

DHS STOP ASSET AND VEHICLE EXCESS ACT

APRIL 14, 2016.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. MCCAUL, from the Committee on Homeland Security, submitted the following

R E P O R T

[To accompany H.R. 4785]

[Including cost estimate of the Congressional Budget Office]

The Committee on Homeland Security, to whom was referred the bill (H.R. 4785) to amend the Homeland Security Act of 2002 to direct the Under Secretary for Management of the Department of Homeland Security to make certain improvements in managing the Department’s vehicle fleet, 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.**

This Act may be cited as the “DHS Stop Asset and Vehicle Excess Act” or the “DHS SAVE Act”.

**SEC. 2. DHS VEHICLE FLEETS.**

Section 701 of the Homeland Security Act of 2002 (6 U.S.C. 341) is amended—

(1) in subsection (a)(5), by inserting “vehicle fleets (under subsection (c))” after “equipment,”;

(2) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively; and

(3) by inserting after subsection (b) the following new subsection:

“(c) VEHICLE FLEETS.—

“(1) IN GENERAL.—In carrying out responsibilities regarding vehicle fleets pursuant to subsection (a)(5), the Under Secretary for Management shall be responsible for overseeing and managing vehicle fleets throughout the Department. The Under Secretary shall also be responsible for the following:

“(A) Ensuring that components are in compliance with Federal law, Federal regulations, executive branch guidance, and Department policy (including issuing guidance relating to such) relating to fleet management and use of vehicles from home to work.

“(B) Developing and distributing a standardized vehicle allocation methodology and fleet management plan for components to use to determine optimal fleet size in accordance with paragraph (4).

“(C) Ensuring that components formally document fleet management decisions.

“(D) Approving component fleet management plans, vehicle leases, and vehicle acquisitions.

“(2) COMPONENT RESPONSIBILITIES.—

“(A) IN GENERAL.—Component heads—

“(i) shall—

“(I) comply with Federal law, Federal regulations, executive branch guidance, and Department policy (including guidance relating to such) relating to fleet management and use of vehicles from home to work;

“(II) ensure that data related to fleet management is accurate and reliable;

“(III) use such data to develop a vehicle allocation tool derived by using the standardized vehicle allocation methodology provided by the Under Secretary for Management to determine the optimal fleet size for the next fiscal year and a fleet management plan; and

“(IV) use vehicle allocation methodologies and fleet management plans to develop annual requests for funding to support vehicle fleets pursuant to paragraph (6); and

“(ii) may not, except as provided in subparagraph (B), lease or acquire new vehicles or replace existing vehicles without prior approval from the Under Secretary for Management pursuant to paragraph (5)(B).

“(B) EXCEPTION REGARDING CERTAIN LEASING AND ACQUISITIONS.—If exigent circumstances warrant such, a component head may lease or acquire a new vehicle or replace an existing vehicle without prior approval from the Under Secretary for Management. If under exigent circumstances a component head so leases, acquires, or replaces a vehicle, such component head shall provide to the Under Secretary an explanation of such circumstances.

“(3) ONGOING OVERSIGHT.—

“(A) QUARTERLY MONITORING.—In accordance with paragraph (4), the Under Secretary for Management shall collect, on a quarterly basis, information regarding component vehicle fleets, including information on fleet size, composition, cost, and vehicle utilization.

“(B) AUTOMATED INFORMATION.—The Under Secretary for Management shall seek to achieve a capability to collect, on a quarterly basis, automated information regarding component vehicle fleets, including the number of trips, miles driven, hours and days used, and the associated costs of such mileage for leased vehicles.

“(C) MONITORING.—The Under Secretary for Management shall track and monitor component information provided pursuant to subparagraph (A) and, as appropriate, subparagraph (B), to ensure that component vehicle fleets are the optimal fleet size and cost effective. The Under Secretary shall use such information to inform the annual component fleet analyses referred to in paragraph (4).

“(4) ANNUAL REVIEW OF COMPONENT FLEET ANALYSES.—

“(A) IN GENERAL.—To determine the optimal fleet size and associated resources needed for each fiscal year beginning with fiscal year 2018, component heads shall annually submit to the Under Secretary for Management a vehicle allocation tool and fleet management plan using information described in paragraph (3)(A). Such tools and plans may be submitted in classified form if a component head determines that such is necessary to protect operations or mission requirements.

“(B) VEHICLE ALLOCATION TOOL.—Component heads develop a vehicle allocation tool in accordance with subclause (III) of paragraph (2)(A)(i) that includes an analysis of the following:

“(i) Vehicle utilization data, including the number of trips, miles driven, hours and days used, and the associated costs of such mileage for leased vehicles, in accordance with such paragraph.

“(ii) The role of vehicle fleets in supporting mission requirements for each component.

“(iii) Any other information determined relevant by such component heads.

“(C) FLEET MANAGEMENT PLANS.—Component heads shall use information described in subparagraph (B) to develop a fleet management plan for each such component. Such fleet management plans shall include the following:

“(i) A plan for how each such component may achieve optimal fleet size determined by the vehicle allocation tool required under such subparagraph, including the elimination of excess vehicles in accordance with paragraph (5), if applicable.

“(ii) A cost benefit analysis supporting such plan.

“(iii) A schedule each such component will follow to obtain optimal fleet size.

“(iv) Any other information determined relevant by component heads.

“(D) REVIEW.—The Under Secretary for Management shall review and make a determination on the results of each component’s vehicle allocation tool and fleet management plan under this paragraph to ensure each such component’s vehicle fleets are the optimal fleet size and that components are in compliance with applicable Federal law, Federal regulations, executive branch guidance, and Department policy pursuant to paragraph (2) relating to fleet management and use of vehicles from home to work. The Under Secretary shall use such tools and plans when reviewing annual component requests for vehicle fleet funding in accordance with paragraph (6).

“(5) GUIDANCE TO DEVELOP FLEET MANAGEMENT PLANS.—The Under Secretary for Management shall provide guidance, pursuant to paragraph (1)(B) on how component heads may achieve optimal fleet size in accordance with paragraph (4), including processes for the following:

“(A) Leasing or acquiring additional vehicles or replacing existing vehicles, if determined necessary.

“(B) Disposing of excess vehicles that the Under Secretary determines should not be reallocated under subparagraph (C).

“(C) Reallocating excess vehicles to other components that may need temporary or long-term use of additional vehicles.

“(6) ANNUAL REVIEW OF VEHICLE FLEET FUNDING REQUESTS.—As part of the annual budget process, the Under Secretary for Management shall review and make determinations regarding annual component requests for funding for vehicle fleets. If component heads have not taken steps in furtherance of achieving optimal fleet size in the prior fiscal year pursuant to paragraphs (4) and (5), the Under Secretary shall provide rescission recommendations to the Committee on Appropriations and the Committee on Homeland Security of the House of Representatives and the Committee on Appropriations and the Committee on Homeland Security and Governmental Affairs of the Senate regarding such component vehicle fleets.

“(7) ACCOUNTABILITY FOR VEHICLE FLEET MANAGEMENT.—

“(A) PROHIBITION ON CERTAIN NEW VEHICLE LEASES AND ACQUISITIONS.—The Under Secretary for Management and component heads may not approve in any fiscal year beginning with fiscal year 2019 a vehicle lease, acquisition, or replacement request if such component heads did not comply in the prior fiscal year with paragraph (4).

“(B) PROHIBITION ON CERTAIN PERFORMANCE COMPENSATION.—No Department official with vehicle fleet management responsibilities may receive annual performance compensation in pay in any fiscal year beginning with fis-

cal year 2019 if such official did not comply in the prior fiscal year with paragraph (4).

“(C) PROHIBITION ON CERTAIN CAR SERVICES.—Notwithstanding any other provision of law, no senior executive service official of the Department whose office has a vehicle fleet may receive access to a car service in any fiscal year beginning with fiscal year 2019 if such official did not comply in the prior fiscal year with paragraph (4).

“(8) MOTOR POOL.—

“(A) IN GENERAL.—The Under Secretary for Management may determine the feasibility of operating a vehicle motor pool to permit components to share vehicles as necessary to support mission requirements to reduce the number of excess vehicles in the Department.

“(B) REQUIREMENTS.—The determination of feasibility of operating a vehicle motor pool under subparagraph (A) shall—

“(i) include—

“(I) regions in the United States in which multiple components with vehicle fleets are located in proximity to one another, or a significant number of employees with authorization to use vehicles are located; and

“(II) law enforcement vehicles;

“(ii) cover the National Capital Region; and

“(iii) take into account different mission requirements.

“(C) REPORT.—The Secretary shall include in the Department’s next annual performance report required under current law the results of the determination under this paragraph.

“(9) DEFINITIONS.—In this subsection:

“(A) COMPONENT HEAD.—The term ‘component head’ means the head of any component of the Department with a vehicle fleet.

“(B) EXCESS VEHICLE.—The term ‘excess vehicle’ means any vehicle that is not essential to support mission requirements of a component.

“(C) OPTIMAL FLEET SIZE.—The term ‘optimal fleet size’ means, with respect to a particular component, the appropriate number of vehicles to support mission requirements of such component.

“(D) VEHICLE FLEET.—The term ‘vehicle fleet’ means all owned, commercially leased, or Government-leased vehicles of the Department or of a component of the Department, as the case may be, including vehicles used for law enforcement and other purposes.”.

### SEC. 3. GAO REPORT AND INSPECTOR GENERAL REVIEW.

(a) GAO REPORT.—Not later than one year after the date of the enactment of this Act, the Comptroller General of the United States shall submit to the Committee on Homeland Security of the House of Representatives and the Committee on Homeland Security and Governmental Affairs a report on the following:

(1) The status of efforts at achieving a capability to collect automated information as required under subsection (c)(3) of section 701 of the Homeland Security Act of 2002 (6 U.S.C. 341), as added by section 2 of this Act, and any challenges that remain with respect to achieving the capability to collect, assess, and report vehicle fleet (as such term is defined in subsection (c)(9) of such section 701) data for the purpose of determining vehicle utilization.

(2) The extent to which the Under Secretary for Management has identified and addressed any relevant security concerns, including cybersecurity risks, related to such automation.

(3) The extent to which the Under Secretary collects, assesses, and reports on vehicle fleet event data recorder data.

(b) INSPECTOR GENERAL REVIEW.—The Inspector General of the Department of Homeland Security shall—

(1) review implementation of subsection (c)(4) of section 701 of the Homeland Security Act of 2002 (6 U.S.C. 341), as added by section 2 of this Act, for fiscal years 2018 and 2020, and shall provide, upon request, to the Committee on Homeland Security of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate information regarding any such review; and

(2) submit to the committees specified in paragraph (1) a report, not later than six months after completion of the second review required under such paragraph, regarding the effectiveness of such subsection with respect to cost avoidance, savings realized, and component operations.

## PURPOSE AND SUMMARY

H.R. 4785 seeks to improve management of the Department of Homeland Security's (DHS) vehicle fleet by requiring the Under Secretary for Management (USM) to, among other things, provide Departmental components with a standardized vehicle allocation methodology, which components must utilize to develop and inform vehicle allocation tools and fleet management plans, and to oversee decision-making regarding vehicle fleets throughout the Department.

## BACKGROUND AND NEED FOR LEGISLATION

In fiscal year 2014, DHS had the second largest civilian vehicle fleet in the Federal government, owning or leasing roughly 53,000 vehicles that cost approximately \$462 million to operate. The DHS Office of Inspector General (OIG) has issued findings and recommendations to improve the Department's vehicle fleet management. In 2013, the OIG reported that although DHS had attempted to establish policies regarding employees' use of vehicles from home to work, the Department did not adequately monitor or oversee that process.<sup>1</sup> Since neither DHS nor the components tracked, monitored, or reported home-to-work transportation-related activities, the OIG reported that the Department may be limited in its ability to detect waste and abuse.

In 2014, the OIG found that DHS did not effectively manage components' fleet operations because it did not have the necessary authority to oversee them.<sup>2</sup> Since components managed their own fleets and had their own operational budgets, they were able to make independent decisions about their vehicle fleets. According to the OIG, this dynamic has resulted in some components not adhering to Executive Branch or Departmental guidance related to the management of vehicle fleets, which places taxpayer dollars at risk of waste. As a result, the OIG has reported that DHS is unable to ensure that the Department's vehicle fleet is the optimal size or that vehicles are properly justified to support mission needs. Moreover, the OIG reported in 2015 that the USM should ensure that components document fleet management decisions because one particular component, the Federal Protective Service (FPS), made fleet management decisions on an ad hoc basis, which contributed to FPS having more vehicles than officers to operate them.<sup>3</sup> The OIG found that about half of the vehicles in FPS's fleet were underutilized, or had fewer than 12,000 miles. Similarly, according to data provided by DHS to this Committee, nearly two-thirds of the vehicles in the Department's overall fleet were driven fewer than 12,000 miles in fiscal year 2015.

The Committee appreciates the OIG's robust and ongoing oversight of the Department's vehicle fleet and finds DHS's lack of progress in improving fleet management disconcerting. Based on the OIG's body of work, it is clear that significant challenges stand in the way of the Department effectively managing its fleet. In par-

<sup>1</sup> OIG, *DHS Home-to-Work Transportation*, OIG-14-21 (Washington, D.C.: Dec. 20, 2013).

<sup>2</sup> OIG, *DHS Does Not Adequately Manage or Have Enforcement Authority Over Its Components' Vehicle Fleet Operations*, OIG-14-126 (Washington, D.C.: Aug. 21, 2014).

<sup>3</sup> DHS Office of Inspector General, *The FPS Vehicle Fleet Is Not Managed Effectively*, OIG-16-02 (Washington, D.C.: Oct. 21, 2015).

ticular, additional authority for the USM is necessary to enforce Federal laws, Federal regulations, Executive Branch guidance, and Departmental policy with respect to vehicle fleet management. The USM needs the authority to make all final decisions regarding vehicle fleets. Further, it is clear that component heads should be held accountable for their decisions related to fleet management, particularly in light of the significant sums DHS spends on car services for senior executives. According to Department data provided to the Committee, senior executive car services cost headquarters over \$10,000 per person and direct costs for components ranged from over \$2,000 to \$9,600 per person. Given these costs, in addition to the costs DHS incurs to operate its vehicle fleet, the Department must improve its oversight and management of vehicles to safeguard against waste.

This bill contains four specific elements that address significant challenges the Department faces with managing the second largest civilian vehicle fleet in the Federal government. Specifically, this bill establishes: (1) authority at the headquarters level over component vehicle fleets; (2) requirements for components to more rigorously evaluate their fleets on an ongoing basis; (3) penalties if components do not adhere to the requirements of the bill; and (4) a requirement for DHS to identify alternative methods for managing component fleets. It is within this Committee's oversight authority to ensure that the Department provides effective leadership regarding fleet management decisions to ensure that they are appropriate and necessary for the execution of vital missions.

#### HEARINGS

No hearings were held on H.R. 4785. However, the Committee held the following oversight hearings:

The Subcommittee on Oversight and Management Efficiency held a hearing on December 3, 2015, entitled "Driving Away with Taxpayer Dollars: DHS's Failure to Effectively Manage the FPS Vehicle Fleet." The Subcommittee received testimony from Hon. John Roth, Inspector General, Office of Inspector General, U.S. Department of Homeland Security; Mr. L. Eric Patterson, Director, Federal Protective Service, U.S. Department of Homeland Security; and Mr. Thomas Chaleki, Deputy Chief Readiness Support Officer, Management Directorate, U.S. Department of Homeland Security.

#### COMMITTEE CONSIDERATION

The Committee met on March 23, 2016, to consider H.R. 4785, and ordered the measure to be reported to the House with a favorable recommendation, as amended, by unanimous consent. The Committee took the following actions:

The following amendments were offered:

An amendment offered by MR. PERRY (#1); was AGREED TO by unanimous consent.

In section 2, in the proposed subsection (c)(2)(A) of section 701 of the Homeland Security Act of 2002, in the matter preceding clause (i), strike "Each component head" and insert "Component heads".

In section 2, in the proposed subsection (c)(4)(B), in the matter preceding clause (i), strike "Each component head" and insert "Component heads shall".

In section 2, in the proposed subsection (c)(4)(C)(i), strike "obtain".

In section 2, in the proposed subsection (c)(5)(B), strike “in accordance with clause (iii)” and insert “under subparagraph (C)”.

In section 2, in the proposed subsection (c)(9), amend subparagraph (D) entitled “(D) Vehicle Fleet.”;

An amendment offered by Ms. JACKSON LEE (#2); was AGREED TO by unanimous consent.

In section 2, in the proposed subsection (c) of section 701 of the Homeland Security Act of 2002, redesignate paragraph (9) as paragraph (10).

In section 2, in the proposed subsection (c) of such section 701, insert after paragraph (8) a new paragraph entitled “(9) GAO Report.”

An amendment offered by Mrs. WATSON COLEMAN (#3); was AGREED TO by unanimous consent.

Add at the end a new section entitled “Sec. 3. Inspector General Review.”

#### COMMITTEE VOTES

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

No recorded votes were requested during consideration of H.R. 4785.

#### 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.

#### 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. 4785, the DHS Stop Asset and Vehicle Excess Act, would result in no new or increased budget authority, entitlement authority, or tax expenditures or revenues.

#### 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, April 13, 2016.*

Hon. MICHAEL MCCAUL,  
*Chairman, 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. 4785, the DHS Stop Asset and Vehicle Excess Act.

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

Sincerely,

KEITH HALL.

Enclosure.

*H.R. 4785—DHS Stop Asset and Vehicle Excess Act*

H.R. 4785 would direct the Under Secretary of Management for the Department of Homeland Security (DHS) to oversee and manage vehicle fleets throughout the department. Currently, agencies within DHS (such as Customs and Border Protection) largely manage their own fleets. The bill would require the Under Secretary to monitor compliance with federal laws and regulations related to the use of government vehicles, develop a methodology to determine optimal fleet size, and approve vehicle leases and acquisitions. H.R. 4785 also would require DHS agencies to report data on vehicle use quarterly and submit fleet management plans, including cost-benefit analyses, annually to the Under Secretary.

Based on information from DHS, CBO estimates that implementing H.R. 4785 would cost about \$2 million in fiscal year 2017 and about \$1 million annually thereafter, assuming appropriation of the necessary amounts. Most of those funds would cover costs for hiring additional staff for the Under Secretary and for upgrading computer systems. H.R. 4785 could lead to more efficient use of DHS vehicles, but we have no basis for estimating the magnitude or timing of any savings that may result. Because enacting the legislation would not affect direct spending or revenues, pay-as-you-go procedures do not apply.

CBO estimates that enacting H.R. 4785 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

H.R. 4785 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Mark Grabowicz. The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.

## STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of Rule XIII of the Rules of the House of Representatives, H.R. 4785 contains the following general performance goals and objectives, including outcome related goals and objectives authorized.

This bill requires the heads of Department components to formally document fleet management decisions, use fleet management data and other documentation to determine optimal fleet size, and use that information to develop annual funding requests. The bill requires the Department's Under Secretary for Management (USM) to conduct ongoing oversight of component vehicle fleets and, among other things, track and monitor component data to ensure that component fleets are the optimal size and cost effective.

## DUPLICATIVE FEDERAL PROGRAMS

Pursuant to clause 3(c) of Rule XIII, the Committee finds that H.R. 4785 does not contain any provision that establishes or reauthorizes a program known to be duplicative of another Federal program.

CONGRESSIONAL EARMARKS, LIMITED TAX BENEFITS, AND LIMITED  
TARIFF BENEFITS

In compliance with Rule XXI of the Rules of the House of Representatives, this bill, as reported, contains no congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(e), 9(f), or 9(g) of the Rule XXI.

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.

PREEMPTION CLARIFICATION

In compliance with section 423 of the Congressional Budget Act of 1974, requiring the report of any Committee on a bill or joint resolution to include a statement on the extent to which the bill or joint resolution is intended to preempt State, local, or Tribal law, the Committee finds that H.R. 4785 does not preempt any State, local, or Tribal law.

DISCLOSURE OF DIRECTED RULE MAKINGS

The Committee estimates that H.R. 4785 would require no directed rule makings.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

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.*

This section provides that this bill may be cited as the “DHS Stop Asset and Vehicle Excess Act”.

*Sec. 2. DHS Vehicle Fleets.*

Section 2 amends section 701 of the Homeland Security Act of 2002 to add to the responsibilities of the Under Secretary for Management’s (USM) oversight and management of component vehicle fleets throughout the Department.

*(c) Vehicle Fleets.*

*(1) In General.*

Section 2(c) paragraph (1) adds responsibility for overseeing and managing vehicle fleets throughout the Department to the list of core USM responsibilities in statute. This section requires the USM to, among other things, develop and distribute a standardized vehi-

cle allocation methodology, which is an analytical tool used government-wide to identify optimal fleet size, and a fleet management plan, which outlines the specific steps components will take to obtain that optimal fleet size. These steps are important in ensuring that components' fleets are the appropriate size given their mission needs and that component heads make sound decisions. This section charges the USM with approving all component fleet management plans, vehicle leases, and vehicle acquisitions.

*(2) Component Responsibilities.*

Section 2(c) paragraph (2) outlines specific responsibilities for Department components related to vehicle fleet management. This section requires component heads to, among other things, ensure that fleet management data is accurate and reliable and use the data and standardized documentation from the USM to determine their optimal fleet size for the next fiscal year.

It also requires component heads to obtain approval from the USM before leasing or acquiring new vehicles or replacing existing vehicles unless exigent circumstances occur. In those circumstances, however, components must provide an explanation of the reasons for not securing prior approval from the USM. The Committee expects component heads to exercise the provision related to exigent circumstances in this paragraph only in extremely rare instances to meet an urgent operational need when it is not feasible or possible to complete all requirements of the Department's existing process. The Committee expects the USM to provide notification of such exceptions from the standard process to the Committee. The Committee will use such information in its continued oversight efforts and ensure that any exercise of the exception authority is judicious.

*(3) Ongoing Oversight.*

Section 2(c) paragraph (3) requires the USM to collect component fleet data on a quarterly basis, including data on fleet size, composition (e.g. sedans versus sports utility vehicles), cost, and vehicle utilization (e.g. how often and how far vehicles are driven). This paragraph requires that the USM seek to achieve the ability to collect additional component fleet data, including the number of trips taken, miles driven, hours and days used, and the associated costs of mileage for leased vehicles. In 2012, the Department deployed an information system that would allow it to collect this information, but is still working to fully deploy the system to capture certain data elements. The Committee expects the USM to utilize this system to carry out the responsibilities of this paragraph related to automated information. This paragraph also requires the USM to track and monitor component data to ensure that component fleets are the optimal size and cost effective, as well as inform annual component fleet analyses, discussed in paragraph (4).

*(4) Annual Review of Component Fleet Analyses.*

Section 2(c) paragraph (4) requires component heads to submit to the USM a vehicle allocation tool and fleet management plan each year beginning in fiscal year 2018. It also outlines requirements for what should be included in the vehicle allocation tool and fleet management plan. Specifically, the vehicle allocation tool should

include: (1) vehicle utilization data (e.g. number of trips, miles driven, etc.); (2) the role of vehicles in supporting the component's mission requirements; and (3) any other information that the component head deems relevant. The fleet management plan should include: (1) a plan outlining how a component will achieve optimal fleet size, (2) a cost-benefit analysis, (3) a schedule, and (4) any other information that the component head deems relevant.

This paragraph requires the USM to review each component's vehicle allocation tool and fleet management plan to ensure that its fleet reflects the optimal size and it is in compliance with applicable laws, regulations, and policies. It also requires the USM to use that information when reviewing annual requests for vehicle fleet funding.

*(5) Guidance to Develop Fleet Management Plans.*

Section 2(c) paragraph (5) requires the USM to provide guidance that establishes processes for components to use so that they can obtain an optimal fleet size. Specifically, the USM shall provide guidance to components on how they should: (1) lease or acquire additional vehicles or replace existing vehicles, (2) dispose of excess vehicles, and (3) reallocate excess vehicles to other components that may need temporary or long-term use of additional vehicles. The Committee believes that underutilized vehicles should be made available to other components that need them, or appropriately disposed of following the Department's guidance. The Committee expects the USM to provide guidance to component heads on how to transfer underutilized vehicles between components, or dispose of them altogether, potentially saving taxpayer dollars.

*(6) Annual Review of Vehicle Fleet Funding Requests.*

Section 2(c) paragraph (6) requires the USM to review and make determinations on annual component requests for funding for vehicle fleets as part of the annual budget process. If a component head has not taken certain required steps in furtherance of achieving optimal fleet size in the prior fiscal year, the USM is required to provide rescission recommendations regarding such component vehicle fleet to the Committee on Appropriations and the Committee on Homeland Security of the House of Representatives and the Committee on Appropriations and the Committee on Homeland Security and Governmental Affairs of the Senate. The Committee believes that component heads should take seriously their responsibilities to complete the requirements in paragraphs (4) and (5) of this legislation. The Committee acknowledges the potential challenge of developing rescission recommendations absent the required analyses; however, the USM should utilize all available and relevant data to inform such recommendations.

*(7) Accountability for Vehicle Fleet Management.*

Section 2(c) paragraph (7) establishes three penalties that are triggered if a component head does not fulfill the bill's requirements. Specifically, if component heads did not comply with requirements in paragraph (4) (i.e. complete a vehicle allocation tool or fleet management plan) in the prior fiscal year, then:

1. The USM and component heads may not approve a vehicle lease, acquisition, or replacement request beginning in fiscal year 2019;
2. no Department official with vehicle fleet management responsibilities may receive annual performance awards beginning in fiscal year 2019;
3. no Department senior executive service official whose office has a vehicle fleet may receive access to a car service beginning in fiscal year 2019.

Fiscal year 2019 would be the earliest fiscal year where these prohibitions would be applicable, since fiscal year 2018 is the first full fiscal year where the Department and its components would be able to fulfill this bill's requirements. The Committee believes that the second penalty would only apply to those officials with vehicle fleet management responsibilities and would not apply to staff who do not have the authority to implement the requirements of this Act.

*(8) Motor Pool.*

Section 2(c) paragraph (8) requires the USM to determine the feasibility of operating a vehicle motor pool so that components can share vehicles as necessary to support mission requirements and to reduce the number of excess vehicles in the Department.

The USM shall consider the following information in determining the feasibility of a motor pool: (1) regions of the United States where multiple components with vehicle fleets are located in close proximity to one another or a significant number of employees with authorization to use government vehicles from home to work are located; (2) law enforcement vehicles; (3) the National Capital Region, where many components' vehicles are located; and (4) various component mission requirements. The Secretary is required to include a report on this feasibility determination in the Department's next annual performance report that is required under current law.

*(9) Definitions.*

Section 2(c) paragraph (9) defines the terms, "component head", "excess vehicle", "optimal fleet size", and "vehicle fleet".

*Sec. 3. Inspector General Review.*

Section 3 requires independent oversight by the U.S. Government Accountability Office (GAO) and the DHS Office of Inspector General (OIG) on the Department's vehicle fleet. Specifically, section 3 directs GAO's Comptroller General to submit a report within 1 year of enactment to the House Committee on Homeland Security and Senate Committee on Homeland Security and Governmental Affairs on the Department's efforts to collect automated fleet information. Specifically, the report shall include any challenges associated with collecting automated fleet information; the extent to which the USM has identified and addressed security concerns, such as cybersecurity risks, related to that automated information; and the extent to which the USM collects, assesses, and reports on fleet event recorder data.

Section 3 also requires the OIG to review the Department's implementation of section 2(c) paragraph (4), which requires component heads to submit to the USM a vehicle allocation tool and fleet

management plan, for fiscal years 2018 and 2020. The OIG is required to provide updates on this review to the House Committee on Homeland Security and Senate Committee on Homeland Security and Governmental Affairs upon request. Further, the OIG shall submit a final report within 6 months after the second review is completed to the House Homeland Security Committee and Senate Committee on Homeland Security and Governmental Affairs. The report should outline the extent to which the use of a vehicle allocation tool and fleet management plan has led to cost avoidance, savings realized, and component operations. The Committee believes that continued OIG oversight of fleet management activities is essential to the effective implementation of this Act. The Act directs the OIG to report to the Committee so that the Committee has trend data and timely information on the effectiveness of the reforms set forth in this Act and timely information on any obstacles that may need to be addressed in law.

#### 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, and existing law in which no change is proposed is shown in roman):

### HOMELAND SECURITY ACT OF 2002

\* \* \* \* \*

## TITLE VII—MANAGEMENT

#### SEC. 701. UNDER SECRETARY FOR MANAGEMENT.

(a) IN GENERAL.—The Under Secretary for Management shall serve as the Chief Management Officer and principal advisor to the Secretary on matters related to the management of the Department, including management integration and transformation in support of homeland security operations and programs. The Secretary, acting through the Under Secretary for Management, shall be responsible for the management and administration of the Department, including the following:

- (1) The budget, appropriations, expenditures of funds, accounting, and finance.
- (2) Procurement.
- (3) Human resources and personnel.
- (4) Information technology and communications systems, including policies and directives to achieve and maintain interoperable communications among the components of the Department.
- (5) Facilities, property, equipment, *vehicle fleets (under subsection (c))*, and other material resources.
- (6) Security for personnel, information technology and communications systems, facilities, property, equipment, and other material resources.

(7) Strategic management planning and annual performance planning and identification and tracking of performance measures relating to the responsibilities of the Department.

(8) Grants and other assistance management programs.

(9) The management integration and transformation process, as well as the transition process, to ensure an efficient and orderly consolidation of functions and personnel in the Department and transition, including—

(A) the development of a management integration strategy for the Department, and

(B) before December 1 of any year in which a Presidential election is held, the development of a transition and succession plan, to be made available to the incoming Secretary and Under Secretary for Management, to guide the transition of management functions to a new Administration.

(10) The conduct of internal audits and management analyses of the programs and activities of the Department.

(11) Any other management duties that the Secretary may designate.

(b) IMMIGRATION.—

(1) IN GENERAL.—In addition to the responsibilities described in subsection (a), the Under Secretary for Management shall be responsible for the following:

(A) Maintenance of all immigration statistical information of the Bureau of Border Security and the Bureau of Citizenship and Immigration Services. Such statistical information shall include information and statistics of the type contained in the publication entitled “Statistical Yearbook of the Immigration and Naturalization Service” prepared by the Immigration and Naturalization Service (as in effect immediately before the date on which the transfer of functions specified under section 441 takes effect), including region-by-region statistics on the aggregate number of applications and petitions filed by an alien (or filed on behalf of an alien) and denied by such bureau, and the reasons for such denials, disaggregated by category of denial and application or petition type.

(B) Establishment of standards of reliability and validity for immigration statistics collected by such bureaus.

(2) TRANSFER OF FUNCTIONS.—In accordance with title XV, there shall be transferred to the Under Secretary for Management all functions performed immediately before such transfer occurs by the Statistics Branch of the Office of Policy and Planning of the Immigration and Naturalization Service with respect to the following programs:

(A) The Border Patrol program.

(B) The detention and removal program.

(C) The intelligence program.

(D) The investigations program.

(E) The inspections program.

(F) Adjudication of immigrant visa petitions.

(G) Adjudication of naturalization petitions.

(H) Adjudication of asylum and refugee applications.

(I) Adjudications performed at service centers.

(J) All other adjudications performed by the Immigration and Naturalization Service.

(c) *VEHICLE FLEETS.*—

(1) *IN GENERAL.*—*In carrying out responsibilities regarding vehicle fleets pursuant to subsection (a)(5), the Under Secretary for Management shall be responsible for overseeing and managing vehicle fleets throughout the Department. The Under Secretary shall also be responsible for the following:*

(A) *Ensuring that components are in compliance with Federal law, Federal regulations, executive branch guidance, and Department policy (including issuing guidance relating to such) relating to fleet management and use of vehicles from home to work.*

(B) *Developing and distributing a standardized vehicle allocation methodology and fleet management plan for components to use to determine optimal fleet size in accordance with paragraph (4).*

(C) *Ensuring that components formally document fleet management decisions.*

(D) *Approving component fleet management plans, vehicle leases, and vehicle acquisitions.*

(2) *COMPONENT RESPONSIBILITIES.*—

(A) *IN GENERAL.*—*Component heads—*

(i) *shall—*

(I) *comply with Federal law, Federal regulations, executive branch guidance, and Department policy (including guidance relating to such) relating to fleet management and use of vehicles from home to work;*

(II) *ensure that data related to fleet management is accurate and reliable;*

(III) *use such data to develop a vehicle allocation tool derived by using the standardized vehicle allocation methodology provided by the Under Secretary for Management to determine the optimal fleet size for the next fiscal year and a fleet management plan; and*

(IV) *use vehicle allocation methodologies and fleet management plans to develop annual requests for funding to support vehicle fleets pursuant to paragraph (6); and*

(ii) *may not, except as provided in subparagraph (B), lease or acquire new vehicles or replace existing vehicles without prior approval from the Under Secretary for Management pursuant to paragraph (5)(B).*

(B) *EXCEPTION REGARDING CERTAIN LEASING AND ACQUISITIONS.*—*If exigent circumstances warrant such, a component head may lease or acquire a new vehicle or replace an existing vehicle without prior approval from the Under Secretary for Management. If under exigent circumstances a component head so leases, acquires, or replaces a vehicle, such component head shall provide to the Under Secretary an explanation of such circumstances.*

(3) *ONGOING OVERSIGHT.*—

(A) *QUARTERLY MONITORING.*—In accordance with paragraph (4), the Under Secretary for Management shall collect, on a quarterly basis, information regarding component vehicle fleets, including information on fleet size, composition, cost, and vehicle utilization.

(B) *AUTOMATED INFORMATION.*—The Under Secretary for Management shall seek to achieve a capability to collect, on a quarterly basis, automated information regarding component vehicle fleets, including the number of trips, miles driven, hours and days used, and the associated costs of such mileage for leased vehicles.

(C) *MONITORING.*—The Under Secretary for Management shall track and monitor component information provided pursuant to subparagraph (A) and, as appropriate, subparagraph (B), to ensure that component vehicle fleets are the optimal fleet size and cost effective. The Under Secretary shall use such information to inform the annual component fleet analyses referred to in paragraph (4).

(4) *ANNUAL REVIEW OF COMPONENT FLEET ANALYSES.*—

(A) *IN GENERAL.*—To determine the optimal fleet size and associated resources needed for each fiscal year beginning with fiscal year 2018, component heads shall annually submit to the Under Secretary for Management a vehicle allocation tool and fleet management plan using information described in paragraph (3)(A). Such tools and plans may be submitted in classified form if a component head determines that such is necessary to protect operations or mission requirements.

(B) *VEHICLE ALLOCATION TOOL.*—Component heads develop a vehicle allocation tool in accordance with subclause (III) of paragraph (2)(A)(i) that includes an analysis of the following:

(i) Vehicle utilization data, including the number of trips, miles driven, hours and days used, and the associated costs of such mileage for leased vehicles, in accordance with such paragraph.

(ii) The role of vehicle fleets in supporting mission requirements for each component.

(iii) Any other information determined relevant by such component heads.

(C) *FLEET MANAGEMENT PLANS.*—Component heads shall use information described in subparagraph (B) to develop a fleet management plan for each such component. Such fleet management plans shall include the following:

(i) A plan for how each such component may achieve optimal fleet size determined by the vehicle allocation tool required under such subparagraph, including the elimination of excess vehicles in accordance with paragraph (5), if applicable.

(ii) A cost benefit analysis supporting such plan.

(iii) A schedule each such component will follow to obtain optimal fleet size.

(iv) Any other information determined relevant by component heads.

*(D) REVIEW.—The Under Secretary for Management shall review and make a determination on the results of each component’s vehicle allocation tool and fleet management plan under this paragraph to ensure each such component’s vehicle fleets are the optimal fleet size and that components are in compliance with applicable Federal law, Federal regulations, executive branch guidance, and Department policy pursuant to paragraph (2) relating to fleet management and use of vehicles from home to work. The Under Secretary shall use such tools and plans when reviewing annual component requests for vehicle fleet funding in accordance with paragraph (6).*

*(5) GUIDANCE TO DEVELOP FLEET MANAGEMENT PLANS.—The Under Secretary for Management shall provide guidance, pursuant to paragraph (1)(B) on how component heads may achieve optimal fleet size in accordance with paragraph (4), including processes for the following:*

*(A) Leasing or acquiring additional vehicles or replacing existing vehicles, if determined necessary.*

*(B) Disposing of excess vehicles that the Under Secretary determines should not be reallocated under subparagraph (C).*

*(C) Reallocating excess vehicles to other components that may need temporary or long-term use of additional vehicles.*

*(6) ANNUAL REVIEW OF VEHICLE FLEET FUNDING REQUESTS.—As part of the annual budget process, the Under Secretary for Management shall review and make determinations regarding annual component requests for funding for vehicle fleets. If component heads have not taken steps in furtherance of achieving optimal fleet size in the prior fiscal year pursuant to paragraphs (4) and (5), the Under Secretary shall provide rescission recommendations to the Committee on Appropriations and the Committee on Homeland Security of the House of Representatives and the Committee on Appropriations and the Committee on Homeland Security and Governmental Affairs of the Senate regarding such component vehicle fleets.*

*(7) ACCOUNTABILITY FOR VEHICLE FLEET MANAGEMENT.—*

*(A) PROHIBITION ON CERTAIN NEW VEHICLE LEASES AND ACQUISITIONS.—The Under Secretary for Management and component heads may not approve in any fiscal year beginning with fiscal year 2019 a vehicle lease, acquisition, or replacement request if such component heads did not comply in the prior fiscal year with paragraph (4).*

*(B) PROHIBITION ON CERTAIN PERFORMANCE COMPENSATION.—No Department official with vehicle fleet management responsibilities may receive annual performance compensation in pay in any fiscal year beginning with fiscal year 2019 if such official did not comply in the prior fiscal year with paragraph (4).*

*(C) PROHIBITION ON CERTAIN CAR SERVICES.—Notwithstanding any other provision of law, no senior executive service official of the Department whose office has a vehicle fleet may receive access to a car service in any fiscal year*

beginning with fiscal year 2019 if such official did not comply in the prior fiscal year with paragraph (4).

(8) **MOTOR POOL.**—

(A) **IN GENERAL.**—The Under Secretary for Management may determine the feasibility of operating a vehicle motor pool to permit components to share vehicles as necessary to support mission requirements to reduce the number of excess vehicles in the Department.

(B) **REQUIREMENTS.**—The determination of feasibility of operating a vehicle motor pool under subparagraph (A) shall—

(i) include—

(I) regions in the United States in which multiple components with vehicle fleets are located in proximity to one another, or a significant number of employees with authorization to use vehicles are located; and

(II) law enforcement vehicles;

(ii) cover the National Capital Region; and

(iii) take into account different mission requirements.

(C) **REPORT.**—The Secretary shall include in the Department’s next annual performance report required under current law the results of the determination under this paragraph.

(9) **DEFINITIONS.**—In this subsection:

(A) **COMPONENT HEAD.**—The term “component head” means the head of any component of the Department with a vehicle fleet.

(B) **EXCESS VEHICLE.**—The term “excess vehicle” means any vehicle that is not essential to support mission requirements of a component.

(C) **OPTIMAL FLEET SIZE.**—The term “optimal fleet size” means, with respect to a particular component, the appropriate number of vehicles to support mission requirements of such component.

(D) **VEHICLE FLEET.**—The term “vehicle fleet” means all owned, commercially leased, or Government-leased vehicles of the Department or of a component of the Department, as the case may be, including vehicles used for law enforcement and other purposes.

[(c)] (d) **APPOINTMENT AND EVALUATION.**—The Under Secretary for Management shall—

(1) be appointed by the President, by and with the advice and consent of the Senate, from among persons who have—

(A) extensive executive level leadership and management experience in the public or private sector;

(B) strong leadership skills;

(C) a demonstrated ability to manage large and complex organizations; and

(D) a proven record in achieving positive operational results;

(2) enter into an annual performance agreement with the Secretary that shall set forth measurable individual and organizational goals; and

(3) be subject to an annual performance evaluation by the Secretary, who shall determine as part of each such evaluation whether the Under Secretary for Management has made satisfactory progress toward achieving the goals set out in the performance agreement required under paragraph (2).

[(d)] (e) INTEROPERABLE COMMUNICATIONS DEFINED.—In this section, the term “interoperable communications” has the meaning given that term in section 7303(g) of the Intelligence Reform and Terrorism Prevention Act of 2004 (6 U.S.C. 194(g)).

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