

An amendment offered by Ms. Jackson-Lee to the Amendment in the Nature of a Substitute offered by Ms. Dunn (#1C), Page 18, after line 22, insert a new subsection (3)(E), relating to members of the Task Force, was withdrawn by Unanimous Consent.

An amendment offered by Mrs. Lowey to the Amendment in the Nature of a Substitute offered by Ms. Dunn (#1D), Page 51, before line 1, insert a new Section 5 entitled "Homeland Security Advisory System Response Grants" was not agreed to by a Record Vote of 19 yeas and 24 nays (Record Vote No. 9), as follows:

# SELECT COMMITTEE ON HOMELAND SECURITY U.S. House of Representatives 108<sup>th</sup> Congress

Date: Thursday, Man	rch 18,	2004			ened:		:52 a.m.	
Adjourned: 12:24 p.m.  Meeting on: Markup of H.R. 3266, to authorize the Secretary of Homeland Security to make grants to first								
responders, and for other purposes.								
Question on Amendment #1D offered by Mrs. Lowey.								
☐ Attendance ☐ Recorded Vote Vote Number 9 Total: Yeas 19 Nays 24 .								
	YEA	Nav	PRESENT		YEA	Nay	PRESENT	
Ms. Dunn, Washington Vice Chair		1		Mr. Turner, Texas Ranking Member		1		
Mr. Bill Young, Florida		1		Mr. Thompson, Mississippi	1			
Mr. Don Young, Alaska		1		Ms. Sanchez, California	1			
Mr. Sensenbrenner, Wisconsin				Mr. Markey, Massachusetts	1			
Mr. Tauzin, Louisiana				Mr. Dicks, Washington		1		
Mr. Dreier, California		1		Mr. Frank, Massachusetts	1			
Mr. Hunter, California		1		Ms. Harman, California				
Mr. Rogers, Kentucky		1		Mr. Cardin, Maryland	1			
Mr. Boehlert, New York				Ms. Slaughter, New York	1			
Mr. Smith, Texas		1		Mr. DeFazio, Oregon	1			
Mr. Weldon, Pennsylvania				Ms. Lowey, New York	1			
Mr. Shays, Connecticut		1		Mr. Andrews, New Jersey	1			
Mr. Goss, Florida		1		Ms. Norton, District of Columbia	1			
Mr. Camp, Michigan		1		Ms. Lofgren, California	1			
Mr. Diaz-Balart, Florida		1		Ms. McCarthy, Missouri	1			
Mr. Goodlatte, Virginia		1		Ms. Jackson-Lee, Texas	1			
Mr. Istook, Oklahoma		1		Mr. Pascrell, New Jersey	1			
Mr. King, New York		1		Ms. Christensen, U.S.V.I.	1			
Mr. Linder, Georgia		1		Mr. Etheridge, North Carolina	1		<u> </u>	
Mr. Shadegg, Arizona		1		Mr. Lucas, Kentucky	1			
Mr. Souder, Indiana		1		Mr. Langevin, Rhode Island	1			
Mr. Thornberry, Texas		1		Mr. Meek, Florida	1			
Mr. Gibbons, Nevada		1		VACANCY				
Ms. Granger, Texas		1						
Mr. Sessions, Texas		1			<u> </u>	<u> </u>		
Mr. Sweeney, New York				Mr. Cox, California, Chairman		1		

19 24

An amendment offered by Mr. Meek to the Amendment in the Nature of a Substitute offered by Ms. Dunn (#1E), to add at the end a new section entitled "Study Regarding Nationwide Emergency Notification System" was agreed to by Voice Vote.

### COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee has held oversight hearings and made findings that are reflected in this report.

### STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

H.R. 3266, the Faster and Smarter Funding for First Responders Act of 2004, is intended: (1) to reform the manner in which the Department of Homeland Security (DHS) issues grants to enhance the ability of States, local governments, and first responders to prevent, prepare for, mitigate, and respond to acts of terrorism; (2) to direct the Secretary of DHS to establish "essential capabilities" that different types of communities should obtain in order to prepare for potential terrorist acts; (3) to improve the grant process by streamlining and speeding the delivery of Federal grant assistance for first responders to build these essential capabilities in a measurable fashion; and (4) to establish a consolidated structure for evaluating and prioritizing grant applications based on the degree to which they would lessen the threat to, vulnerability of, and consequences for persons and critical infrastructure sectors in the event of a terrorist attack.

# NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee finds that H.R. 3266, the Faster and Smarter Funding for First Responders Act of 2004, would result in increased budget authority, entitlement authority, or tax expenditures or revenues for fiscal year 2006. This bill does not provide new budgetary authority or increased tax expenditures for fiscal year 2005. Rather, section 9 of the bill authorizes \$3.4 billion to be appropriated to the Secretary for making covered grants for fiscal year 2006.

### Congressional Budget Office Estimate

The Committee adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

> U.S. Congress, Congressional Budget Office, Washington, DC, March 30, 2004.

Hon. Christopher Cox, Chairman, Select Committee on Homeland Security, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 3266, the Faster and Smarter Funding for First Responders Act of 2004.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Julie Middleton.

Sincerely,

 $\begin{array}{c} \text{Douglas Holtz-Eakin,} \\ \textbf{\textit{Director.}} \end{array}$ 

Enclosure.

H.R. 3266—Faster and Smarter Funding for First Responders Act of 2004

Summary: H.R. 3266 would authorize the Secretary of the Department of Homeland Security (DHS) to change the criteria used to distribute funding for two existing first responder grant programs established after September 11, 2001—the State Homeland Security and the Urban Area Security Initiative grant programs. In addition, this bill would authorize the appropriation of \$3.4 billion in 2006 for first responder grants. Assuming appropriation of the authorized amount, CBO estimates that implementing H.R. 3266 would cost \$3 billion over the 2005–2009 period and an additional \$400 million after 2009. Enacting H.R. 3266 would not affect direct spending or revenues.

H.R. 3266 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). Assuming the authorized amount is fully appropriated, the bill would increase funding for existing aid programs while changing conditions for receiving those funds; any costs incurred by state, local, or tribal governments would be voluntary.

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 3266 is shown in the following table. The costs of this legislation fall within budget function 450 (community and regional development).

	Ву	By fiscal year, in millions of dollars—			
	2005	2006	2007	2008	2009
CHANGES IN SPENDING	SUBJECT TO APPROPRIATI	ON			
Authorization level	*	3,400	0	0	0
Estimated outlays	*	510	1,020	918	578

Note.—\* = costs of less than \$500,000 for administrative changes that would be made by the bill.

Basis of estimate: Almost \$10 billion has been appropriated for first responder grants since fiscal year 2003, including about \$3 billion in fiscal year 2004. The Office of Domestic Preparedness (within DHS) derives its primary authority to distribute grants to states and localities to prepare and respond to terrorism from the USA Patriot Act (Public Law 107–56). That law authorized the appropriation of such sums as necessary for first responder grants through fiscal year 2007. H.R. 3266 would replace this authorization of appropriations with a one-year authorization of appropriations of \$3.4 billion in fiscal year 2006.

For this estimate, CBO assumes that H.R. 3266 will be enacted before the end of fiscal year 2004 and that the authorized amounts will be appropriated in 2006. For this estimate, CBO assumes that states would need to update their State Homeland Security Plans for approval by DHS to reflect new grant requirements. After that update, we expect that spending would follow historical spending patterns for existing state and local grant programs for emergency

management activities. CBO estimates that implementing this bill would cost about \$3 billion over the 2006–2009 period and nearly \$400 million after 2009.

Under the State Homeland Security grant program, DHS distributes three-quarters of one percent of the amount appropriated for the program to each state. The remaining funds are distributed to states based on population. The Urban Area Security Initiative grant program provides funding to high threat areas of the country. Under H.R. 3266, DHS would consolidate these two existing programs and distribute all of the funding based on threats, vulnerabilities, and risk assessments for each state and locality. H.R. 3266 also would require states to disburse grant money to local governments within 45 days of receiving funds from the federal government or states would face penalties as well as pay 25 percent of the total cost of the grant activities.

Intergovernmental and private-sector impact: H.R. 3266 contains no intergovernmental or private-sector mandates as defined in UMRA but would make several changes to existing grant programs. First, it would consolidate at least two current programs—the State Homeland Security Grant and the Urban Area Security Initiative—and authorize the appropriation of \$3.4 billion in fiscal year 2006. Second, it would change how those funds are allocated. While some states would receive less funding than in previous years and others would receive more, assuming authorized funds are fully appropriated, total funding would increase. This bill also would expand eligible activities to include covering the costs of additional personnel during heightened threat alerts and training activities.

This bill also would authorize DHS to transfer funds directly to the local recipients, reduce the portion of the grant retained by the state, or impose additional restrictions if states fail to provide funds to local first responders in a timely manner. According to the grant requirements, states would be required to certify that they have provided 80 percent of the funds within 45 days of receipt. Funds that states may lose would be allocated to local jurisdictions. Any costs incurred by state, local, or tribal governments as a result of those changes to the grant programs would be voluntary.

Other provisions of the bill would require DHS to create, with input from local first responders and trade representatives, voluntary standards for equipment and training for first responders. The bill also would require DHS to revise the Homeland Security Advisory System to include geographic and economic sector designations

Previous CBO estimates: On July 16, 2003, CBO transmitted a cost estimate for S. 1245, the Homeland Security Grant Enhancement Act of 2003, as ordered reported by the Senate Committee on Governmental Affairs on June 17, 2003. On September 9, 2003, CBO transmitted a cost estimate for S. 930, the Emergency Preparedness and Response Act of 2003, as ordered reported by the Senate Committee on Environment and Public Works on July 30, 2003. Both bills would authorize the appropriation of different grant amounts for first responders. S. 930 also would authorize grants for urban search and rescue task forces.

Estimate prepared by: Federal Costs: Julie Middleton. Impact on State, Local, and Tribal Governments: Melissa Merrell. Impact on the Private Sector: Paige Piper/Bach.

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

### FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

### ADVISORY COMMITTEE STATEMENT

The Federal Advisory Committee Act (5 U.S.C. App.), including subsections (a), (b), and (d) of section 10 of that Act, and section 552b(c) of title 5, U.S.C., will apply to the Task Force on Essential Capabilities for First Responders.

### CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee finds that the Constitutional authority for this legislation is provided in Article I, section 8, clause 1, which grants Congress the power to provide for the common defense of the United States.

### APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

### SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

# Section 1. Short Title and Table of Contents

This section cites measure as "Faster and Smarter Funding for First Responders Act of 2004."

Section 2. Findings

### Section 3. Faster and Smarter Funding for First Responders

This section amends the Homeland Security Act of 2002 by adding at the end a new Title XVIII, including Sections 1801–1807 as follows:

Section 1801—Faster and Smarter Funding for First Responders

Subsection (a) of this section states that the provisions of new Title XVIII apply only to those grants that the Department of Homeland Security (DHS) provides to States or regions to improve the ability of first responders to prevent, prepare for, respond to, or mitigate threatened or actual terrorist attacks, especially those involving weapons of mass destruction. Specifically, such terrorism preparedness grants include, but are not limited to, the DHS State Homeland Security Grant Program and the Urban Area Security Initiative.

Subsection (b) expressly excludes from coverage of this title all non-DHS Federal grants, as well as the DHS firefighter assistance grants and the emergency management planning and assistance

grants.

The Committee notes that it has not specifically addressed port security grants in relation to the grant programs covered by this bill. The Committee is aware that, in the President's fiscal year 2005 budget proposal, DHS has requested \$46 million for Port Security Grants under the Urban Area Security Initiative, to be administered by the Office for Domestic Preparedness (ODP). According to DHS, the purpose of this program is to "assist in the protection and enhanced security of critical infrastructure sites. Funding is being provided to state and local government entities and to commercial companies to enhance security at selected high threat ports in the country and certain Liberty Shield port areas."

To the extent that such port security funds are awarded to States or regions (as defined in H.R. 3266) as part of the terrorism preparedness grants covered by this bill, the Committee expects that DHS will award such funds consistent with the requirements of this Act. If DHS develops alternative mechanisms to provide funding for port security efforts, such as through direct grants to ports or facilities under a separate grant-making process or grants to support the implementation of the Maritime Transportation Security Act of 2002, then the requirements of H.R. 3266 would not

apply to such awards.

# Section 1802—Essential Capabilities for First Responders

This section requires the Secretary of the Department of Homeland Security (Secretary) to establish specific, flexible, and measurable "essential capabilities" for state and local government terrorism preparedness. Essential capabilities, as defined in the bill, mean "the levels, availability, and competence of emergency personnel, planning, training, and equipment across a variety of disciplines needed to effectively and efficiently prevent, prepare for, and respond to acts of terrorism consistent with established practices." For example, the presence of a large chemical plant in a densely-populated community may require specialized response planning and equipment and an appropriate level of training for first responders to respond effectively to a terrorist incident at the chemical plant and to minimize the harm such an incident could cause. The establishment of essential capabilities for terrorism preparedness will assist a community in making the determination of what planning, training, equipment, and other capabilities it requires to respond effectively to the specific risks that it faces.

The Secretary is to establish such capabilities in consultation with, among others, the Task Force on Essential Capabilities for First Responders (as established in Section 1803), the DHS Under Secretaries for Emergency Preparedness & Response (EP&R), Border and Transportation Security (BTS), Information Analysis and Infrastructure Protection (IAIP), and Science and Technology (S&T), and the Director of ODP. The Secretary also is required to review and update these essential capabilities as necessary or, at

least, every three years.

In order to address the wide variety of threats and vulnerabilities faced by communities throughout the Nation, the

Secretary is required to establish essential capabilities in a manner that will allow different types of communities to determine what essential capabilities they require, and how the attainment of these capabilities should be prioritized. Further, to assist these communities, the Task Force on Essential Capabilities for First Responders is required to develop a methodology by which a state or local government will be able to determine the extent to which it possesses or has access to the essential capabilities that states and

local governments having similar risks should obtain.

Specifically, in establishing essential capabilities, the bill directs the Secretary to consider the variables of threat, vulnerability, and consequences with respect to the Nation's population (including transient commuting and tourist populations) and critical infrastructure sectors, based on the most current risk assessment available by the IAIP Directorate. There are numerous critical infrastructure sectors. The Secretary, however, must consider at least thirteen (13) of them as potential terrorist targets. These 13, which correspond to those contained in the President's National Strategy for Homeland Security, encompass a large number of critical infrastructure sectors, including agriculture, food, banking and finance, energy, public health, government, transportation, and water. The Committee notes that these sectors are broad categories, within which there are many distinct components. For example, the transportation sector includes mass transit, aviation, maritime, ground/ surface, and rail systems.

The purpose of incorporating such a variety of critical infrastructure sectors into H.R. 3266 is not to mandate, or otherwise require, the Secretary to develop first responder programs for each such sector. Rather, it is to ensure that the Secretary considers the different types of threats and vulnerabilities relating to all of the Nation's critical infrastructures when determining the proper allocation of terrorism preparedness grants for first responders. For example, the inclusion of sectors such as agriculture and food, which are primarily located or originate in rural communities, should ensure that such communities are not overlooked by the Secretary and avoid a situation in which the Department's first responder re-

sources are allocated solely to urban areas.

The Committee also recognizes that port facilities are a component of the Nation's critical infrastructure, and that these facilities present significant terrorism preparedness challenges to state and local governments and first responders. In establishing essential capabilities for first responders and the other planning and evaluation processes required by this bill, the Committee expects DHS and grantees to consider the need to prepare for acts of terrorism at port facilities, and the need to include port facilities in state homeland security planning efforts.

Finally, the Committee notes that there is a category of private, not-for-profit institutions, as described in section 501(c)(3) of the Internal Revenue Code of 1986, which provides services that are at high risk of being the target of terrorist attacks. The Committee recommends that in their state homeland security planning efforts, States should specifically consider the threat to such institutions as

part of their vulnerability and threat assessments.

Section 1803—Task Force on Essential Capabilities for First Responders

This section requires that the Secretary of DHS establish a twenty-five (25) member advisory body to be known as the Task Force on Essential Capabilities for First Responders (Task Force), for the purpose of assisting the Secretary in the development of essential capabilities under Section 1802. The Secretary appoints the Task Force's members, which will include a cross section of first responder disciplines, as well as state and local government officials. The Task Force must submit for the Secretary's consideration a draft report within one year of its establishment, and every three years thereafter, on recommended essential capabilities for different types of communities, based on the threats and vulnerabilities faced by such types of communities. Task Force members may serve for up to two complete report cycles.

members may serve for up to two complete report cycles.

Among other things, the Task Force's draft report must include a priority ranking of essential capabilities and a methodology by which a state or local government can determine whether it has achieved or obtained these essential capabilities. The Task Force not only must specifically consider threats to critical infrastructure sectors, but it also must specifically consider the types of threats, such as biological, nuclear, or cyber. Further, the Task Force has been granted access to all tools and methodologies used by DHS to assess the preparedness capabilities of state and local governments, as well as access to all finished intelligence and analytic products of the IAIP Directorate concerning the nature of terrorist attacks against the United States for those members possessing valid security clearances.

# Section 1804—Grant Eligibility and Criteria

This section provides that both States and regions may apply for covered grants. The Committee notes that, although States will continue to play a central role in homeland security planning and coordinating grant fund distribution to first responders at the local level, H.R. 3266 ensures that the unique preparedness needs of regions can be addressed by the Secretary through direct grants. For purposes of the grant application process, only certain geographic areas will qualify as regions, as defined in H.R. 3266. The Committee expects that most regions will probably consist of either multi-state or metropolitan jurisdictions.

H.R. 3266 recognizes the primary role of States in the Nation's terrorism preparedness efforts. Accordingly, to be eligible for a covered grant, a region must file an application that is consistent with the applicable state homeland security plan of each State of which any part is included in the region. Further, a regional applicant must submit simultaneously its application to both DHS and to each such State. The Secretary, prior to awarding a grant to a region, is required to give any relevant State thirty (30) days to comment on the application's consistency, or lack thereof, with its homeland security plan.

Applications must adhere to the following requirements. A state applicant must include in its application at a minimum: (1) the purpose for which such funds are being sought and the reasons why such funds are needed to meet essential capabilities; (2) a description of how, by reference to its applicable state homeland secu-

rity plan, the allocation of such funds would assist it in fulfilling its state plan; (3) a statement whether a mutual aid agreement is applicable; (4) a capital budget; and (5) a statement on how the applicant intends to meet the matching requirement. To be eligible, a state applicant also must submit, and have approved, a threeyear state homeland security plan tied to the achievement of the

established essential capabilities.

If the applicant is a region, the region's application must include the information required to be submitted by a State as described above, as well as: (1) a description of the region and a specification of all participating and non-participating local governments within it; (2) an explanation of which governmental entity will administer the funds; and (3) the designation of a regional liaison. To be eligible, a regional applicant must file an application that supplements, supports, and is consistent with the applicable state homeland security plan of each State of which any part is included in the re-

To assist the Secretary in making awards of covered grants, this section also creates the First Responder Grant Board (Grant Board). The Grant Board, which will be chaired by the Secretary (or Deputy Secretary), shall be responsible for evaluating and prioritizing all covered grant applications, based upon the degree to which they would lessen the threat, vulnerability, and consequences of a terrorist attack to persons and critical infrastructure. The Board also must seek to achieve nationwide essential capabilities, and must seek to allocate a portion of the funds available for covered grants each year to every approved applicant that has demonstrated a valid need. Members of the Grant Board will consist of the Secretary, the DHS Under Secretaries for EP&R, BTS, IAIP, and S&T, and the Director of ODP.

### Section 1805—Use of Funds and Accountability Requirements

According to testimony before the Committee by DHS Secretary Ridge, almost \$9 billion either remains in, or has yet to be put into, the terrorism preparedness grant program pipeline, and has not been expended yet at the state or local level. The lack of advance planning by state and local governments for use of these monies, the lack of specific guidance—or, as described in H.R. 3266, essential capabilities—to assist in formulating procurement and resource allocation priorities, and confusion at all levels of government regarding grant requirements, timelines, use of funds, and DHS application and obligation procedures each has contributed to the bottleneck in state and local spending for terrorism preparedness. This section sets out definitive uses of grant funds, and establishes specific timelines for the expenditure of grant funds, along with reporting requirements for DHS and both state and regional grant recipients.

This section provides that a covered grant may be used for appropriate activities as determined by the Secretary of DHS, including specifically the following: purchasing and upgrading of equipment (including computer software); exercises and training; developing or updating response plans; establishing or enhancing mechanisms for information sharing; systems architecture and engineering, program planning and management, and product evaluation; personnel costs directly attributable to elevations in the threat alert level of the Homeland Security Advisory System; classified information receipt and storage costs; upgrading operation centers and hardening critical infrastructures; costs associated with the purchase of commercially available equipment that complies with national voluntary consensus standards and that facilitates interoperability of emergency communications; developing educational curricula for first responders to ensure their preparedness for terrorist attacks; and training and exercises to assist public elementary and secondary schools develop terrorism preparedness programs.

A covered grant, however, may not be used: to supplant state or local funds for, or otherwise support, traditional missions of State and local law enforcement, firefighters, emergency medical services, or public health agencies (unless such support serves a dual purpose and the funds are primarily intended to enhance terrorism preparedness); to construct buildings or other physical facilities; to acquire land; or to alleviate any state or local government cost

sharing contribution.

This section also requires that state recipients of covered grants pass-through eighty (80) percent of their funds to local governments, first responders, and other local groups not later than forty-five (45) days after their receipt of such funds. State recipients that fail to pass-through these funds may face reduced payments, termination of payments, or other restrictions. Further, upon a specific and detailed showing, the Secretary has authority to re-direct a portion of a delinquent State's grant amount to a local government directly. This section requires that, two years following the enactment of this legislation, all grant recipients—both States and regions—must contribute, or match, at least twenty five (25) percent of the cost of the activities carried out with covered grants. This matching requirement may be satisfied with in-kind contributions of goods or services.

Further, this section requires annual reports to the Secretary by each recipient describing the use of covered grant funds, the achievement of essential capabilities, and remaining needs. It also requires an annual report from the Secretary to the Congress containing nationwide and state-by-state analyses of progress in

achieving preparedness levels.

Section 1806—National Standards for First Responder Equipment and Training

This section adds to the Homeland Security Act of 2002 provisions requiring the Secretary to develop, promulgate, and update as necessary national voluntary consensus standards for first responder equipment and training. With regard to equipment, the standards for the performance, use, and validation should be focused on maximizing interoperability, interchangeability, durability, flexibility, efficiency, portability, and safety. Applicants who seek to purchase or upgrade equipment with covered grants must either buy items that meet these standards or explain why non-standard items will be superior.

The Committee stresses the importance of developing national voluntary consensus standards that are dynamic, and that will encourage a wide variety of creative, private sector-generated solutions to homeland security challenges. Appropriate national voluntary consensus standards will help private sector entities iden-

tify potential markets and their characteristics. To the extent that they do, they can serve as an indirect stimulus to economic growth, while ensuring that first responders get the equipment and training most likely to help them prevent, prepare for, respond to, and mitigate the effects of a terrorist attack.

In addition to the organizations identified in Section 1806(c), the Committee is aware of numerous private and non-profit organizations working with state and local governments to implement first responder equipment and training standards. The DHS Secretary should consult with as many of these organizations as practicable in the development of the national voluntary consensus standards.

### Section 1807—Definitions

Among other definitions, the term "region" is defined to include only those geographic areas consisting of two or more states or local governments that have a combined population of 1,650,000 or have an area of not less than 20,000 square miles. Regions also may be designated by the Secretary with the consent of the State or States in which the local governments that comprise the region are located.

H.R. 3266 also adopts the definition of "emergency response providers" in section 2(6) of the Homeland Security Act as the definition of "first responder." The Committee notes that the definition of "emergency response providers" in the Homeland Security Act includes a reference to "related personnel, agencies, and authorities." That definition is not, therefore, limited to Federal, state, and local governmental entities. The Committee believes and, for purposes of this bill intends, that the "related personnel" language in the definition of "emergency response providers," incorporated into the definition of "first responder" in this bill, includes, among other persons and entities, non-governmental organizations with assigned responsibilities under domestic preparedness and response incident management plans.

# Section 4. Modification of Homeland Security Advisory System

This section directs the Secretary to revise the Homeland Security Advisory System (HSAS) to require that the designation of a threat level or any other warning be issued to specific geographical regions and economic sectors. The Secretary must report annually to the Congress regarding the geographic region-specific or economic-specific warnings issued during the preceding fiscal year.

The Committee observes that, aside from revising the HSAS, attention should be given to emerging technologies that will prove critical to enhancing our notification and alert systems to both the general public and first responders. New digital broadcasting technology, for example, has the potential to provide a secure, time-sensitive communication system for Federal, state and local governments. Specifically, digital broadcast signals may be used to transmit encrypted data to government offices, law enforcement agencies, hospitals, schools, businesses, and private residences. Since such signals are transmitted wirelessly and in unique bands of spectrum, downed telephone lines, clogged cellular services, and even Internet hackers pose less of a risk of disruption to such services during emergencies. Digital broadcasting also is becoming ubiquitous. Public television stations nationwide are in the process

of converting to digital broadcast signals that, when fully implemented, could reach ninety-nine (99) percent of American households, according to some estimates. Thus, the Committee encourages DHS to consider whether this technology may be helpful in providing training and alerts for citizens and first responders at the state and local levels, and in supplementing emergency alert systems.

### Section 5. Coordination of Industry Efforts

This section adds to the duties of the Special Assistant to the Secretary for private sector liaison the responsibility to coordinate industry efforts to identify private sector resources that could effectively supplement Federal, state, and local government efforts to prevent or respond to terrorist attacks.

### Section 6. Superseded Provision

This section provides that this Act supersedes section 1014 of the USA PATRIOT Act (Public Law 107–56) (dealing with allocation of terrorism grant funds).

# Section 7. Sense of Congress Regarding Interoperable Communications

This section states that it is the Sense of the Congress that interoperable emergency communications systems that meet national voluntary consensus standards should be developed and promulgated as soon as practicable for use by first responders.

The Committee also recognizes that it is of vital importance that the first responder community and public safety entities, to the greatest extent possible and as soon as practicable, have interoperable voice and data communication systems and that spectrum allocation and management be improved to assist in achieving this result.

### Section 8. Sense of Congress Regarding Citizen Corps Councils

This section states that it is the Sense of the Congress that individual Citizen Corps Councils should seek to enhance and promote local terrorism preparedness programs by providing funding to as many of their participating local organizations as practicable.

### Section 9. Authorization of Appropriations

This section authorizes to be appropriated to the Secretary for making covered grants the amount of \$3.4 billion for fiscal year 2006.

### Section 10. Study Regarding Nationwide Emergency Notification System

This section directs the Secretary, in consultation with other appropriate Federal agencies, to conduct a study to determine whether it would be cost-effective, efficient, or feasible to establish and implement an emergency telephonic alert notification system.

### CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

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Su	ıbtitle A—	Directorate f		ation Ana s to Inform		frastructur	e Protectio	n;
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203.	Homeland	l Security Ad	lvisory Sy	stem.				
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		TITLE XVIII	I—FUND	ING FOR	FIRST RES	PONDERS	3	
1802 1803 1804 1805 1806 1807	Essentia Task For Covered Use of fur National	nd smarter fil capabilities ree on Essent grant eligibilinds and accill standards fins.  NITIONS.	for first t ial Capal lity and c ountabilit	responders pilities for riteria. rv reauirem	First Respon ents.			
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(6) promoting existing public-private partnerships and developing new public-private partnerships to provide for collabora-

tion and mutual support to address homeland security challenges; [and]

(7) assisting in the development and promotion of private sector best practices to secure critical infrastructure[.]; and

(8) coordinating industry efforts to identify private sector resources and capabilities that could be effective in supplementing Federal, State, and local government agency efforts to prevent or respond to a terrorist attack.

# TITLE II—INFORMATION ANALYSIS AND INFRASTRUCTURE PROTECTION

# Subtitle A—Directorate for Information Analysis and Infrastructure Protection; Access to Information

# SEC. 203. HOMELAND SECURITY ADVISORY SYSTEM.

(a) In General.—The Secretary shall revise the Homeland Security Advisory System referred to in section 201(d)(7) to require that any designation of a threat level or other warning shall be accompanied by a designation of the geographic regions or economic sec-

tors to which the designation applies.

(b) Reports.—The Secretary shall report to the Congress annually by not later than December 31 each year regarding the geographic region-specific warnings and economic sector-specific warnings issued during the preceding fiscal year under the Homeland Security Advisory System referred to in section 201(d)(7), and the bases for such warnings. The report shall be submitted in unclassified form and may, as necessary, include a classified annex.

# TITLE XVIII—FUNDING FOR FIRST RESPONDERS

# SEC. 1801. FASTER AND SMARTER FUNDING FOR FIRST RESPONDERS.

(a) COVERED GRANTS.—This title applies to any grant provided by the Department to States or regions to improve the ability of first responders to prevent, prepare for, respond to, or mitigate threatened or actual terrorist attacks, especially those involving weapons of mass destruction, and including any grant under the following:

(1) State homeland security grant program.—The State Homeland Security Grant Program of the Department, or any

successor to such grant program.

(2) Urban area security initiative.—The Urban Area Security Initiative of the Department, or any successor to such grant program.

(b) Excluded Programs.—This title does not apply to or otherwise affect the following Federal grant programs or any grant under such a program:

(1) Nondepartment programs.—Any Federal grant pro-

gram that is not administered by the Department.

(2) FIRE GRANT PROGRAMS.—The fire grant programs authorized by sections 33 and 34 of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2229, 2229a).

(3) EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE ACCOUNT GRANTS.—The Emergency Management Performance Grant program and the Urban Search and Rescue Grants program authorized by title VI of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5195 et seq.); the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000 (113 Stat. 1047 et seq.); and the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7701 et seq.).

### SEC. 1802. ESSENTIAL CAPABILITIES FOR FIRST RESPONDERS.

(a) Establishment of Essential Capabilities.

(1) In General.—The Secretary shall establish clearly defined essential capabilities for State and local government preparedness for terrorism, in consultation with-

(A) the Task Force on Essential Capabilities for First Re-

sponders established under section 1803;

(B) the Under Secretaries for Emergency Preparedness and Response, Border and Transportation Security, Information Analysis and Infrastructure Protection, and Science and Technology, and the Director of the Office for Domestic Preparedness;

(C) other appropriate Federal agencies;

- (D) State and local first responder agencies and officials;
- (E) groups responsible for setting standards relevant to the first responder community.

(2) DEADLINES.—The Secretary shall—

(A) establish essential capabilities under paragraph (1) within 30 days after receipt of the initial submission of a final report under section 1803(c)(2); and

(B) regularly update such essential capabilities as nec-

essary, but not less than every 3 years.

(3) PROVISION OF ESSENTIAL CAPABILITIES.—The Secretary shall ensure that essential capabilities established under paragraph (1) are provided promptly to the States and to the Congress. The States shall make the essential capabilities available as necessary and appropriate to local governments within their jurisdictions.

(b) Objectives.—The Secretary shall ensure that essential capabilities established under subsection (a)(1) meet the following objec-

tives:

(1) Specificity.—The determination of essential capabilities specifically shall describe the training, planning, personnel, and equipment that different types of communities in the Nation should possess, or to which they should have access, in order to meet the Department's goals for terrorism preparedness based upon(A) the most current risk assessment available by the Directorate for Information Analysis and Infrastructure Protection of the threats of terrorism against the United States; and

(B) the types of threats, vulnerabilities, geography, size, and other factors that the Secretary has determined to be

applicable to each different type of community.

(2) FLEXIBILITY.—The establishment of essential capabilities shall be sufficiently flexible to allow State and local government officials to set priorities based on particular needs, while reaching nationally determined terrorism preparedness levels within a specified time period.

(3) Measurability.—The establishment of essential capabilities shall be designed to enable measurement of progress to-

wards specific terrorism preparedness goals.

- (c) Threats to Be Considered.—

  (1) In General.—In establishing essential capabilities under subsection (a)(1), the Secretary specifically shall consider the variables of threat, vulnerability, and consequences with respect to the Nation's population (including transient commuting and tourist populations) and critical infrastructure. Such consideration shall be based upon the most current risk assessment available by the Directorate for Information Analysis and Infrastructure Protection of the threats of terrorism against the United States.
  - (2) CRITICAL INFRASTRUCTURE SECTORS.—The Secretary specifically shall consider threats of terrorism against the following critical infrastructure sectors in all areas of the Nation, urban and rural:

(A) Agriculture.

- (B) Banking and finance.(C) Chemical industries.
- (D) The defense industrial base.
- (E) Emergency services.
- (F) Energy.
- (G) Food.
- (H) Government.
- (I) Postal and shipping.
- (J) Public health.
- (K) Information and telecommunications networks.
- (L) Transportation.
- (M) Water.

The order in which the critical infrastructure sectors are listed in this paragraph shall not be construed as an order of priority

for consideration of the importance of such sectors.

(3) CONSIDERATION OF ADDITIONAL THREATS.—In establishing essential capabilities under subsection (a)(1), the Secretary shall take into account any other specific threat to a population (including a transient commuting or tourist population) or critical infrastructure sector that the Secretary has determined to exist.

### SEC. 1803. TASK FORCE ON ESSENTIAL CAPABILITIES FOR FIRST RE-SPONDERS.

(a) ESTABLISHMENT.—To assist the Secretary in establishing essential capabilities under section 1802(a)(1), the Secretary shall establish an advisory body to be known as the Task Force on Essential capabilities.

tial Capabilities for First Responders not later than 60 days after the date of the enactment of this section.

(b) Draft Report.—

(1) In General.—The Task Force shall submit to the Secretary, not later than one year after its establishment by the Secretary under subsection (a) and every 3 years thereafter, a draft report on its recommendations for the essential capabilities all State and local government first responders should possess, or to which they should have access, to enhance terrorism preparedness, including—

(A) to prevent a terrorist attack;

- (B) to protect persons and critical infrastructure against attack; and
- (C) to enhance terrorism response and mitigation capabilities if such an attack occurs.
- (2) Threats to be considered in determining essential capabilities.—
  - (A) IN GENERAL.—In reporting to the Secretary on its recommendations for essential capabilities, the Task Force specifically shall consider the critical infrastructure sectors described in section 1802(c)(2), and the threats to populations in all areas of the Nation, urban and rural, including the following:

(i) Biological threats.

- (ii) Nuclear threats.
- (iii) Radiological threats.
- (iv) Incendiary threats.
- (v) Chemical threats.

(vi) Explosives.

- (vii) Suicide bombers.
- (viii) Cyber threats.

(ix) Any other threats based on proximity to specific past acts of terrorism or the known activity of any terrorist group.

- (B) NO PRIORITY.—The order in which the threats are listed in subparagraph (A) shall not be construed as an order of priority for consideration of the importance of such threats.
- (3) RISK-BASED.—The draft report shall be based upon the most current risk assessment available by the Directorate for Information Analysis and Infrastructure Protection of the threats of terrorism against the United States provided to the Task Force pursuant to subsection (d).

(4) Contents.—The draft report shall—

(A) include a priority ranking of essential capabilities, in order to provide guidance to the Secretary and to the Congress on determining the appropriate allocation of, and funding levels for, first responder needs;

(B) set forth a methodology by which any State or local government will be able to determine the extent to which it possesses or has access to the essential capabilities that States and local governments having similar risks should obtain:

(C) describe the availability of national voluntary consensus standards, and whether there is a need for new national voluntary consensus standards, with respect to first responder training and equipment;

(D) include such additional matters as the Secretary may specify in order to further the terrorism preparedness capa-

bilities of first responders; and

(E) include such revisions to the contents of past reports as are necessary to take into account changes in the most current risk assessment available by the Directorate for Information Analysis and Infrastructure Protection or other relevant information as determined by the Secretary.

(c) Review and Revision of Draft Report.—

(1) REVIEW AND COMMENTS.—Within 30 days after the date of the submission of the draft report by the Task Force under subsection (b), the Secretary shall review and provide comments to the Task Force on the contents of the draft report.

(2) REVISION AND SUBMISSION OF FINAL REPORT.—Within 30 days after receiving the Secretary's comments, the Task Force

shall—

(A) revise its draft report based on the comments provided by the Secretary, and any other comments it has solicited and received, if the Task Force determines that such revisions are appropriate; and

(B) submit the final report on essential capabilities to the

Secretary and to the Congress.

(d) Task Force Access to Information.—

(1) Security clearances.—For purposes of carrying out its responsibilities under this section, the Task Force shall be provided as a matter of priority appropriate security clearances, in-

cluding interim security clearances.

(2) Access to finished intelligence.—For purposes of carrying out its responsibilities under this section, the Task Force shall be provided access to all finished intelligence and analytic products it may request from the Directorate for Information Analysis and Infrastructure Protection or other sources within the Department concerning the nature and likelihood of terrorist attacks on the territory of the United States.

(3) Access to assessment tools.—For purposes of carrying out its responsibilities under this section, the Task Force shall be provided access to all tools or methodologies currently or formerly used by the Department and its predecessor organizations to assess the preparedness capabilities of State and local gov-

ernments.

- (4) Valid Clearances.—Nothing in this section shall be considered to authorize a member of the Task Force to have access to classified information unless that member possesses a valid clearance to receive such information.
- (e) MEMBERSHIP.—
  - (1) In general.—The Task Force shall consist of 25 members appointed by the Secretary, and shall—
    - (A) represent a cross section of first responder disciplines;
    - (B) include both State and local representatives within each discipline.
  - (2) TERM OF MEMBERS.—Each appointed member of the Task Force shall serve for a term not to exceed 18 months. No indi-

vidual may be appointed as a member of the Task Force for more than 2 terms.

(3) Selection of members.—The Secretary shall include in

the membership of the Task Force-

(A) members selected from the emergency response field, including firefighters and law enforcement, hazardous materials response, emergency medical services, and emergency management personnel (including public works personnel routinely engaged in emergency response);

(B) health scientists, emergency and inpatient medical providers, and public health professionals, including experts in emergency health care response to chemical, biological, radiological, and nuclear terrorism, and experts in providing mental health care during emergency response

operations:

(C) experts from Federal, State, and local governments, and the private sector, representing standards-setting organizations, including representation from the voluntary consensus codes and standards development community, particularly those with expertise in firefighting, law enforcement, and emergency medical services delivery; and

(D) State and local officials with expertise in terrorism preparedness, subject to the condition that if any such officials are elected officials, an equal number shall be selected

from each of the two major political parties.

(4) Ex officio members.—The Secretary shall designate one or more officers of the Department to serve as ex officio members of the Task Force, one of whom shall be the designated officer of the Federal Government for purposes of subsection (e) of section 10 of the Federal Advisory Committee Act.

(5) DIVERSITY IN COMPOSITION OF TASK FORCE.—In appointing members to the Task Force, the Secretary shall ensure, to

the extent practicable, that its membership-

(A) is geographically diverse;

- (B) includes representatives from both rural and urban jurisdictions;
- (C) includes representatives from both management and labor;
- (D) includes representatives from both uniformed and nonuniformed professions;
- (E) includes representatives from both voluntary and professional services;

(F) includes representatives from both government and

nongovernment emergency medical services; and

- (G) includes sufficient personnel with security clearances necessary to review classified materials that may be needed to conduct the business of the Task Force.
- (6) Chair.—At the first meeting of the Task Force, the membership of the Task Force appointed under paragraph (3) shall elect a chair of the Task Force.

  (f) MEETINGS.—The Task Force shall meet as often as necessary
- to complete reports in accordance with this section.

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(1) In general.—Members of the Task Force shall serve without pay by reason of their work on the Task Force.

(2) FEDERAL OFFICERS AND EMPLOYEES.—Members of the Task Force who are officers or employees of the United States shall receive no additional pay by reason of their service as a

member of the Task Force.

(h) TRAVEL EXPENSES.—Members of the Task Force shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Task Force.

(i) SERVICES, FUNDS, AND STAFF.—The Secretary shall provide to the Task Force, on a non-reimbursable basis, such administrative services, funds, staff, facilities, and other support services as the Secretary determines necessary, in consultation with the chair of the Task Force, for the Task Force to perform its duties efficiently and

in accordance with this section.

(j) Details.—Upon the request of the Task Force, the Secretary may detail, without reimbursement, any personnel of the Department to assist the Task Force in carrying out its duties. Any such detail of an employee shall be without interruption or loss of civil service status or privilege.

(k) APPLICABILITY OF FEDERAL ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act (5 U.S.C. App.), including subsections (a), (b), and (d) of section 10 of such Act, and section 552b(c) of title 5, United States Code, shall apply to the Task Force.

## SEC. 1804. COVERED GRANT ELIGIBILITY AND CRITERIA.

(a) Grant Eligibility.—Any State or region shall be eligible to

apply for a covered grant.

(b) Grant Criteria.—In awarding covered grants, the Secretary shall assist States and local governments in achieving the essential capabilities for first responders established by the Secretary under section 1802.

# (c) State Homeland Security Plans.—

- (1) Submission of plans.—The Secretary shall require that any State applying to the Secretary for a covered grant must submit to the Secretary a 3-year State homeland security plan that—
  - (A) demonstrates the extent to which the State has achieved the essential capabilities that apply to the State, and describes the extent to which the State used the methodology developed pursuant to section 1803(b)(4)(B) to evaluate the level of its essential capabilities;

(B) demonstrates the additional needs of the State necessary to achieve the essential capabilities that apply to the

State;

(C) includes a prioritization of such additional needs based on threat, vulnerability, and consequence assessment factors applicable to the State;

(D) describes how the State intends—

(i) to address such additional needs at the city, county, regional State and interests levels

ty, regional, State, and interstate level;

(ii) to use all Federal, State, and local resources available for the purpose of addressing such additional needs; and (iii) to give particular emphasis to regional planning and cooperation, both within its jurisdictional borders

and with neighboring States; and

(E) is developed in consultation with and subject to appropriate comment by local governments within the State.
(2) APPROVAL BY SECRETARY.—The Secretary may not award any covered grant to a State unless the Secretary has approved the applicable State homeland security plan.

(d) CONSISTENCY WITH STATE PLANS.—The Secretary shall ensure that each covered grant is used to supplement and support, in a consistent and coordinated manner, the applicable State homeland security plan or plans.

na security plan or plans.

(e) Application for Grant.—
(1) In General.—Any State or region may apply for a covered

grant by submitting to the Secretary an application at such time, in such manner, and containing such information as is required under this subsection, or as the Secretary may reason-

ably require.

(2) Deadlines for applications for covered grants must be submitted to the Secretary no later than February 15 of the fiscal year for which they are submitted. The Secretary shall award covered grants pursuant to all approved applications for such fiscal year as soon as practicable, but not later than July 31 of such year.

(3) AVAILABILITY OF FUNDS.—All funds awarded by the Secretary under covered grants in a fiscal year shall be available for obligation through the end of the subsequent fiscal year.

(4) Minimum Contents of Application.—The Secretary shall require that each applicant include in its application, at a minimum—

(A) the purpose for which the applicant seeks covered grant funds and the reasons why the applicant needs the covered grant to meet the essential capabilities for terrorism preparedness within the State or region to which the application pertains;

(B) a description of how, by reference to the applicable State homeland security plan or plans under subsection (c), the allocation of grant funding proposed in the application, including, where applicable, the amount not passed through under section 1805(e)(1), would assist in fulfilling the essential capabilities specified in such plan or plans;

(C) a statement of whether a mutual aid agreement applies to the use of all or any portion of the covered grant

funds;

(D) if the applicant is a region—

(i) a precise geographical description of the region and a specification of all participating and nonparticipating local governments within the geographical area comprising that region;

(ii) a specification of what governmental entity within the region will administer the expenditure of funds

under the covered grant; and

(iii) a designation of a specific individual to serve as regional liaison;

(E) a capital budget showing how the applicant intends to allocate and expend the covered grant funds; and

(F) a statement of how the applicant intends to meet the matching requirement, if any, that applies under section 1805(e)(2).

(5) REGIONAL APPLICATIONS.—

(A) Submission to state or states.—To ensure the consistency required under subsection (d), an applicant that is a region must simultaneously submit its application to the Department and to each State of which any part is in-

cluded in the region.

(B) OPPORTUNITY FOR STATE COMMENT.—Before awarding any covered grant to a region, the Secretary shall provide an opportunity to each State of which any part is included in a region, during the 30-day period beginning on the date on which the region submits an application for a covered grant, to comment to the Secretary on the consistency of the region's plan with the State's homeland security plan.

(C) Final authority.—The Secretary shall have final authority to determine the consistency of any regional application with the applicable State homeland security plan or plans and approve any regional application. The Secretary shall notify each State of which any part is included in a region of the approval of a regional application for

that region.

(D) REGIONAL LIAISONS.—A regional liaison designated

under paragraph (4)(D)(iii) shall—

(i) coordinate with Federal, State, local, regional, and private officials within the region concerning ter-

rorism preparedness;

(ii) develop a process for receiving input from Federal, State, local, regional, and private sector officials within the region to assist in the development of the regional application and to improve the region's access to covered grants; and

(iii) administer, in consultation with State, local, regional, and private officials within the region, covered

grants awarded to the region.

(6) Equipment standards.—If an applicant for a covered grant proposes to upgrade or purchase, with assistance provided under the grant, new equipment or systems that do not meet or exceed any applicable national voluntary consensus standards established by the Secretary under section 1806(a), the applicant shall include in the application an explanation of why such equipment or systems will serve the needs of the applicant better than equipment or systems that meet or exceed such standards.

(f) First Responder Grants Board.—

(1) ESTABLISHMENT OF BOARD.—The Secretary shall establish a First Responder Grants Board, consisting of—

(A) the Secretary;

(B) the Under Secretary for Emergency Preparedness and Response;

(C) the Under Secretary for Border and Transportation Security;

(D) the Under Secretary for Information Analysis and In-

frastructure Protection;

(E) the Under Secretary for Science and Technology; and (F) the Director of the Office for Domestic Preparedness.

(2) CHAIRMAN.—

(A) IN GENERAL.—The Secretary shall be the Chairman

of the Board.

(B) Exercise of authorities by deputy secretary.— The Deputy Secretary of Homeland Security may exercise the authorities of the Chairman, if the Secretary so directs.

(3) Ranking of grant applications.—

(A) PRIORITIZATION OF GRANTS.—The Board shall evaluate and annually prioritize all pending applications for covered grants based upon the degree to which they would lessen the threat to, vulnerability of, and consequences for persons and critical infrastructure.

(B) ACHIEVING NATIONWIDE CAPABILITY.—In evaluating and prioritizing grant applications under subparagraph

(A), the Board shall—

(i) seek to achieve and enhance essential capabilities

throughout the Nation; and

(ii) seek to allocate a portion of the funds available for covered grants each fiscal year for the purpose of making covered grants to each approved applicant that the Board determines has demonstrated a valid need in its application.

(4) FUNCTIONS OF UNDER SECRETARIES.—The Under Secretaries referred to in paragraph (1) shall seek to ensure that the relevant expertise and input of the staff of their directorates are

available to and considered by the Board.

#### SEC. 1805. USE OF FUNDS AND ACCOUNTABILITY REQUIREMENTS.

(a) In General.—A covered grant may be used for—

(1) purchasing or upgrading equipment, including computer software, to enhance terrorism preparedness and response;

(2) exercises to strengthen terrorism preparedness and re-

sponse:

(3) training for prevention (including detection) of, preparedness for, or response to attacks involving weapons of mass destruction, including training in the use of equipment and computer software;

(4) developing or updating response plans;

(5) establishing or enhancing mechanisms for sharing ter-

rorism threat information pursuant to this Act;

(6) systems architecture and engineering, program planning and management, strategy formulation and strategic planning, life-cycle systems design, product and technology evaluation, and prototype development for terrorism preparedness and response purposes;

(7) additional personnel costs resulting from—

(A) elevations in the threat alert level of the Homeland

Security Advisory System;

(B) travel to and participation in exercises and training in the use of equipment and on prevention activities; and (C) the temporary replacement of personnel during any period of travel to and participation in exercises and training in the use of equipment and on prevention activities;

(8) the costs of equipment (including software) required to re-

ceive, transmit, handle, and store classified information;

(9) enhancing facilities to serve as operations centers, or hardening critical infrastructure against potential attack by the

addition of barriers, fences, gates, and other such devices;

(10) the costs of commercially available equipment that complies with, where applicable, national voluntary consensus standards, and that facilitates interoperability, coordination, and integration between emergency communications systems, including—

(A) mobile vehicles that contain equipment such as commercial telephone trunk lines, VHF and UHF radios, patch panels, and crosspatches, among other technologies and

equipment; and

(B) communications system overlay software and hardware that allow multiple disparate communications networks to act as one network;

(11) educational curricula development for first responders to

ensure that they are prepared for terrorist attacks;

(12) training and exercises to assist public elementary and secondary schools in developing and implementing programs to instruct students regarding age-appropriate skills to prepare for and respond to an act of terrorism; and

(13) other appropriate activities as determined by the Sec-

(b) Prohibited Uses.—Funds provided as a covered grant may not be used—

(1) to supplant State or local funds for, or otherwise support, traditional missions of State and local law enforcement, firefighters, emergency medical services, or public health agencies, unless such support serves a dual purpose and the funds are primarily intended to enhance terrorism preparedness;

(2) to construct buildings or other physical facilities;

(3) to acquire land; or

(4) for any State or local government cost sharing contribution.

(c) ASSISTANCE REQUIREMENT.—The Secretary may not request that equipment paid for, wholly or in part, with funds provided as a covered grant be made available for responding to emergencies in surrounding States, regions, and localities, unless the Secretary undertakes to pay the costs directly attributable to transporting and operating such equipment during such response.

(d) FLEXIBILITY IN UNSPENT HOMELAND SECURITY GRANT FUNDS.—Upon request by the recipient of a covered grant, the Secretary may authorize the grantee to transfer all or part of funds provided as the covered grant from uses specified in the grant agreement to other uses authorized under this section, if the Secretary determines that such transfer is in the interests of homeland security.

(e) STATE AND REGIONAL RESPONSIBILITIES.—
(1) PASS-THROUGH.—The Secretary shall require a recipient of a covered grant that is a State to obligate or otherwise make available to local governments, first responders, and other local

groups, to the extent required under the State homeland security plan or plans specified in the application for the grant, not less than 80 percent of the grant funds, resources purchased with the grant funds having a value equal to at least 80 percent of the amount of the grant, or a combination thereof, by not later than the end of the 45-day period beginning on the date the grant recipient receives the grant funds.

(2) Cost sharing.—

(A) In General.—The Federal share of the costs of an activity carried out with a covered grant to a State or region awarded after the 2-year period beginning on the date of the enactment of this section shall not exceed 75 percent.

(B) Interim Rule.—The Federal share of the costs of an activity carried out with a covered grant awarded before the end of the 2-year period beginning on the date of the

enactment of this section shall be 100 percent.

(C) IN-KIND MATCHING.—Each recipient of a covered grant may meet the matching requirement under subparagraph (A) by making in-kind contributions of goods or services that are directly linked with the purpose for which the grant is made, including, but not limited to, any necessary personnel overtime, contractor services, administrative costs, equipment fuel and maintenance, and rental space.

(3) CERTIFICATIONS REGARDING DISTRIBUTION OF GRANT FUNDS TO LOCAL GOVERNMENTS.—Any State that receives a covered grant shall certify to the Secretary, by not later than 30 days after the expiration of the period described in paragraph (1) with respect to the grant, that the State has made available for expenditure by local governments, first responders, and other local groups the required amount of grant funds pursuant to paragraph (1).

(4) REPORT ON HOMELAND SECURITY SPENDING.—Each recipient of a covered grant shall submit a report to the Secretary not later than 60 days after the end of each fiscal year. Each recipient of a covered grant that is a region must simultaneously submit its report to each State of which any part is included in the

region. Each report must include the following:

(A) The amount, ultimate recipients, and dates of receipt of all funds received under the grant during the previous fiscal year.

- (B) The amount and the dates of disbursements of all such funds expended in compliance with paragraph (1) or pursuant to mutual aid agreements or other sharing arrangements that apply within the State or region, as applicable, during the previous fiscal year.
- (C) How the funds were utilized by each ultimate recipient or beneficiary during the preceding fiscal year.

(D) The extent to which essential capabilities identified in the applicable State homeland security plan or plans were achieved or enhanced as the result of the expenditure of grant funds during the preceding fiscal year.

(E) The extent to which essential capabilities identified in the applicable State homeland security plan or plans re-

main unmet.

(5) Inclusion of restricted annexes.—A recipient of a covered grant may submit to the Secretary an annex to the report under paragraph (4) that is subject to appropriate handling restrictions, if the recipient believes that discussion in the report of unmet needs would reveal sensitive but unclassified information.

(6) Provision of Reports.—The Secretary shall ensure that each report under paragraph (4) is provided to the Under Secretary for Emergency Preparedness and Response and the Director of the Office for Domestic Preparedness.

(f) INCENTIVES TO EFFICIENT ADMINISTRATION OF HOMELAND SE-

CURITY GRANTS.—

(1) PENALTIES FOR DELAY IN PASSING THROUGH LOCAL SHARE.—If a recipient of a covered grant that is a State fails to pass through to local governments, first responders, and other local groups funds or resources required by subsection (e)(1) within 45 days after receiving funds under the grant, the Secretary may—

(A) reduce grant payments to the grant recipient from the portion of grant funds that is not required to be passed

through under subsection (e)(1);

(B) terminate payment of funds under the grant to the recipient, and transfer the appropriate portion of those funds directly to local first responders that were intended to receive funding under that grant; or

(C) impose additional restrictions or burdens on the recipient's use of funds under the grant, which may include—

(i) prohibiting use of such funds to pay the grant recipient's grant-related overtime or other expenses;

(ii) requiring the grant recipient to distribute to local government beneficiaries all or a portion of grant funds that are not required to be passed through under subsection (e)(1); or

(iii) for each day that the grant recipient fails to pass through funds or resources in accordance with subsection (e)(1), reducing grant payments to the grant recipient from the portion of grant funds that is not required to be passed through under subsection (e)(1), except that the total amount of such reduction may not exceed 20 percent of the total amount of the grant.

(2) Extension of period.—The Governor of a State may request in writing that the Secretary extend the 45-day period under paragraph (1) for an additional 15-day period. The Secretary may approve such a request, and may extend such period for additional 15-day periods, if the Secretary determines that the resulting delay in providing grant funding to the local government entities that will receive funding under the grant will not have a significant detrimental impact on such entities' terrorism preparedness efforts.

(3) Provision of Non-local share to local government.—

(A) In General.—The Secretary may upon request by a local government pay to the local government a portion of the amount of a covered grant awarded to a State in which the local government is located, if—

(i) the local government will use the amount paid to expedite planned enhancements to its terrorism preparedness as described in any applicable State homeland security plan or plans;

(ii) the State has failed to pass through funds or re-

sources in accordance with subsection (e)(1); and

(iii) the local government complies with subparagraphs (B) and (C).

(B) Showing required.—To receive a payment under this paragraph, a local government must demonstrate that-

(i) it is identified explicitly as an ultimate recipient or intended beneficiary in the approved grant applica-

(ii) it was intended by the grantee to receive a severable portion of the overall grant for a specific purpose

that is identified in the grant application;
(iii) it petitioned the grantee for the funds or resources after expiration of the period within which the funds or resources were required to be passed through under subsection (e)(1); and

(iv) it did not receive the portion of the overall grant that was earmarked or designated for its use or benefit.

(C) Effect of payment of grant funds to a local government under this paragraph-

(i) shall not affect any payment to another local gov-

ernment under this paragraph; and

(ii) shall not prejudice consideration of a request for payment under this paragraph that is submitted by another local government.

(D) DEADLINE FOR ACTION BY SECRETARY.—The Secretary shall approve or disapprove each request for payment under this paragraph by not later than 15 days after the date the request is received by the Department.

(g) Reports to Congress.—The Secretary shall submit an annual report to the Congress by December 31 of each year—
(1) describing in detail the amount of Federal funds provided as covered grants that were directed to each State and region in the preceding fiscal year;

(2) containing information on the use of such grant funds by

grantees; and

(3) describing, on a nationwide and State-by-State basis—

(A) the extent to which essential capabilities identified in applicable State homeland security plan or plans were created or enhanced as the result of the expenditure of covered grant funds during the preceding fiscal year;
(B) the extent to which essential capabilities identified in

applicable State homeland security plan or plans remain

unmet; and

(C) an estimate of the amount of Federal, State, and local expenditures required to attain across the United States the essential capabilities established under section 1802(a).

#### SEC. 1806. NATIONAL STANDARDS FOR FIRST RESPONDER EQUIPMENT AND TRAINING.

(a) Equipment Standards.—

- (1) In General.—The Secretary, in consultation with the Under Secretary for Science and Technology and the Director of the Office for Domestic Preparedness, shall, not later than 6 months after the date of enactment of this section, support the development of, promulgate, and update as necessary national voluntary consensus standards for the performance, use, and validation of first responder equipment for purposes of section 1804(e)(6). Such standards—
  - (A) shall be, to the maximum extent practicable, consistent with any existing voluntary consensus standards;
  - (B) shall take into account, as appropriate, new types of terrorism threats that may not have been contemplated when such existing standards were developed; and

(C) shall be focused on maximizing interoperability, interchangeability, durability, flexibility, efficiency, efficacy, portability, questionability, and effects.

portability, sustainability, and safety.

(2) REQUIRED CATEGORIES.—In carrying out paragraph (1), the Secretary shall specifically consider the following categories of first responder equipment:

(A) Thermal imaging equipment.

- (B) Radiation detection and analysis equipment.
- (C) Biological detection and analysis equipment. (D) Chemical detection and analysis equipment.

(E) Decontamination and sterilization equipment.

(F) Personal protective equipment, including garments, boots, gloves, and hoods and other protective clothing.

(G) Respiratory protection equipment.

- (H) Interoperable communications, including wireless and wireline voice, video, and data networks.
- (I) Explosive mitigation devices and explosive detection and analysis equipment.

(J) Containment vessels.

- (K) Contaminant-resistant vehicles.
- (L) Such other equipment for which the Secretary determines that national voluntary consensus standards would be appropriate.

(b) Training Standards.—

- (1) In General.—The Secretary, in consultation with the Under Secretaries for Emergency Preparedness and Response and Science and Technology and the Director of the Office for Domestic Preparedness, shall support the development of, promulgate, and regularly update as necessary national voluntary consensus standards for first responder training carried out with amounts provided under covered grant programs, that will enable State and local government first responders to achieve optimal levels of terrorism preparedness as quickly as practicable. Such standards shall give priority to providing training to—
  - (A) enable first responders to prevent, prepare for, respond to, and mitigate terrorist threats, including threats from chemical, biological, nuclear, and radiological weapons and explosive devices capable of inflicting significant human casualties; and

(B) familiarize first responders with the proper use of equipment, including software, developed pursuant to the standards established under subsection (a).

(2) REQUIRED CATEGORIES.—In carrying out paragraph (1), the Secretary specifically shall include the following categories of first responder activities:

(A) Regional planning. (B) Joint exercises.

(C) Intelligence collection, analysis, and sharing.

(D) Emergency notification of affected populations.(E) Detection of biological, nuclear, radiological, and chemical weapons of mass destruction.

(F) Such other activities for which the Secretary determines that national voluntary consensus training stand-

ards would be appropriate.

(c) Consultation With Standards Organizations.—In establishing national voluntary consensus standards for first responder equipment and training under this section, the Secretary shall consult with relevant public and private sector groups, including-

(1) the National Institute of Standards and Technology;

(2) the National Fire Protection Association;

- (3) the National Association of County and City Health Officials;
  - (4) the Association of State and Territorial Health Officials;

(5) the American National Standards Institute;

- (6) the National Institute of Justice;(7) the Inter-Agency Board for Equipment Standardization and Interoperability;
- (8) the National Public Health Performance Standards Pro-
  - (9) the National Institute for Occupational Safety and Health;

(10) ASTM International; and

(11) to the extent the Secretary considers appropriate, other national voluntary consensus standards development organizations, other interested Federal, State, and local agencies, and other interested persons.

### SEC. 1807. DEFINITIONS.

In this title:

(1) BOARD.—The term "Board" means the First Responder Grants Board established under section 1804(f).
(2) COVERED GRANT.—The term "covered grant" means any

grant to which this title applies under section 1801.

(3) Elevations in the threat alert level.—The term "elevations in the threat alert level" means any designation (including those that are less than national in scope) that raises the homeland security threat level to either the highest or second highest threat level under the Homeland Security Advisory Sys-

tem referred to in section 201(d)(7).

(4) ESSENTIAL CAPABILITIES.—The term "essential capabilities" means the levels, availability, and competence of emergency personnel, planning, training, and equipment across a variety of disciplines needed to effectively and efficiently prevent, prepare for, and respond to acts of terrorism consistent

with established practices.

(5) Region.— $\hat{T}$ he term "region" means—

(A) any geographic area consisting of all or parts of 2 or more contiguous States, counties, municipalities, or other local governments that have a combined population of at least 1,650,000 or have an area of not less than 20,000 square miles, and that, for purposes of an application for a covered grant, is represented by 1 or more governments or governmental agencies within such geographic area, and that is established by law or by agreement of 2 or more such governments or governmental agencies in a mutual aid agreement; or

(B) any other combination of contiguous local government units (including such a combination established by law or agreement of two or more governments or governmental agencies in a mutual aid agreement) that is formally certified by the Secretary as a region for purposes of this Act

with the consent of—

(i) the State or States in which they are located, including a multi-State entity established by a compact between two or more States; and

(ii) the incorporated municipalities, counties, and

parishes which they encompass.

(6) Task force.—The term "Task Force" means the Task Force on Essential Capabilities for First Responders established under section 1803.

(7) FIRST RESPONDER.—The term "first responder" shall have the same meaning as the term "emergency response provider".

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