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# THE PRESIDENT'S PROPOSED FY 2007 BUDGET FOR THE DEPARTMENT OF HOMELAND SECURITY:

## FULL HEARING

OF THE

## COMMITTEE ON HOMELAND SECURITY
## HOUSE OF REPRESENTATIVES

ONE HUNDRED NINTH CONGRESS

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# MAINTAINING VIGILANCE AND IMPROVING MISSION PERFORMANCE IN SECURING THE HOMELAND

**Thursday, February 16, 2006**

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

The committee met, pursuant to call, at 9:32 a.m., in Room 311, Cannon House Office Building, Hon. Peter King [chairman of the committee] presiding.

Present: Representatives King, Linder, Lungren, Gibbons, Simmons, Rogers, Pearce, Reichert, McCaul, Dent, Brown-Waite, Thompson, Sanchez, Markey, Dicks, Harman, DeFazio, Lowey, Norton, Lofgren, Jackson-Lee, Pascrell, Christensen, Etheridge, Langevin, and Meek.

Chairman KING. [Presiding.] The Committee on Homeland Security will come to order. The committee is meeting today to hear testimony on the president's proposed fiscal year 2007 budget for the Department of Homeland Security.

I want to welcome Secretary Chertoff to the hearing. We appreciate him giving of his time and the cooperation he has given us since he became secretary. I have been fortunate to know Secretary Chertoff for a number of years, certainly his activities back in the state of New York and New Jersey, and also in the Senate committee.

I know the dedication he brings to this job and the sense of purpose he has. Anyone who would give up a lifetime job to take this makes me wonder a bit about you. But seriously, I want to thank you for your service to your country, especially coming from New York and the Northeast, realizing what happened on 9/11. I do not think there is any job more important in government than yours. I know the extent to which you have dedicated yourself to that.

The fact there have been no attacks since 9/11 I think is a tribute that our plans are in place at the department. Also, we do live in a very, very dangerous world, and we also realize that. Also, we realize with the situation with Katrina how there is much room for improvement. I know you are attempting to address that and you will discuss that today.

I know you made some first steps with your speech last week, and there was the Davis report yesterday. The committee will be looking for how you really intend to effectively address FEMA and what can be done if God forbid there was another Katrina-type event in the future.

As far as the budget itself for this year, there are certain parts of it that I think are very worthwhile. We have a 13 percent increase in the UASI funding, which to me goes a long way toward what we have been trying to do, and that is to have anti-terror funding based on threat and risk. That, I believe, is a significant step in that direction.

Also, this committee adopted by voice vote our portion of the immigration and border security bill last fall. One of the key components of that was calling for more border patrol agents, calling for more detention facilities.

I see a 29 percent increase as far as increase in the border patrol, with 1,500 new agents, 6,700 new detention beds. All of that is a very, very significant step in the right direction. We want to work with you on that to make sure that that works. If we are going to effectively end the catch-and-release and also bring about expedited removal, we have to have those agents. We have to have them in place. We have to have the detention facilities. So I commend you for that.

I know there will be other questions here about funding that has been cut back or not increased enough. My colleagues will certainly have questions on that.

I would also like to bring up one point, which I know we cannot address in open session. That is the issue of the United Arab Emirates company which is going to be in charge of ports at a number of our major cities. I have raised concerns at the White House about this. I have spoken to Mr. Allen, the chief intelligence officer, on that. I would like to be able to discuss it with you in a more secure setting, but I do have certain concerns over that that I think should be addressed.

With that, I am going to keep my remarks short. I hope we can set a tone for the day because there will be many members here in the course of the day. I want to give everyone the opportunity to ask questions. I have spoken to the ranking member on this.

We are going to strictly enforce the 5-minute rule in fairness to all of those. Having sat down in the lower seats for a number of years, I know how unfortunate it is and unpleasant it is when the time runs out and you do not have a chance to ask questions because people in the top row maybe dominate the scene too much. I am going to do all I can to enforce the 5-minute rule to make sure we allow as many members as possible to ask questions.

With that, I recognize the distinguished member from Mississippi, the Ranking Member, Mr. Thompson.

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

Welcome, Mr. Secretary.

This is the third time our panel has had an opportunity to have you before us at a hearing. The last time you were before us was July, and you came to unveil your plan to reorganize the department. We hope to see you a little more this year.

On a related note, in early November you and I met to discuss Hurricane Katrina and the department's efforts. At that meeting you suggested that you would be interested in meeting once a month behind closed doors for an informal and off-the-record discussion with committee members. I put in several inquiries to your department, to your staff, and have yet to receive any response. I

hope you will give us some response before this committee hearing is adjourned today.

However, to start off with today, there is a question that people back home in Mississippi want answered. Where is the Department of Homeland Security? I do not mean to be flip, but it is sort of like looking for Waldo, only Waldo was a little bit easier to find. I have heard so many stories back home of a detached and inept Department of Homeland Security. I have had a hard time telling them that the department is doing the right thing.

It is especially hard when I see that you continue to rip apart FEMA and move its preparedness functions, even when experts and career emergency managers say this is the wrong thing to do. Today, confidence in FEMA and by extension the Department of Homeland Security is at an all-time low. Local communities, emergency managers and first responders have lost faith, Mr. Secretary.

The department's budget, which you are here today to defend, drastically cuts money that should be going to the cops, firefighters and EMTs on the frontline on the war on terror here at home. This does little to help you gain their trust. As the secretary of Homeland Security, the buck stops with you on the budget, on FEMA's weaknesses, and on the department's dismal performance during last year's hurricanes.

Clark Kent Ervin, the department's former inspector general, said recently that last year's hurricane represented a real-life rehearsal of sorts, and that response by your department suggested that the nation is not ready to handle a terrorist attack of similar circumstances.

I agree with him that this is a devastating indictment on this department's performance 4 years after 9/11. This week, several of us in this room issued a historical analysis of FEMA's performance through the years. Our review demonstrates the need for fundamental changes to how the department and FEMA does business. FEMA needs a leader with substantial experience in emergency management. The FEMA director needs legitimate direct access to the president during an incident of national significance. And all the elements of the emergency management cycle within FEMA must be unified.

I recognize that making these operational changes may be difficult and even embarrassing to you, given how strongly you promoted your second-stage review. But they must be done to prevent future massive failings by the government. Millions of lives are at stake and America cannot afford to have these lapses you keep talking about, Mr. Secretary.

Mr. Secretary, I look forward to hearing your testimony about the department's fiscal year 2007 budget priorities. As I noted earlier, the cuts to first responders and local community grants and training is a concern of mine. It also continues to leave glaring gaps in our nation's borders, ports, mass transit, aviation and critical infrastructure security, among other things.

I look forward to hearing your testimony, Mr. Secretary.

And I yield back.

Chairman KING. Thank you, Mr. Thompson.

Let me remind members that under our committee rules, opening statements are limited to the chair and Ranking Member. How-

ever, all members are entitled to submit written opening remarks for the record. Due to our time constraints today, we need to move immediately to testimony from the witness.

The chairman now recognizes the distinguished secretary of homeland security, Michael Chertoff. Mr. Chertoff?

**STATEMENT OF THE HONORABLE MICHAEL CHERTOFF, SECRETARY, DEPARTMENT OF HOMELAND SECURITY**

Secretary CHERTOFF. Thank you, Mr. Chairman.

Thank you, Ranking Member Thompson.

I am delighted to be here. It is actually 1 year after the first anniversary of my having been confirmed and sworn into the job. Mr. Chairman, when you talk about my having given up a lifetime job for this, I want to say I feel like I have lived a lifetime in the last year.

I am also pleased to be here in this magnificent new room, which I gather will be the permanent home of the committee.

Congressman Thompson, I have asked my staff to contact your staff to set up a time for me to come in and chat with you. I would like to be able on a regular basis to discuss informally some of the things we are doing. I think there is value to doing that.

Let me give you a little bit of a brief overview of what we have done and where we are with this budget. I ask that my full testimony be accepted for the record.

Chairman KING. Without objection.

Secretary CHERTOFF. Let me say first of all, this is a strong budget. It is a budget which reflects increases that show the president's commitment and the administration's commitment to all the elements of our critical mission.

There is a 6 percent increase in funding over the current fiscal year; a 36 percent increase in gross discretionary function since 2003; and triple the amount of non-defense homeland security spending government-wide since 2001. We strengthened initiatives to protect our borders, increase preparedness, expand intelligence-gathering and sharing, and improve maritime and transportation security.

In the last year, we accomplished some very significant changes organizationally, which I will be very happy to discuss here. We rolled out a secure border initiative, the first time we have had an integrated strategy for dealing with the issue of controlling illegal entry into our borders. We deployed US–VISIT as a biometric entry system at all of our permanent ports of entry. We awarded $3 billion in grants to state and local governments. The Coast Guard rescued over 33,000 people after Katrina and Rita. Operation Community Shield yielded 1,600 gang arrests, and we cut our immigration backlog in Citizenship and Immigration Services by 2.8 million.

Where are we going from here? Well, there are several critical priorities that this budget addresses. The first is preparedness. I can talk at greater length about why it is that we have located in the line preparedness in a single directorate.

The short answer is this, as I told this committee in July, a month before Katrina, having looked at the state of preparedness as it was at that point, we were not as prepared as we needed to be. The responsibility had been lodged in a directorate which had

both preparedness and FEMA under one person. The answer is that preparedness got very substantially neglected. In fact, that was the structure we had going into Katrina. The changes that I announced in 2SR did not did not take effect until October 1.

I think that we need to have an all-hazards, total-spectrum approach to preparedness. That means prevention, protection and response. Too often, I see that we have a tendency in government to constantly fight the last battle. There are critics who say after 9/11, we were focused only on terrorism. There are people now who see Katrina as a suggestion we ought to focus on hurricanes. We have to do all of these things. We have to look at all of the threats.

I want to make sure that our efforts at preparedness adequately focus on response, but also adequately focus on prevention, law enforcement and intelligence-sharing as well. The only way to do that is to put under a very experienced person the responsibility for a comprehensive view of preparedness.

I am pleased to say that the president nominated and the Senate confirmed as undersecretary of preparedness, George Foresman, who spent 30 years as a homeland security adviser and emergency manager, working his way up from ground level, and serving most recently under Governor Warner of Virginia as homeland security adviser.

I am pleased to say we brought in a chief medical officer, a distinguished former head of the National Highway Transportation Safety Administration, an emergency room doctor, to give us the kind of capability to prepare in an area where we have been underprepared, which is biological and medical considerations.

We have put $50 million into a national preparedness integration program. Step one of that program was to conduct a comprehensive review of evacuation and emergency planning in every state of the union. We did that pursuant to Congress's mandate. Congress demanded that we come back on February 10 with a preliminary report. We met that deadline.

We produced that report. That report contains self-assessments by the states of where they are. You will see some greens. You will see some yellows. You will see some reds. As we speak, we have people going out now and working with the states to validate their assessments and to see if we can bring up their level of preparedness.

Border security, I am pleased to say this budget is one which has a very, very strong infusion of resources for border security, but not a willy-nilly, throw-money-at-the-problem, but a well thought-out, comprehensive plan. It includes a little over $458 million for 1,500 new border patrol agents, which will get us up to a 42 percent increase since 9/11. There is $100 million for next-generation border technology, which we are going to acquire in an integrated fashion as part of the strategy, and not merely by going out and buying a lot of gizmos.

There is $30 million to continue the San Diego border infrastructure system; money for 6,700 additional detention beds to let us achieve our goal of catch-and-return for those caught at the border. There is $135 million to expand employment verification, which will give us the ability to allow employers to check on the status of their employees to see that they are in fact legal. Once we give

them the tools to comply with the law, we will then hold them accountable very strictly to reach that compliance.

Additionally, almost $400 million is for US–VISIT, including $60 million for IDENT–IAFIS integration. In that regard, I am pleased to say we have committed to moving to a 10-print enrollment system under US–VISIT for first-time visitors to the United States, which I think will be a big step forward in security.

In terms of transportation security, we have $4.7 billion requested for aviation security, including almost $700 million for explosive detection systems. We have $30 million for enhanced cargo radiography screening at ports of entry; $157 million for radiation portal monitor acquisition; almost $1 billion for Coast Guard Deepwater, and for a maritime security response team which will give us essentially the ability to use special operations Coast Guard personnel in situations where we have a maritime risk.

Finally, although the elements of our intelligence budget are classified, in general our intelligence and operation account has been significantly increased, representing the importance of integrating all of our functions. We have also put in considerable additional resources for resource management.

Those are the general outlines. I look forward to answering questions on particular items and to working with this committee to make this budget a reality in the next year.

Thank you.

[The statement of Secretary Chertoff follows:]

PREPARED STATEMENT OF THE HONORABLE MICHAEL CHERTOFF

Mr. Chairman, Congressman Thompson, and Members of the Committee:

Before beginning to outline our FY 2007 budget request, I want to thank you for the strong support you showed for the Department in the two full budget cycles since it was fully established in March 2003. This is my first full budget cycle and I am honored and pleased to appear before the Committee to present President Bush's FY 2007 budget for the Department of Homeland Security (DHS).

***Our Key Accomplishments***

As DHS approaches its third anniversary on March 1, 2006, creating one national integrated strategy to fight the war on terror, through awareness, prevention, protection, response, and recovery remains the key focus of its vision and mission. Since inception, the Department has steadily progressed in its efforts to vigorously protect America's homeland. Since 2001, the Administration:

- Has increased annual spending on Government-wide non-defense homeland security by 350 percent, more than tripling spending devoted to homeland security;
- Created the Department of Homeland Security by merging 22 separate agencies and programs into a cohesive department;
- Restructured the agencies that handle immigration and border security issues. Customs and Border Protection (CBP) has Port of Entry inspectors and Border Patrol agents along the border. Immigration and Customs Enforcement (ICE) enforces immigration laws and detains those aliens here illegally. U.S. Citizenship and Immigration Services (USCIS) administers a wide variety of immigration benefits and services within the United States;
- Established the Transportation Security Administration (TSA) to improve aviation security and other modes of transportation security nationwide. TSA hired a screener workforce and deployed sufficient technology to electronically screen 100 percent of passenger and checked baggage;
- Created a Domestic Nuclear Detection Office (DNDO) to detect, identify, and track down the origins of nuclear and radiological materials; and
- Provided the Department nearly $18 billion for State, local, and tribal governments to enhance their preparedness for a range of hazards, including $14 billion for terrorism and other catastrophic events.

When I arrived at the Department in 2005, I initiated a Second Stage Review (2SR) to assess whether DHS' policies, operations, and organizational structure were

properly aligned to maximize mission performance. The implementation of 2SR instituted a fundamental reform of policies and procedures critical to achieving the mission of the Department. The Department also conquered many unique challenges, making significant strides protecting vital infrastructure and assets; preventing security breaches; ensuring safe travel and trade across our borders; protecting privacy and civil liberties; and expanding critical partnerships at every level.

In the last year, we have made great strides in the area of prevention and preparedness. Our key accomplishments include:

***TSA Moves to a Risk-Based, Threat-Managed Security Approach.*** Employing TSA-certified explosives detection canine teams, piloting behavioral pattern recognition analysis at 10 airports, and through a nation-wide modification of the prohibited items list, TSA has increased its ability to identify and prevent terrorist threats to the nation and enhance aviation security.

***Largest Terrorist Attack Drill in History Performed.*** DHS conducted the third Top Officials (TOPOFF) exercise since it was established. The week-long exercise, which included international participation from Canada and the United Kingdom, was the largest full-scale terrorist simulated exercise in the nation's history. Collectively, the Department, through its Office of Grants and Training, has conducted more than 400 exercises at the national, state, and local level.

***A Joint Strategy for More Effective and Secure Travel is Being Implemented.*** DHS and the Department of State launched the Rice/Chertoff initiatives in 2005 to improve traveler facilitation and security. The three-pronged effort will strengthen security screening, produce secure travel documents, and facilitate the processing of legitimate international visitors. Key elements of this effort include efforts to make visa processing more efficient, creation of a one-stop redress process for travelers, introduction of biometrically enhanced passports—or "e-Passports", better information sharing between federal agencies, and a new frequent travel card for use by U.S. citizens at the land ports called "PASS" (People, Access, Security, Service). Each action will ensure that the quality of the travel experience is enhanced, while increasing security.

***Over $3 Billion Awarded to State and Local Governments.*** DHS awarded more than $3 billion in grants, training, and technical assistance to state and local governments to support various prevention, protection and response initiatives.

***Standard First Responder Training Developed.*** DHS established a National Incident Management System (NIMS) standard curriculum to ensure first responder training is widely available and consistent among all training providers. More than 725,000 first responders completed NIMS training nationwide.

***Counterterrorism Training.*** DHS provided counterterrorism training to more than 1.2 million emergency response personnel from across the country on a range of incident response issues, including incident management, unified command, and public works protection/response, and training on weapons of mass destruction.

***Secure Data Sharing Network Established.*** DHS deployed the first phase of the Homeland Secure Data Network (HSDN) to 56 governmental sites, providing a unified system and program that enables the sharing and protection of secret-level data between our federal partners.

***Sharing Intelligence Information.*** The Office of Intelligence and Analysis provided state and local governments and the private sector with more than 1,260 intelligence information products on threat information and suggested protective measures.

***Secret Service Operation Taps Network to Arrest 28 Globally.*** U.S. Secret Service conducted "Operation Firewall," in which the Secret Service became the first agency ever to execute a Title III wire tap on an entire computer network. This global operation resulted in 28 arrests in eight states and six foreign countries. These suspects stole nearly 1.7 million credit card numbers.

***Community and Individual Preparedness.*** The Department's *Ready* campaign, one of the most successful campaigns in the Ad Council history, topped $465 million in cumulative donated media support and more than 1.9 billion web site hits. The Department's Citizen Corps program, which promotes grassroots community preparedness, expanded its service to more than 69 percent of the total population to ensure that citizens are prepared and capable of handling disasters or threats of all kinds.

The hurricanes last fall stretched our nation's resources and forced us to reexamine our processes. We still however, saw our first responders and relief personnel do remarkable things to assist our fellow citizens.

***Over 33,000 Rescued by U.S. Coast Guard.*** In the wake of Hurricanes Katrina and Rita, the Coast Guard rescued over 33,000 people in search and rescue operations. Coast Guard men and women employed their Continuity of Operations Plans and demonstrated deep commitment to the missions of search and rescue, protection of natural resources, and restoration of a safe, efficient marine transportation system.

***More than 23,000 Victims Airlifted from New Orleans Airport.*** More than 700 transportation security officers and federal air marshals helped evacuate more than 23,000 victims at Louis Armstrong New Orleans International Airport.

***$5.7 Billion in Federal Aid Distributed.*** FEMA distributed over $5.7 billion in federal aid to more than 1.4 million households to help pay for housing assistance, food, clothing, home repair and other essentials.

***$12 Billion in Claims Distributed.*** FEMA's National Flood Insurance program paid over $12 billion in claims from Hurricanes Katrina, Rita, and Wilma, with an estimated $10 billion in additional claims to be paid over the next few months.

In the past year, we have also strengthened our borders and interior enforcement of our immigration laws, expanded partnerships with our neighbors, and increased our use of emerging technologies to assist our efforts.

***Secure Border Initiative Success.*** In support of a comprehensive strategy to control the border and enforce immigration laws, DHS adopted a policy to replace the practice of catching and releasing aliens with a "Catch and Return" policy. Expedited Removal (ER) has been expanded along our entire land border as well as the number of countries with nationals subject to ER.

DHS adopted a goal to cut ER detention time in half to speed alien removals, and the frequency of deportation flights has increased. Litigation barriers preventing San Diego fence completion have been removed. A process is also well underway to seek and select a contract integrator to implement a comprehensive border protection program plan using technology, staff, and other assets.

***Successful Counter Drug Operations.*** Efforts by CBP and ICE to secure the nation's borders have yielded significant positive results in stopping the flow of illegal drugs into the United States. In the most recently completed fiscal year, CBP reported seizing nearly 273,000 lbs of cocaine and more than 1.9 million pounds of marijuana. In addition, United States Coast Guard and Customs Air and Marine Operations' efforts to support counter drug operations in the transit zone played a key role in the seizure of a record 232 metric tons of cocaine by the United States.

***Arizona Border Control Initiative Bolstered Resources in Tucson Corridor.*** The second phase of this successful initiative included an additional 534 Border Patrol agents permanently assigned to the Arizona border, a 25 percent increase. These agents were supplemented by 200 agents and 23 aircraft temporarily assigned to the Tucson sector. The initiative coupled with Operation ICE Storm, a human smuggling initiative, resulted in more than 350 smugglers prosecuted in total, millions in illicit profits seized and a significant decrease in homicides according to local authorities.

***Security and Prosperity Partnership Creates Common Security Approach.*** The United States, Canada and Mexico entered into this trilateral partnership to establish common approaches to emergency response, improving aviation, maritime, and border security, enhancing intelligence sharing, and facilitating the legitimate flow of people and cargo at our shared borders.

***Operation Community Shield Nets 1,600 Gang Members.*** ICE introduced this unprecedented partnership with law enforcement at all levels around the country to combat dangerous criminal gangs like MS–13. In less than a year, ICE agents arrested more than 1,600 illegal immigrant gang members, who now face criminal prosecutions or are in removal proceedings.

***Immigration Processing Backlog Cut by 2.8 million.*** USCIS reduced the backlog of applications for immigration services and benefits from 3.8 million cases in January 2004 to fewer than one million in December 2005.

***US-VISIT Biometric Entry System Expanded.*** US-VISIT implemented the biometric entry portion of the US-VISIT system at 115 airports, 14 seaports and 154 land ports of entry. As of December 31, 2005, US-VISIT processed more than 44 million foreign visitors and detected 950 individuals with a criminal history or immigration violations.

***Passport Requirements Strengthened.*** As part of a multi-layered approach to increasing the security of our citizens and visitors by helping to ensure the integrity of their travel documents, DHS imposed requirements establishing that all Visa Waiver Program travelers must have a machine-readable passport to enter the

United States. Visa Waiver Program countries are now also required to produce new passports with digital photographs.

***Global Customs Security Standards Adopted.*** CBP led the World Customs Organization to unanimously adopt a framework of standards to secure and facilitate global trade. CBP's Container Security Initiative (CSI), which identifies and screens high-risk maritime cargo containers before they are loaded on vessels to the U.S., is currently operational at 42 foreign ports worldwide. Approximately 75 percent of cargo containers headed to the U.S. originate in or are shipped from CSI ports.

### *Continuing Our Progress in FY 2007*

In accordance with the premise of 2SR and to build on these accomplishments, the FY 2007 budget proposal for the Department is driven by a mission and risk-based approach to allocating the Department's resources, requesting $42.7 billion in funding, an increase of 6 percent over FY 2006. The Department's FY 2007 gross discretionary budget is $35.4 billion, also an increase of 6 percent over FY 2006. Gross discretionary funding includes appropriated budget authority and discretionary fee collections such as funding for the Federal Protective Service; aviation security passenger and carrier fees; and premium collections. It does not include funding such as Coast Guard's retirement pay accounts and fees paid for immigration benefits. The Department's FY 2007 net discretionary budget is $30.9 billion, an increase of 1% over FY 2006.

Central to the Department's budget are five themes to ensure that all resource allocations correspond with its integral mission and vision. Key enhancements in the Budget for these five areas will allow the Department to execute the initiatives of the Administration and effectively secure our nation.

INCREASE OVERALL PREPAREDNESS, PARTICULARLY FOR CATASTROPHIC EVENTS EITHER NATURAL OR MANMADE AND STRENGTHEN FEMA

Preparedness addresses the Department's full range of responsibilities to prevent, protect against, and respond to acts of terror or other disasters.

The Budget includes an increase of $294.6 million for the Targeted Capability Grants, for a total of $1.4 billion. This builds upon the $5.5 billion already in the grant pipeline to assist our states and localities in increasing their preparedness and furthers the Department's National Preparedness Goals. This funding includes an $80.65 million increase for Urban Area Security Initiative (UASI) to provide a second layer of protection for urban areas based on risk. It also includes a $213.9 million increase over comparable programs, for a total of $600 million, for the Targeted Infrastructure Protection Program (TIPP). This will provide states with maximum flexibility to target resources to protect our Nation's ports, transit facilities, chemical facilities, and other critical infrastructure.

The Budget also includes $50 million dollars National Preparedness Integration Program (NPIP) as a *new initiative* in the Preparedness Directorate. NPIP will improve preparedness by executing Medical Preparedness Coordination, Catastrophic Planning, Emergency Communications Improvements, and Command and Control Alignment.

This budget enhances our ability to respond to and recover from disasters. Indeed, last year's Gulf Coast hurricanes demonstrated the need to strengthen FEMA's planning and response capabilities. While funding was increased for these core activities in 2005 and 2006, the FY 2007 budget proposes a more significant investment to further strengthen FEMA. FEMA's budget represents a 10 percent increase over the 2006 fiscal year, including $44.7M to strengthen support functions. We will add resources to critical areas such as procurement, information technology, and planning and amounts.

The Budget includes a $29 million increase and 92 FTE to support FEMA's Strengthen Operational Capability initiative and reinforce its essential support functions within its programs of Readiness, Mitigation, Response, Recovery, and National Security, This program increase will allow FEMA to fill critical positions, and upgrade capital infrastructure and information technology support services.

A $5 million increase in the FEMA Procurement Staff supports the Department's initiative to strengthen procurement capability across the board. These additional 41 FTE will enhance FEMA's ability to effectively deliver disaster response and recovery services by efficiently and properly processing procurement requests during both routine and extraordinary operating periods.

An additional 40 FTE and $10.7 million is requested for FEMA financial and acquisition management. The funding requested will build on the positions provided in the FY 2006 supplemental appropriation to operate the Gulf Region Acquisition Center to support the billions of dollars in contracts necessary to meet the unprece-

dented recovery needs of Hurricane Katrina and to bolster the FEMA's financial management capabilities to meet the demands of current and future catastrophic disasters.

An additional $5.3 million is requested for National Response Plan (NRP) Support to help FEMA coordinate the response to all types and magnitudes of threats or hazards. It will allow FEMA to support shortened response times and provide more effective assistance during incidents of national significance.

The FY 2007 Budget seeks an increase of $100 million and 40 FTE for the pre-disaster mitigation grant program. This program is designed to reduce the risk to populations, structures, and critical infrastructure from natural disasters. These funds will provide for the protection of: over 600 additional properties from flood damage through acquisition, elevation, relocation, and/or flood proofing; 250 additional critical facilities from flood damage through drainage, infrastructure, and utilities projects; 240 additional properties from hurricane wind damage; 92 additional storm shelters to save lives from tornadoes; and 154 additional critical public facilities against seismic damage.

Finally, an additional $5 million is proposed for upgrade of the Emergency Alert System (EAS). The EAS, which uses commercial radio and television broadcast services to send Presidential messages, provides a readily available and reliable means of emergency communications with the American people when catastrophic events occur and other national communications resources have been damaged or compromised. Building on the supplemental funding provided in FY 2006, this funding will be used to improve system coverage, reliability, survivability, and security by providing a two-way, national-level EAS satellite backbone/path that will effectively link all Federal, State, and U. S. Territory Emergency Operations Centers (EOCs).

The budget also proposes:

- An increase of $60.5 million in funding for the Coast Guard's National Capital Region Air Defense (NCRAD) program. This funding is needed to provide an air intercept response to potential threats in the National Capital Region airspace, helping to protect Washington, DC, from airborne attack.
- A total of $17.7 million in funding to support the Radiological and Nuclear Attribution and Forensics initiative. The request will enable the Department to combine information on potential capabilities of terrorist organizations to develop and deploy threat agents with laboratory-based forensics techniques that determine the source of any nuclear and radiological materials or devices.
- An increase of $3 million for the Office of the Chief Medical Officer to further strengthen cutting-edge science, technology, and intelligence within the Department's policy-making process. This request, more than doubling resources for this office, will be used to develop policy driven initiatives to ensure that the Nation and its critical infrastructures are medically prepared for catastrophic events.
- An increase of $10 million to establish and office to oversee chemical site security. DHS will classify facilities into risk-based tiers, establish security standards for each tier, and ensure strong safeguards are in place to protect the public disclosure of any sensitive information gathered by the office.

STRENGTHEN BORDER SECURITY AND INTERIOR ENFORCEMENT AND REFORM IMMIGRATION PROCESSES

***Securing our Borders***

One of the key elements in fulfilling the Department's mission is securing the border from terrorist threats and the flow of illegal migration. Under the Secure Border Initiative (SBI) DHS will focus on controlling the border, building a robust interior enforcement program, and establishing a Temporary Worker Program. SBI, a performance-driven, department-wide enterprise will make dramatic changes in the border security system. It will cover every facet of how we sanction, manage, adjudicate, and remove persons caught crossing the border; deter illegal migration overall; manage immigration violators currently in the country; and interact with States and localities at the front lines of immigration problems.

Funding dedicated to SBI efforts facilitates a complete program encompassing many administrative, legal, and regulatory actions. Substantial resource enhancements provided in 2005 and 2006 will pave the way for an effective SBI program, and 2007 will be a turning point towards meeting long-term border security objectives.

Among the key investments in the President's Budget for SBI is $458.9 million to increase the Border Patrol Agent workforce by 1,500 agents, bringing the total of new agents added since 2005 to 3,000 and the overall total number of agents to nearly 14,000. This increases the size of our Border Patrol Agent workforce to 42% above the level prior to the September 11th attacks.

To enhance our ability to protect the Nation's borders, the Budget includes $100 million for border technology to improve electronic surveillance and operational response. In 2006, DHS will solicit and award a contract to complete the transition from the current, limited-scope technology plan to one that addresses the Department's comprehensive and integrated technological needs to secure our borders. Funding requested in the 2007 President's Budget will provide significant procurement investments needed to begin an aggressive deployment plan.

To fund the continued construction of the San Diego Border Infrastructure System (BIS), we are requesting $30 million. The project includes multiple fences and patrol roads enabling quick enforcement response and will give the United States full operational control of the most urbanized corridor of our border with Mexico.

The Tactical Infrastructure Western Arizona (TIWAZ) is a critical multi-year project that will deploy approximately 84 miles of vehicle barriers and improve 150 miles of access and maintenance roads. The Budget includes $51 million for the deployment of this tactical infrastructure in Arizona which will enable the construction of 39 miles of permanent vehicle barriers.

To support the detention and removal of at least another 100,000 apprehended persons annually, the budget includes over $400 million for an additional 6,700 detention beds and associated staffing and other expenses. This would bring the total number of beds to 27,500 in 2007. A key element of SBI is replacing a "catch and release" protocol for captured aliens with a "catch and return" process, requiring a substantial expansion of bed space. In addition, new bed space will be used to return criminal aliens upon release from State and local prisons, and address the problem of alien absconders defying orders of removal.

The budget also includes $41.7 million for ICE worksite enforcement, to add 206 agents and support staff for this effort. A strong worksite enforcement program that continues to expand will send a strong deterrence message to employers who knowingly hire illegal workers; reduce economic incentive for illegal immigration; and help restore the integrity of employment laws.

An additional $60 million is requested for ICE Fugitive Operations apprehension teams, adding a total of 18 teams, to a planned level of 70 teams nationwide. In addition to shoring up our borders and improving workplace oversight, the Department will continue to increase efforts to catch the estimated 450,000 absconders around the country—a level that is growing every year.

Outside of core SBI programs, the request level includes funding for other vital border security programs to include:

- An increase of $62.9 million over FY 2006 for total funding of $399.5 million is requested for US-VISIT, a critical element in the screening and border security system towards ensuring better border security in a post-September 11th environment. Included in the US-VISIT initiative is $60 million in new resources to improve connection of information between DHS IDENT system and DOJ IAFIS fingerprint system.
- CSI & C–TPAT. The request continues to support the Container Security Initiative (CSI) and the Customs Trade Partnership Against Terrorism (C–TPAT), which are critical in the prevention and deterrence of Weapons of Mass Destruction (WMD) and other dangerous or illegal material importation. The Budget requests $139 million for CSI to pre-screen inbound cargo at over forty foreign ports and $55 million for C–TPAT to review and improve the security of partner organizations throughout the cargo supply-chain.

***Reform and Modernization of Immigration Management***

As Congress and the Administration collaborate to reform the immigration system in addition to improving border security, it is critical that the Department is ready to effectively manage any reform and implement a sustainable immigration management system.

Among other things, the Budget includes resource initiatives for worksite enforcement, fugitive operations, employment verification, and U.S. Citizenship and Immigration Services (USCIS) business transformation efforts.

The request includes $135 million for the operation and expansion of the USCIS Systematic Verification for Entitlements (SAVE) program which provides immigration verification services to State Departments of Motor Vehicles and other Federal and State agencies, and to expand and enhance the current Basic Pilot program to be ready to support a mandatory national electronic employment authorization verification system. The current Basic Pilot program is a voluntary electronic verification program enabling an employer to confirm the employment eligibility of newly hired employees.

The President's Budget seeks a total of $112 million in fee and discretionary resources within USCIS to accelerate comprehensive reform and automation of exist-

ing business processes, including the modernization of critically needed information technology and actions to sustain improvements achieved in reducing the immigration processing backlog.

Finally, as USCIS transforms its business processes, redesigns its forms, and improves service delivery and value to its customers, the agency will reform its fee structure to ensure the recovery of operational costs in line with Federal fee guidelines. Currently, application fees are not optimally aligned with the cost of each application, and improvements must be made for the long term to more effectively link regular and premium fees to specific service levels. This effort becomes even more important as USCIS operations are automated, forms are reduced and simplified, and USCIS prepares to take on substantial new activities including a Temporary Worker Program. The Department will continue to assess business model options for implementation of the TWP as consideration of the proposal moves forward in the Congress.

***Improve MaritiSe security and Create better transportation security systems to move people and cargo more securely and efficiently.***

A core objective in establishing the Department was to strengthen the overall security capability of the nation's transit systems and maritime security. Terrorist attacks on international transit and national maritime systems have driven the Department to implement rigorous security measures for the nation's systems. The 2007 President's Budget request includes initiatives that continue to support the objectives of the Aviation and Transportation Security Act, which was enacted to strengthen the transportation system and ensure the freedom of movement for people and commerce, by securing America's transit system from terrorists, criminal threats and attack; and the Maritime Transportation Security Act (MTSA) of 2002, which was enacted to secure U.S. ports and waterways from a terrorist attack.

A total of $4.7 billion is requested to support TSA's Aviation Security efforts. Of this amount, $692 million will continue support the deployment and maintenance of Explosive Detection and Electronic Trace Detection Systems which provide a higher probability to detect a wider range of explosives, and are critical to finding threats in transportation venues and eliminating their destructiveness.

The Budget also seeks resources for the Domestic Nuclear Detection Office (DNDO) to support next generation technology to secure our transportation system. For example, a total of $30.3 million is requested to fund the Cargo Advanced Automated Radiography Systems (CAARS) Development initiative. The DNDO will execute the program developing advanced active-imaging radiography systems for cargo inspection at the Nation's ports of entry. The CAARS program will significantly improve throughput rates of imaging systems specifically designed to identify concealed nuclear materials threats. It will eliminate the need for operator interpretation of radiographic images, and reduce overall inspection time from over five minutes to approximately thirty seconds.

Funding of $157 million for the Radiation Portal Monitor Acquisition initiative will secure next-generation passive detection portals for deployment at official ports-of-entry to expose attempts to import, assemble, or transport a nuclear explosive device, fissile material, or radiological material concealed within cargo or conveyances and intended for illicit use. Consistent with the global nuclear detection architecture, the deployment strategy will be mutually developed by the DNDO and CBP.

For the U.S. Coast Guard, the President's FY 2007 Budget requests a total of $934.4 million for the Coast Guard's Integrated Deepwater System (IDS), which is $10.7 million above the FY 2006 funding level. The Deepwater funding will continue the IDS acquisition of: the fourth national security Cutter (High Endurance Cutter replacement); the first Fast Response Cutter (Patrol Boat replacement); and additional Maritime Patrol Aircraft (MPA). In addition, it will establish a second MPA-equipped air station; complete the re-engineering of the HH–65 helicopter, and significantly enhance legacy fixed and rotary wing aircraft capabilities. IDS Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance (C4ISR) upgrades to the USCG cutters, boats and aircraft will enhance maritime domain awareness and are critical to the achievement of an integrated, interoperable border and port security system.

The President's 2007 Budget also proposes to replace the two-tiered aviation passenger fee with a single, flat security fee of $5.00 for a one-way trip with no change in the overall fee that may be charged on a one-way ticket. This is consistent with the screening process whereby you only pass through security once. The Budget also proposes to collect $644 million in air carrier fees ($448 million for FY 2007 plus $196 million owed from FYs 2005 and 2006). This is based on a General Accountability Office (GAO) estimate of what is reasonable.

Finally, the Department seeks a total of $4.8 million for the Coast Guard's Maritime Security Response Teams (MSRT). Established to deter, protect against and

rapidly respond to threats of maritime terrorism, the MSRT initiative expands upon the prototype Enhanced Maritime Safety and Security Team that was established by re-allocating base resources in FY 2006. The teams will be capable of maintaining around-the-clock response readiness in the event of domestic maritime terrorism incidents.

*ENHANCE INFORMATION SHARING WITH OUR PARTNERS*

The ability to share information with state and local partners, the private sector, law enforcement, and first responders is critical to the Department's success, and promotes greater situational awareness. DHS is prepared to enhance and maintain interoperability for information sharing purposes to ensure a seamless capacity to share information during national emergencies and to execute its daily mission of detecting and preventing potential terrorist activity.

In support of this effort the Budget includes an increase of $45.7 million, 18.1% over FY 2006 funding, for activities of the Analysis and Operations Account to fund the Office of Intelligence and Analysis (I&A) and the Directorate of Operations. I&A leads the Department's intelligence and information gathering and sharing capabilities by ensuring that information is collected from relevant field operations and critical participants in the intelligence community; analyzed with a mission-oriented focus; and disseminated to the appropriate federal, state, local, and private sector partners.

The Directorate of Operations distributes threat information ensuring operational coordination Department wide; coordinates incident management activities; uses all resources within the Department to translate intelligence and policy into immediate action; and provides oversight of the Homeland Security Operations Center, the Nation's nerve center for information sharing and domestic incident management on a 24/7/365 basis.

To support the Infrastructure Transformation Program (ITP), the Budget proposes an increase of $36.3 million. This increase will provide a highly reliable, secure, and survivable network infrastructure and data center environment to improve information sharing, more effectively securing the homeland while reducing redundant investments. ITP will integrate the IT infrastructures of the 22 legacy components of the Department into "One Infrastructure" which includes the creation of one secure network; the establishment of common and reliable email communication; the restructuring of helpdesks and related services; the reduction in number and transformation of the data centers; the standardization and modernization of the desktop workstation and site services environment; and voice, video and wireless infrastructure modernization.

The Budget also includes an increase of $9 million for Data Center Development. The Department will continue the integration of its IT infrastructure "Dual Active/Active Data Centers" that provide a foundation for information sharing and agile responses to threats against the homeland. The Data Center Development activity plays a central role within the ITP, supporting the Department's strategic planning priority of "Stronger Information Sharing and Infrastructure Protection."

*STRENGTHEN THE DHS ORGANIZATION TO MAXIMIZE MISSION PERFORMANCE*

Sound financial management of the nation's resources is critical to maximizing mission performance for the Department. The President's Budget aligns the Department's request according to a risk-based allocation method, channeling the nation's resources into the areas that will most effectively accomplish the mission of the Department. Successful mission performance is driven by developing human capital, executing efficient procurement operations, and possessing state-of-the-art information technology resources.

A key enhancement to the Budget includes an increase of $12.6 million to improve financial management department-wide. This includes funding to improve DHS' internal controls over financial reporting, as required by Public Law 108–330, the *Department of Homeland Security Financial Accountability Act;* analyze opportunities for further functional consolidation of segments of Departmental financial management; support the Department's plan to achieve an unqualified audit opinion with no material weaknesses; produce financial data that is timely, reliable, and useful for decision-makers in their mission to properly allocate resources to protect the nation; and help protect against waste, fraud, and abuse.

A total of $18 Million is requested for the eMerge2 (electronically Managing enterprise resources for government efficiency and effectiveness) program.KMerge2 will continue to consolidate accounting providers and systems in the Department by matching components positioned to become service providers with those in need of new systems. eMerge2 will invest in system enhancements, integrate systems, and build tools to consolidate financial data, ensure accountability, and provide timely, reliable information for decision making.

In addition, we propose an increase of $41.8 million for the Office of the Chief Human Capital Officer to continue implementation of the Human Resources System Initiative—MAX$^{HR}$, a market and performance-based compensation system that rewards employees for their contributions to the mission of the Department, not longevity.

The Department has identified organizational performance deficiencies in the current procurement process and will implement comprehensive modifications to prevent fraud and misuse; and ensure effective delivery of services and proper procurement and contracting procedures. For this effort, we propose an increase of $27 million throughout the Department to improve acquisition operations.

Finally, the Office of Policy requests an increase of $8.1 million to provide funding to support DHS participation on the Committee on Foreign Owned Investments in the U.S. under the Policy office; expand duties of the International Affairs office; enhance capabilities of the Homeland Security Advisory Committee (HSAC) to work with private sector stakeholders; and increase efforts to oversee immigration and border security related initiatives.

***Conclusion***

The FY 2007 budget proposal reflects this Administration's ongoing commitment to protecting the homeland and the American people while ensuring the Department has the resources we need to achieve our critical mission. The budget builds upon past success and accomplishments, reflects risk-based, outcome-driven priorities, and supports the key imperatives under our Second Stage Review.

We will continue to work with Congress to ensure that our short and long term priorities are adequately funded—including border security, preparedness, strengthening FEMA, and enhancing chemical security. I look forward to continuing our partnership with you to ensure funding priorities are met so that we can continue to protect the homeland and the American people.

Thank you for inviting me to appear before you today. I look forward to answering your questions and to working with you on the FY 2007 budget and other issues.

Chairman KING. Thank you, Mr. Secretary.

I will basically ask you two questions. One is on the issue of first responder funding, which we are trying to get as close as possible to risk-and threat-based. You have increased UASI funding. On the other hand, there have been cuts in such grants as FIRE Act and SAFER. I would ask you to reconcile that, why you decided to put more into UASI and what impact you think that will have.

The second question will be, how close are you and how much progress have you made toward mandatory detention and expedited removal along the border?

Secretary CHERTOFF. Let me deal with the first question. We are strongly committed, as I know this committee is, to risk-based funding. We did put more money into the UASI program, which is a program that we have now, I think with each successive iteration of grants, have gotten more disciplined and more precise in terms of determining what the risks are and focusing on the urban areas of the highest risk.

We have also taken a regionally based approach, asking urban areas to be evaluated on a regional basis and to come up with investment justifications on a regional basis, which does require them to come together and decide among themselves what their priorities are, but make sure that we avoid unnecessary duplication. FIRE Act grants, the amount requested in this budget is less than in the prior year, but it reflects the fact that over the last several years, I think since 2001, we have put about $3 billion in to FIRE Act grants. That is to buy equipment, pay for training.

Obviously, there are continuing needs for that, but as with any major capital investment in equipment, one does not expect that to be a recurrent investment every year. Once you buy, you know, you

have 29,000 communities that have received money under these FIRE Act grants. Once they have bought new fire equipment, they will get into a mode of maintenance and replacement, rather than purchasing the same level each year. So it is appropriate to scale that back down and make sure we can start to put money into other types of risks.

As far as the SAFER Act is concerned, as I think was the case with last year's budget, our general view is that absent specific circumstances where we do allow grant money to be used for personnel expenses, generally the payment of personnel expenses for first responders is a state and local responsibility.

We do make some exceptions. For example, when we go to level orange in alert level, but otherwise it would be frankly very difficult to draw the line. Every function of state and local government could ask that the federal government pay for their personnel, and that would of course dramatically change the budget and dramatically change the way we allocate responsibilities to our levels of government.

Let me talk briefly about expedited removal. I indicated when I rolled out the secure border initiative that our objective was to achieve catch-and-return at the border by the end of this fiscal year. We have put into effect some very specific metrics to see how we are doing. The answer is we are on a track to success, but there are two things I want to highlight as potential problems.

As we have rolled it out, along the border and in terms of different categories of non–Mexicans, we have come very close, with one exception, to having everybody that we catch who is not a Mexican, who comes across the border, having them caught, having them detained until they get removed. We have done that by adding beds and by shortening the removal time.

We have hit two problems. One is that when we have family groups, we do not currently have detention facilities that allow us to house children. That is done over at HHS. It is a difficult situation because we obviously want to be humane to children, but we will nevertheless have to work with HHS to find a way to detain those families. What we will see is an increase in the number of family groups that try to sneak across because they think they will get released.

The other problem is El Salvador. We have not been able to apply expedited removal to El Salvador because there is a court order that forbids us from doing it. We have gone to the court to get that order modified. At the same time, we have either submitted or are about to submit legislation to this Congress that would essentially address the problem and allow us to use expedited removal across the board. Once we surmount that hurdle, I believe we are on track to success.

There is one other thing I want to highlight, though. There are some countries that do not cooperate with us in taking back their illegal migrants. Of course, if they do not take the migrants back, our choice is either to house them for an extended period of time, which consumes a lot of resources, or to release them. We are going to have to increase the pressure on some of these countries to live up to their responsibility to take their citizens back. I have spoken

to the secretary of state about this. It is a high priority for us and we are going to continue to push on it.

Chairman KING. Thank you, Mr. Secretary.

The gentleman from Mississippi?

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

Mr. Secretary, I see in your budget request that you have asked for $10 million to be put in the infrastructure protection division for chemical plant site security. Do I now assume that you see that as a responsibility of DHS?

Secretary CHERTOFF. We see it as a responsibility that DHS has to supervise this, but we think the private sector has to pay for the actual improvements. We are not going to pay big chemical companies to do their own security. We are going to insist, though, that we have a regime that makes sure we have adequate security.

Mr. THOMPSON. I am not talking about fixing the problem, but in terms of general oversight and inspection, there is some conflict now as to who has that responsibility.

Secretary CHERTOFF. My understanding is that as it relates to the issue of security against an attack, it is our responsibility to have in place a proper set of rules and supervision of chemical plants.

Mr. THOMPSON. And you see this money in the budget as moving us close to setting up some standards for chemical plant security?

Secretary CHERTOFF. Actually, we are already moving in that direction. This will allow us to continue to do it. I should point out, as I think you know, that we are working with members of Congress both here and in the Senate, on legislation that we would need to give us some additional regulatory authority to make sure that, particularly for the high risk and highest risk chemical plants, we can make sure the standards are in fact followed.

Mr. THOMPSON. Well, if you are in fact doing that, I think we ought to somehow look at coming up with some kind of legislation in the not-too-distant future around chemical plants. Mr. Lungren has been talking about it, but now that you put some money in the budget, this is clearly an opportunity for us to give you what you see as the necessary authority to do your job.

Chairman KING. If the gentleman would yield, as was discussed with Mr. Thompson, I certainly do intend to address this discussion with Mr. Lungren, and the committee will certainly be addressing this issue.

Mr. THOMPSON. Thank you.

The other issue I want to talk about, Katrina substantially impacted my district, too, Mr. Secretary. Last week, the comptroller general testified that in disasters like Katrina, someone should have been designated in charge, and that according to his record, that was not done. Because of that, it caused significant loss of life and other things. I am wondering if those lapses that you acknowledged yesterday in yourself and others have been corrected.

Secretary CHERTOFF. I think they have been corrected, although I am not going to tell you we do not have more work to do. One indication of correction was when I replaced Mr. Brown with Admiral Allen as PFO. I think that there was, while we certainly did not achieve perfection and there was a very challenging issues, I think we made a significant step forward in correcting the issue

and making sure that we had proper leadership in place to coordinate across the board.

I think we saw that again when we had Rita. As we go forward, because we now are entering the phase in the Gulf of really recovery, we have put into place a deputy director of FEMA for the Gulf, whose sole responsibility will be to manage FEMA's activities a far as they relate to Gulf reconstruction. The reason I did that was because FEMA has to re-load, so to speak, for the next hurricane season. We need to get a FEMA director and a FEMA deputy director who will make sure we are re-loading. I wanted to make sure that was a very high-level person at FEMA who had no other responsibility but to see through the process of recovery at the same time. So that person is in place.

Mr. THOMPSON. Does this person have emergency training or qualifications?

Secretary CHERTOFF. Yes, it is a very experienced person from FEMA named Gil Jamieson.

Mr. THOMPSON. Thank you.

Mr. Chairman, what I would at some point like to do is submit some additional questions to the secretary to answer along this line and a few others. I yield back.

Chairman KING. Without objection.

The chair will now recognize other members of the committee for questions under the 5-minute rule. As I mentioned before, we are going to strictly enforce the 5-minute rule so that all members can get a chance to ask questions. Members are advised that those who were present at the start of the hearing will be recognized in the order of seniority on the committee. Those members who come in later will be recognized in the order of arrival.

I recognize the gentleman from Georgia, Mr. Linder, the chairman of the Subcommittee on Prevention of Nuclear and Biological Attack. Mr. Linder?

Mr. LINDER. Thank you, Mr. Chairman.

Mr. Secretary, welcome. It is nice to see you again.

It seems to me the event of the last several days should incline you to want to get rid of FEMA in your department. During the course of the actions over Katrina, there was nobody paying attention to terrorism because you were all down in the Southeast. Your department was stood up for one purpose only, because we were attacked by terrorists. And all of those actions that we put together to prevent a future attack by terrorists are getting sidetracked because of a problem with recovery.

You have heard over the last several days people saying you are spending too much money on terrorism and not enough on recovery. That is reason, I repeat, that your department was stood up. It should be in your interest to separate FEMA from your department so you could focus on what you were set up to do. What do you think about that?

Secretary CHERTOFF. I think the important thing for me is not to make my life easy, but to achieve what I think is a very, very important purpose of this department, which is to deal with all hazards. The Defense Department has a doctrine about the ability to fight two wars. The secretary of defense does not have the luxury, although there is a very time-consuming amount of effort

being spent on the war in Iraq, the secretary of defense still has to be able to pay attention to all other kinds of threats. I think that is true with the secretary of homeland security, too.

I think that this department, although still immature, needs to be able to look at the full spectrum of security challenges. Let me tell you why I think it would be a huge mistake to get rid of FEMA. Disasters do not come labeled. We will not know necessarily in every instance whether we are dealing with a natural hazard or a manmade hazard. We could have a huge loss of electricity in the power grid and not know whether this was part of a concerted assault by terrorists or part of some kind of a natural problem that caused the disaster.

An agency that is stovepiped can focus on things through the prism of natural disasters, which is what FEMA traditionally did. It is not going to be particularly well-equipped, and may in fact wind up in a turf battle with an agency that is focused on terrorism. What I do need to do and what I do intend to do is to have a component head, a director of FEMA who is capable of executing the responsibilities of that job in a way that does not require constant attention and supervision by the secretary.

In much the same way that we have Secret Service and Coast Guard and customs and border protection and the Border Patrol, they have very competent leadership that allow me to manage and set priorities, but do not require me to spend all of my time dealing with their issues. So I view this as an issue that we need to cure by completing the integration of our department and properly staffing and putting in place FEMA leadership, but not by starting to put stovepipes in that I think we have wisely spent some considerable effort trying to break down.

Mr. LINDER. One of your comments in your testimony was that you do not want to get caught fighting the last war. We tend to do that in this country. I do not know anyone who believes that passengers will allow another airliner to hit a building. They will take the lesson from Pennsylvania and stop that. You are spending one out of eight of your DHS dollars on airlines. In 2003, we had 690 passenger trips on airlines. We had 9 zillion on trains. We spent $200 million on trains and $4.3 billion or $4.4 billion on airliners. Why are we fighting that last war?

Secretary CHERTOFF. Actually, we are trying to make a very concerted effort not to fight the last war. Let me tell you how we are doing that. First of all, as it relates to airlines, we have hardened cockpit doors; we have air marshals; we have on-flight deck officers. Precisely for that reason, we have begun to move our screeners away from looking for the types of things like nail scissors, which we worried about right after 9/11 when we were concerned about a takeover, but which as you rightly point out, I think in light of our other security measures, are of less concern.

However, intelligence shows and experience shows that there still is a threat of someone trying to blowup an airliner. We saw Richard Reed try to do that. That would cause a substantial loss of life. Beyond that, it would cause a huge impact on our air transit system and could really be a devastating blow to air transportation. So what we have done is we have moved our focus on the aviation piece towards increasingly focused and sophisticated explosive de-

tection activity. We have trained screeners to look for component parts of detonators. We are continuing research into explosive detection equipment. We are bringing more dogs in.

One of the things we are trying to do, by the way, is someone pointed out that there are long lines waiting to get through the screening. That is actually another vulnerability. We are starting to work now to push the canine teams out into the airport so we can start to actually expand our security envelope.

I also agree we need to do a lot more on mass transit, so we have begun to do some additional things there. We have put additional money into the budget. We are continuing money for rail inspectors. We have increased by over $200 million the money that we want to have for TIP grants, which is specifically available for kinds of things like mass transit. We have begun experimenting with viper teams, which are teams of trained TSA personnel who would go into railroad stations and subways to work with dogs to detect explosives. We have done some additional pilots with respect to screening technology in trains. We have one going in Jersey City.

I am receptive to the idea of increased video surveillance, which I think has proven to be a useful tool. To the extent that there is a desire to use some of the grant money in TIP for video capability, I think I would be very happy to see that.

So we are in fact doing exactly what you said. We are migrating to take account of next generation threat, as opposed to the last generation threat.

Mr. LINDER. Thank you.

Chairman KING. The time of the gentleman has expired.

The gentleman from Massachusetts, Mr. Markey?

Mr. MARKEY. Thank you, Mr. Chairman.

Welcome, Mr. Secretary.

The last time you were here, I went down the chart, Mr. Secretary, of six major vulnerabilities to our country. I thought I would review what this year's budget will do for each one of those areas. Just to preview it, President Bush continues to nickel-and-dime Homeland Security, while giving a blank check to fight the war in Iraq.

Number one, on chemical plants, President Bush's is only putting up $10 million for chemical plant security. On nuclear plant security, it actually cuts nuclear plant security spending. I think President Bush is making a big mistake in allowing those nuclear plants to have reduced security. On public transit, there is an elimination of dedicated public transit funding. On LNG, liquefied natural gas, no specific LNG funding. President Bush is wrong on this. On HAZMAT, President Bush zeroes out trucking security funds. The president is wrong. On aviation, President Bush still believes that people should get on planes without screening all the cargo, which is placed under the feet of millions of Americans on a weekly basis who are flying in this country.

My first question, Mr. Secretary, in President Bush's budget, President Bush zeroes out the program which is used to help local communities respond in the event of an attack on their city. That program is called metropolitan medical response system, and $30 million was in last year's budget. President Bush has zeroed out

the money to help local communities respond in the event of that medical emergency.

How can President Bush justify zeroing out the money for local communities to respond to a terrorist attack?

Secretary CHERTOFF. I think in general we have done with respect to grants and training, we have said, look, we would rather consolidate these into programs that allow grants to be structured to the particular needs communities have in all the various categories, whether it be prevention, whether it be medical response, whether it be other kinds of response, as opposed to taking the approach of very specifically targeting a particular type of function and putting the money into that function.

When we target money at particular types of functions, we actually essentially direct communities to find a way to use that money so they can tap into that funding stream, even if the community really is in greater need of using the money for something else. I think that as part of our general philosophy of moving to more specific risk management, we have put out a set of capabilities that we require people to have, that are appropriate to be funded. Those capabilities include things like medical response. Those are specific capabilities. There is money that is available for that, but the individual communities have to make their own decisions about where their needs are.

Mr. MARKEY. Mr. Secretary, I am going to have to move on. All I can tell you is this was a program put on the books after Oklahoma City was attacked. I think President Bush has lost the lesson of Oklahoma City and of Katrina that people are not going to call the Department of Homeland Security. They are going to call their local police and fire and medical facilities. This was a very valuable program. To zero it out is a huge mistake.

My next question, on intelligence. The 9/11 Commission found that intelligence sharing was the single greatest problem before 9/11. Right now, the Department of Homeland Security has 11 separate intelligence divisions. There is no common database among your 10 divisions, Mr. Secretary. President Bush has yet to give you the money in order to coordinate all the intelligence.

When will President Bush give you the money to be able to provide for a database which connects all of the intelligence-gathering divisions inside of the Department of Homeland Security?

Secretary CHERTOFF. Here, I am pleased to say that although as you know the actual specifics of the intelligence budget are classified, we have increased the amount of money for intelligence and for operations. We have a chief intelligence officer who I have now—

Mr. MARKEY. When will the database be up and running?

Secretary CHERTOFF. The chief intelligence officer has now been given the authority to manage the intelligence activities of all the 11 intelligence components. He is working with the chief information officer now to create a bridge to bring together and consolidate.

Mr. MARKEY. When will the database be up and running that connects all of the intelligence agencies inside of your department, much less every other intelligence agency in the federal government?

Secretary CHERTOFF. I will have Assistant Secretary Allen come up and be very specific about it, but we have already improved the connectivity between our data.

Mr. MARKEY. Will you have a database completed this year, 2006, that ensures that the American people know that President Bush will guarantee that there will be a database in place that connects all of the intelligence agencies?

Chairman KING. The time of the gentleman has expired. The secretary can answer the question.

Secretary CHERTOFF. Here is why I am having a little difficulty answering. Sometimes the correct answer is not to consolidate in a single database, but to create a search capability over multiple databases. So I do not want to tell you here that we have agreed upon a specific architecture.

I do agree, though, on the goal. The goal is to have the ability to check each of our databases in real time in order to see what the information is. One of the reasons you do not necessarily want to meld them is there are large elements of databases, for example in Coast Guard intelligence, that are really of no interest or use to us in terms of terrorism, so that you might not necessarily want to actually integrate all the databases together.

I agree with you on the desired end-state. The specific architecture, though, I think may need to be a little bit more refined than that.

Chairman KING. The time of the gentleman has expired.

The gentleman from Nevada?

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

Mr. Secretary, thank you for being here today.

The people of Nevada have some serious questions that they need you to answer. Let me begin by saying I was interested in the comments you made about how you are determining the use of your homeland security funding which requires you to do risk-based funding, also focusing on urban areas of the highest risk.

The city of Las Vegas in the state of Nevada is our number one city. It is the fastest growing city in the nation. It has the fifth largest, most busiest airport in the country. It is in the top six cities of risk determination according to law enforcement across the country, including law enforcement under your jurisdiction. It has about 40 million visitors per year. It has 18 of the 20 largest hotels in the world.

Yet with all of this, with it being in the top six of the risk category, your department dropped it off the list of allowing for distribution of urban area security initiative grants. They deserve to have a specific answer as to why your department dropped Las Vegas off that list.

I am also asking you here to assure me that you will meet personally with myself, Sheriff Bill Young from Clark County, to explain to us in detail why this determination was made. I would be interested in your initial thoughts.

PREPARED STATEMENT OF HON. JAMES A. GIBBONS

Chairman King, Ranking Member Thompson, members of the Committee for Homeland Security. . .Secretary Chertoff, thank you for testifying today and I look forward to your comments on your department's budget.

Mr. Secretary, I am pleased with some aspects of the budget and the increases your department seeks in a variety of areas. I am especially pleased with increases in programs under the purview of the Office of Grants and Training. I think the increases in the Targeted Infrastructure Protection Grants of $213 million and the Urban Area Security Initiative (UASI) increase of $98 million demonstrate your department's understanding of how critical federal funding is to state and local government's ability to properly safeguard their infrastructure and more importantly, their citizens.

Mr. Secretary, despite these raises in grant funding your department recommended, I am astonished that Las Vegas was not one of those cities designated to receive funds under the UASI grant program. I cannot find a logical explanation for this and I must say that the response by your staff to our inquiries isn't helping me either. We were told that your risk formula used 3.2 billion calculations to determine your list of high risk cities that determine who gets UASI funding. I find it hard to believe that any legitimate formula for determining risk could leave Las Vegas off such a list.

I spoke with Sheriff Bill Young of the Las Vegas Metropolitan Police Department and he said that your own Homeland Security Operations Center told him that Las Vegas was in the top six cities of concern based upon the consensus opinion of law enforcement officials. They additionally asked for a Metro officer to be stationed at the HSOC to assist them and Sheriff Young has honored that request and has had an officer there for the past year and a half. In fact, that officer is still there. Does that sound like a city that should not make the list of high risk areas under your current risk formula? And why is there a disconnect at your management level where you say Las Vegas is not a high risk city deserving of funding and your experts on the ground in your HSOC and in the law enforcement community say Las Vegas is one of their top six cities of concern.

Las Vegas is the fastest growing city in the country. The 2000 census puts the Clark County Population at just under 1.4 million and with Nevada's tremendous population boom, estimates are that number could be as high as 1.8 million now. Additionally, 18 of the world's 20 busiest hotels are in Las Vegas and they are almost always full. McCarran International Airport is the 5th busiest airport in North America as far as passengers are concerned and the 5th busiest in the *world* as far as take offs and landings are concerned. This doesn't even take into account the 38.2 million tourists that visit it each year. Mr. Secretary, that doesn's sound to me like a place that needs to be removed from your high risk list.

Additionally, just 35 miles from Las Vegas is what I would consider a major piece of this country's infrastructure in Hoover Dam. I want to remind you that Hoover Dam connects Nevada and Arizona, provides power to 3 states, and creates the Lake Mead Recreational Area that draws 7–8 million visitors a year. To me, those are some pretty attractive traits for a potential terrorist group. And an attack on Hoover Dam would be devastating to Las Vegas, as well as our neighboring communities.

Mr. Secretary, beyond all those impressive statistics, my question to you and those who developed this formula, is how can you quantify what Las Vegas represents to those terrorists who would attack our country as a focal point for all they despise about America? How do you quantify that the 9/11 terrorists stayed in Las Vegas before the attacks and made surveillance tapes of various resident and trouist locations? I don't think many cities in the country can say the same thing. Every piece of intelligence I have seen and that state and local officials have seen supports the same conclusion—Las Vegas is a key target for terrorist groups who hate America. Which one of the 3.2 billion calculations took that into account? We sent a man to the moon with less calculations than that and we can't even get Las Vegas on the high risk list?

Mr. Secretary, I repeat to you that the answers from your staff on why Las Vegas was not on the high risk assessment list have been completely inadequate. We were told that the specific calculations for your formula were classified. I would submit to you that I can think of no piece of information, classified or otherwise that could logically say that Las Vegas shouldn't be on a list of high risk cities. Your staff has stated that Hoover Dam was not even included in your calculations because it was outside your arbitrarily drawn 10 mile limit of consideration. Can you say now that an attack on Hoover Dam would have no effect on Las Vegas or that it is not worthy of conisderation by Las Vegas and Clark County Officials?

Mr. Secretary, the people of Nevada deserve a better and more detailed answer to these questions. During my question period, I will ask you specifically for a meeting with you, me, and Sheriff Young. I ask that you meet that request as soon as possible and give us the answers we deserve. Thank you.

Secretary CHERTOFF. I will give you an answer, a general answer, partly because I do not have all the specifics in my head right now, and partly because some of the specifics are things which should not be revealed in public. We have very experienced career officials look at literally thousands and thousands of characteristics.

It is not just a matter of population, as you know. It is a matter of, first of all, the degree of threat we have, based on our intelligence stream. It is based upon consequence measured not simply by population, but by critical infrastructure and the interdependencies on other communities. It is also a function of vulnerability, to what extent a community has itself taken steps that are sufficient to reduce its vulnerability, as opposed to communities that really are very much exposed.

I know that creates a kind of ironic situation where a well prepared community does not get money and a poorly prepared community does get money, but this is not really about punishing and rewarding. It is about raising the general level of security.

I also have to emphasize that there are other grant programs that sometimes apply. For example, in some cities they may not be on the UASI list, but they may get a robust amount of money for ports that covers a particular need. In the case of Las Vegas, I can tell you that, for example, new year's, which we know is a big day for Las Vegas, we did a special national security operation in cooperation with state and locals, to surge our security for that period of time in Las Vegas.

So there are a number of things we do. This is not the only program. I will be happy to meet with you and have others explain to a certain degree how those decisions are made. We did keep Las Vegas in this year because we agreed we were going to have, anybody who was on the list last year would be able to carry over. I am open to next year to reconsidering, based on new facts, new threat information or better arguments. This is an evolving process, and the circumstances will sometimes change.

I think that we have agreed to give a classified briefing to the delegation that would explain with a little more specificity the basis of the judgments in a way that I cannot talk about publicly.

Mr. GIBBONS. It would seem ironic that the city listed in the top six cities in the nation for risk. We know that on 9/11, the 9/11 crew visited, stayed, reviewed Las Vegas and looked at and determined whether or not Las Vegas would be a target. That information is out there in the public already.

But a city that is in the top six list of cities in this country that are at risk, to be dropped off the UASI list for distribution of grants is terribly disturbing to a lot of people. It is disturbing to the 2.4 million people in the state of Nevada, but it ought to be more disturbing to the 40 million people who come to Nevada to visit. Those are specific answers.

We have a lot of concerns with this determination and would certainly hope that we can set up this meeting with you and Sheriff Bill Young to get specific reasons why Las Vegas, even under the criteria you have just described, did not meet that grant specialty. Hoover Dam, which is an area right next to the city of Las Vegas, is certainly a critical target. It provides power to three states.

Chairman KING. The time of the gentleman has expired.

Mr. GIBBONS. Thank you, Mr. Chairman.

I look forward to setting up that meeting with you, Mr. Secretary.

Chairman KING. The gentleman from Washington state, Mr. Dicks?

Mr. DICKS. Mr. Secretary, the other day I was watching CNN and I picked up this article. About 450 miles north of the hurricane-battered Gulf Coast, 11,000 mobile homes meant as temporary housing for storm victims are sinking into the Arkansas mud. The mobile homes have been parked for months outside of Hope, as the Federal Emergency Management Agency grapples with what to do for thousands of people left homeless by Hurricane Katrina. But FEMA regulations prevent them from being placed in a flood plain, a rule that rules out much of low-lying Louisiana and Mississippi, where Katrina struck on August 29.

"I think we have been surprised at the number of obstacles in placing manufactured housing," FEMA spokesman David Passey told CNN. FEMA already has spent more than $300 million on the trailers, but now the agency will have to spend more money to jack them up. A Department of Homeland Security report revealed this week that the mobile homes have deteriorated so badly they eventually might have to be destroyed.

This is ridiculous. What is being done? These 11,000 homes are down there. Here we have all these people who are homeless. We have the 11,000 homes. Now we are getting jacks to jack them up. Is this the best we can do, Mr. Secretary?

Secretary CHERTOFF. I have seen this report.

Mr. DICKS. Has anybody been down to check this out?

Secretary CHERTOFF. Yes, people have been down to check it out. I have not seen this myself. I am informed that in fact the IG's visit may have taken place after a big rain. Most of the mobile homes are on runways and a physical situation where they are not going to be deteriorated.

Mr. DICKS. Is there any plan to take them to the people who need them?

Secretary CHERTOFF. Yes. Let me explain exactly what is going on.

First, we have to distinguish between trailers and mobile homes. We have put tens of thousands of trailers into Mississippi and Louisiana. We are continuing to put more down there. Mobile homes, there is a regulation, and we could change the regulation, frankly, so I am not going to argue based on the regulation. I am going to argue based on common sense. Mobile homes which are fixed, there is a regulation that prevents putting them in a flood plain. It is perfectly obvious why.

Mr. DICKS. Why did we buy them, then, if you could not put them in the flood plain?

Secretary CHERTOFF. The original concept was, at a time when we knew there were 770,000 displaced people, to get our hands on as many resources for temporary housing as possible. We did everything from trailers, mobile homes, trying to get apartments. The whole menu of things, given the fact that we were well beyond the

capacity of the industry in the month or two after Katrina to even come close to hitting what the demand would be.

I think the original thought was that there would be communities outside the flood plain that we could make arrangements with to set up mobile home communities.

Mr. DICKS. Do you know how many people have we put into these mobile homes? How many of them have actually been utilized that we bought?

Secretary CHERTOFF. I think that we have several thousand mobile homes that are occupied. I think we anticipate that of the approximately 18,000 to 20,000 which have been purchased, we will ultimately use about 9,000 in connection with Hurricane Katrina evacuees.

We will take the other 9,000 or 10,000 and use them for other things this coming year. For example, we have used some with respect to the fires out in Oklahoma to rebuild houses there. They are well-suited for building in the interior. The need with respect to people in an area, though, where there is a flood plain are for trailers which can then be moved before the next hurricane comes up.

So I am not going to tell you, I mean, in the extraordinary push to meet an unprecedented demand after Katrina, people just turned the spigot on to get whatever housing was available.

Mr. DICKS. I have to move on here, Mr. Secretary. I only have 1 minute left.

What about all these people that are being told that they will no longer be housed in hotels? What happens to them? Where do they go?

Secretary CHERTOFF. Here is the understanding, and I am glad to have the opportunity to clear it up. No one is going to have their funding for a hotel cut off unless they have received a check covering 3 months rent from FEMA for individual assistance, assuming they are eligible. There are people in hotels who are not eligible who are not going to be receiving any money. But assuming people are eligible and they have all been given an ample opportunity to register, they will get individual assistance.

The challenge is going to be, particularly in Louisiana, to actually find available housing for them. We are looking for a mix of trailers, rehabilitating apartments, and also for some people who are willing to move, there are available housing options outside of Louisiana. We are faced with the fact that there just are not that many apartments in Louisiana. The market has completely been tapped out. But we are working literally individually in order to make sure that people are not left without a place to live, but we are trying to transition out of expensive hotels into something that is a little bit more sustainable.

Chairman KING. The time of the gentleman has expired.

The gentleman from Alabama, the chairman of the Management, Integration and Oversight Subcommittee, Mr. Rogers?

Mr. ROGERS. Thank you, Mr. Chairman.

Mr. Secretary, I hope that your office informed you that I was planning to talk to you about Border Patrol training costs because I did want to address that topic and did not want you to be blindsided. Hopefully, you have some information about it.

I am pleased to see in the budget that you are here to defend that you put such a great weight in this subject area. Defending our borders is a top priority as far as I am concerned. But I want to talk about a hearing that we had in my subcommittee last May in which we addressed CBP's proposed training costs for Border Patrol agents. In that hearing, that department had indicated that it take $179,000 to train a Border Patrol agent through a 5-month program. That did not include the tuition to FLETC for that program, so it really was closer to $188,000.

Prior to that hearing, I had my staff call Harvard University and ask them how much it would cost to put a student through Harvard for 4 years. We found that full tuition and room and board for 4 years at Harvard was less than $160,000.

So my initial question to the CBP and that panel was, do you believe it costs more to put a Border Patrol agent candidate through a 5-month training program than it does to send someone to live on campus at Harvard for 4 years and earn a baccalaureate degree? With a straight face, his answer was, yes, sir.

This year, your number is $187,000. I am curious if that includes FLETC tuition. But then my question to you is, do you believe it costs more to train a Border Patrol agent in a 5-month training program than it does to send somebody to 4 years at Harvard?

Secretary CHERTOFF. It does not. I am of course thinking about what my parents must have paid when I went to college. It does not. I think I spoke to Chief Aguilar about this yesterday. It came up in a discussion. He tells me that the number $180,000 or $190,000 is not just training. It reflects the full package for deploying a Border Patrol agent, including training obviously, but also a vehicle, weaponry, body armor and other things that are part of the total package. He says the actual cost of the training alone is about $25,000 if you stripped out the other things.

So I cannot tell you as I sit here whether there would be a way to make it cheaper to train. Obviously, we are training at our own facility in Artesia, but what he informed is that the number includes the whole equipment package, including the vehicle, which is obviously expensive, and weapons and body armor and things of that sort.

Mr. ROGERS. And even at that, the fact that you got a $25,000 figure out of anybody amazes me because we have tried repeatedly through numerous questions and letters to get your department to tell us how they arrived at that $179,000 or $188,000 figure. This is the first time I have heard that number.

Even at that, you are assuming, let's just take the round number of $180,000, if the Border Patrol agent starts at $40,000 a year, which is about what the starting pay is, and you are only going to pay him for 5 months, that is less than $20,000. If you buy him a new car, that is $30,000. If you buy him a new gun and body armor, how do you get to $180,000? It is not a number that is realistic.

Secretary CHERTOFF. You probably have pushed now to the limit of what I have in my head. It is a fair question. I will make sure somebody gets back to you on that. I would like to know myself what the cause is. The vehicle is obviously expensive, and then I think they also put in the gas and there are all kinds of associated

expenses for deploying somebody. But I do not want to guess about it. I will get back to you on that.

Mr. ROGERS. Let me say this. I hear what you are saying, and I know you believe that, but I am telling you people are giving you bogus numbers. In your proposal, you talked a few minutes ago in your opening statement about how you were asking for $458 million to train 1,500 new Border Patrol agents. That calculates to $305,000 per agent. Now, that number, I had my staff go back and check, and it does include the equipment and things that you are talking about. So if that is segregated out in that $458 million, we know the $180,000 really is for supposedly training.

Here is my concern about this. First of all, I am amazed that nobody can defend it. I have asked them to just build it for me, start with the first dollar and build it up to that number. I am a reasonable guy. If it gets close, I will buy it. But we have authorized 10,000 new Border Patrol agents a couple of years ago. To date, we have not come close to appropriating the money it takes to train the 2,000 a year that the president wants trained.

This is hampering our national security, to have these outrageously high numbers tendered to us and expecting us to deliver that money when we know full well it is not costing that much. If in fact it only costs $30,000 or $40,000 or $50,000 or $60,000, we need to find that out, and you will find this Congress ready to go ahead and fund the full 10,000 right away to get them on the border and make us more safe and secure.

Chairman KING. The time of the gentleman has expired.

Secretary CHERTOFF. We will get back to you. That is a very fair question. I have kind of hit the limit of what I was told. I will furnish that to you. I will look at it myself and get a breakdown to you.

Mr. ROGERS. Thank you very much.

Chairman KING. The gentleman from Oregon, Mr. DeFazio?

Mr. DEFAZIO. Thank you, Mr. Chairman.

Mr. Secretary, has your department ever gone out and comprehensively pulled or solicited the opinion of our nation's first responders in terms of what their priorities are?

Secretary CHERTOFF. We are constantly, we even have a poll, we are constantly talking to first responders. I do it myself.

Mr. DEFAZIO. Okay, good. What do you hear? I hear one thing from all of them, and I am just kind of curious if it is the same thing you are hearing. I hear interoperable communications.

Secretary CHERTOFF. Yes, there is no question.

Mr. DEFAZIO. Okay. If I could, Mr. Secretary, because we do not have a lot of time, so let's pursue this for a moment.

We learned that lesson in the collapse of the towers. We lost a lot of first responders because they could not communicate. Katrina, there were no communications. We have not come very far. In 2005, there was $93 million nationally for interoperable communications. That is somewhere around 15 percent of what it would cost my state, a very low-population state, but geographically challenged, to do that. The next year, we are down to $10 million. And now you are recommending zero.

I wonder if you are hearing that it is interoperable communications. I am hearing it is interoperable communications. Why isn't

your budget putting a priority on helping and partnering with local first responders and jurisdictions to acquire interoperable communications?

Secretary CHERTOFF. There are two dimensions to the problem. First of all, it is true, I think we have given $1 billion in grants to interoperability previously. Right now, again, our approach has been to put more money into things like UASI and give communities an opportunity, we have a list of capabilities, interoperable communications is one of the capabilities, let communities come up with grant requests on these capabilities and then make their own decisions about where their most urgent needs are.

A second part of this is we have some additional work to do. Through our RapidCom program, we deployed interoperable command-level communication capabilities in 10 cities. We now have to take that to the next level with SAFECOM. That means we have to resolve the issue of the band width that is going to be made available. That has to be done.

Mr. DEFAZIO. Other members of this committee have vigorously pursued that, and we are trying. Okay, thank you. I still feel, and particularly in my state, which is not wealthy and is economically distressed, and I think many other states who are also low on the priority list in a lot of ways, that we would be well-served for natural and unnatural disasters to have the whole country linked up with interoperable communications.

Let me ask, and this may be outside your area, but is the flu pandemic, I mean, we did biosecurity, so does flu pandemic fall at all under your concerns or aegis?

Secretary CHERTOFF. I share that with HHS.

Mr. DEFAZIO. Okay. So who would then be the one to put a higher priority on purchasing antivirals and ventilators? What I found, I did an exercise down at the War College last week. We have 10,000 ventilators. We will be triaging and rationing and guarding ventilators because there will be such unbelievably short supply and that is the one life-sustaining thing we can provide to people. So people will be dying and we will be saying, sorry, you go over there and die, there are only 10,000 ventilators in America and this one in this heavily guarded area is only for these people.

Why aren't we buying those at $30,000 each? Whose job or whose responsibility should it be to help do that? Or are we going to wait for the private sector and/or hospitals to go out and buy ventilators that they do not need on a daily basis, but they are going to need for a pandemic?

Secretary CHERTOFF. I do not have the number in my head. I think there is a very, very significant amount of money, in the billions, which Congress has appropriated.

Mr. DEFAZIO. For biosecurity.

Secretary CHERTOFF. Right, under HHS, to ramp up on a whole spectrum of things for preparedness for avian flu. To the extent we are going to be stockpiling medical equipment or pharmaceuticals, those stockpiles will be within HHS's purview.

Mr. DEFAZIO. Okay, so that is who we should go to, then. The ventilator thing has just recently, particularly as a result of participating in this exercise, become a very high concern to me and it does not seem to me like anybody is doing it.

And then aviation security, as I understand the budget, part of the increase in Homeland Security this year, or the whole increase, is based on essentially a doubling of airline security ticket taxes. Is there an assumption that will be done and that is where the money is going to come from?

Secretary CHERTOFF. Not a doubling. What we are doing is right now I think it is $2.50 per leg, with a maximum of $5 one-way. That discriminates against people who do not live in cities which are hub cities. We are going to equalize that. That will, however, yield an increase in revenue.

Mr. DEFAZIO. Well, let me tell you. I sat on the Aviation Committee for 20 years and you are going to set off an extraordinary fight between short-haul carriers, long-haul carriers, and of course this is the party and the administration that says no new taxes, and this sounds and smells a lot like a tax to me. So to assume we are going to be funding our budget with an increase in a tax on a bankrupt industry is I think kind of a reach.

Secretary CHERTOFF. If I could respond to that just for second. It is not a tax on the industry. When Congress authorized TSA, it was envisioned that the passengers would do this.

Mr. DEFAZIO. Talk to the industry. They disagree.

Secretary CHERTOFF. I know they disagree. I do not think I am Don Quixote here. I think it is fair to ask whether people are willing to pay the price of a soda and a newspaper at the airport to get themselves the ability to get on an airplane without being worried about getting blown up. I think people would be.

Chairman KING. The chairman of the Emergency Preparedness, Science, and Technology Subcommittee, Mr. Reichert?

Mr. REICHERT. Thank you, Mr. Chairman.

Welcome, Mr. Secretary. I know yesterday you were up here most of the day and today you are pulling a second day of full duty, so I appreciate your time here.

There has been a lot of talk today and over the last several months about the lack of funding going to our first responders and our grant programs. Actually, the administration and Congress have made an enormous investment, $35 billion to state and local governments in grants. Unfortunately, states and local governments have not spent the bulk of this funding. For fiscal year 2002 and through 2005, $5.1 billion out of $9.1 billion have been spent. Coupled with the president's budget for 2007, this means that roughly $6.7 billion in funds would be available to meet first responders' needs over the next 2 years. I think that is a great start.

I have two questions that are associated really with maybe how this money is used. First, I would like to go back and just reinforce the idea of interoperability. It has been a huge issue for many, many years. Back when I started as a police officer on the street in 1972, we were not really operable. We could not talk to each other then. So in 35 years or so, we have not gotten anything done. I do not believe that the answer is always money. In this case as far as interoperability goes, leadership, management, setting standards, federal government standards, performance measures, technology, and maybe, yes, the band width, but technology really and leadership are the things that are needed here.

My question to you on interoperability is, there are actually two parts. When will be fully staff the office of interoperability and compatibility? And will you make interoperability within DHS the highest priority? Because without interoperability, we cannot plan and we really cannot train.

Secretary CHERTOFF. First of all, let me say I completely agree with your comments about the money that is in the pipeline. I think that is important to recognize. There is a lot out there that is going to be spent to further increase the level of performance across the spectrum.

With respect to interoperability, I also agree with you that there is an element of this which is cultural. We have, frankly, published protocols that talk about how communities, not only different groups of responders within a single community, but regional communities need to come to an agreement on a common set of protocols. If people do not agree on the language they are going to use, no amount of equipment is doing to deal with that.

The second piece is we are still I think a little bit too inclined to play around with the technology. You put your finger on a real source of frustration for me. I feel we need to kind of fish or cut bait on this. Pick the technology and force the protocols to be agreed upon. Frankly, punish in terms of granting money if those protocols are not agreed upon.

So I have kind of identified this as a personal project to get done this year, at least substantially done this year, because I think we have talked about this ad nauseum. I know the technology is there to do the bridging. It does not have to be I believe at the officer-to-officer level, but it has to be at the command level. We know we can do it because we did it in RapidCom. We have to fish or cut bait, stop debating it and endlessly discussing it.

Mr. REICHERT. We have held our first hearing this week on interoperability, and we are going to continue to hold additional hearings on interoperability. I am committed to getting this done in my subcommittee and I know the chairman is also committed to getting this done through this committee. We want to work with you to make that happen. Let's get it done.

Secretary CHERTOFF. I agree with you.

Mr. REICHERT. The second issue is the development of special teams within DHS. The first is a team, you want to create, actually $60 million to support 18 new fugitive operations teams in ICE. It would increase the total to 70. You are also talking about, I know I met with the director of TSA, and they are talking about a Viper team.

My concern in building out and spending additional monies on special federal teams that will go out and really, from my experience as the sheriff in Seattle, duplicate efforts of local law enforcement agencies, is a waste of money. When in fact what we should be doing, and we have said, the federal government has said to me as a sheriff, and I have said now as a member of Congress, to local agencies, we are from the federal government and we are here to help. We get tired of hearing that.

We need to support the local agencies with funding to make their teams as strong as they can be, and not build out a federal police force in every one of these agencies that are under DHS.

Chairman KING. The time of the gentleman has expired.

Secretary CHERTOFF. I agree we should not duplicate local government. The teams we are talking about are focused on things that I think are particularly federal responsibilities. I have heard just endlessly from local law enforcement people that they do not want to be enforcing federal immigration laws. The ICE fugitive teams are specifically designed to deal with fugitive absconders who violate the bail from immigration judges and get into the community. So I think that is our responsibility. We have to do it.

I think the Viper teams as well reflect, and I have specifically said and probably gotten some stones thrown at me for saying we do not want to provide the police force for the metropolitan subway systems, but we do know there are times that there is a need for surge capacity.

We have been welcomed to the extent we are able to deploy teams of trained agents and dogs particularly, when there is an additional threat, or we have some high-threat type of event going on. That flexibility, I have been told, has been welcomed by local officials.

Chairman KING. The gentlelady from the Virgin Islands, Ms. Christensen?

Mrs. CHRISTENSEN. Thank you, Mr. Chairman.

Welcome, Mr. Secretary.

Before I ask a question specifically about the budget, I wanted to ask about some regulations. Regulations put into effect by the department often have unintended consequences, perhaps to some extent because you are exempt from certain regulatory safeguards like the Regulatory Flexibility Act. I wanted to ask about the APIS regulations. I want to know if you think that the advance passenger information system was meant to apply to charter boats that people rent for a couple of hours or a day to go between the U.S. Virgin Islands and the British Virgin Islands.

These are all American citizens, all having to clear when they get back to the USVI, and unlike any other place, they still have to go through clearance again before they can return home, especially when ferries are exempt. If you do not feel that it should apply to these small boats, are you willing to issue some kind of clarifying memorandum to that effect?

Secretary CHERTOFF. I have to say that is maybe a little more specific than I am prepared to answer. I am certainly prepared to look at this question. I do not know right now exactly where the line is drawn. My general experience is sometimes there are unintended consequences and I think we are always ready to look if there is something that does not make sense, to make a modification.

Mrs. CHRISTENSEN. Okay. Some of your staff was down there, and were able to meet with some of the charter boat industry, and we thank you for that.

I am interested in knowing why there is the budget shift of funding away from R&D to management and administration. Is it the department's position that R&D, there is less requirement for research and development? And also, how do you justify the reduction in the university programs, including the Centers of Excellence?

Secretary CHERTOFF. I think in terms of R&D, I would say there are not really reductions. There are two areas where you see a significant change. One is money that was simply shifted from S&T into the DNDO, the Domestic Nuclear Detection Office. We made a decision, which I announced about a year ago, to centralize all of our domestic nuclear detection R&D and operational deployment into a special office which would also have other departments participating. So it is not that there is a drop in funding. We have simply shifted from one account to another.

The other significant change I think is the Counter MANPADS research project, which was a 3-year project designed to test where the technology is. I think the cycle fore that project is about for those pilots is about to come to a close this fiscal year. We need to evaluate the consequence of that and then make decisions about where we go from here. So until we know whether this approach is a good approach or not, I think that that is something we just are not prepared to promise money for.

Finally, with respect to the consolidation into management and administration, that was an accounting change. We used to hold salaries in the individual R&D lines. We have now taken the salaries out and we have consolidated them into management and administration, but it is the same number of people. It is just that we are budgeting it as a separate item.

Mrs. CHRISTENSEN. So that 10 percent is really not taken away from R&D?

Secretary CHERTOFF. Right. It is moving it around.

Mrs. CHRISTENSEN. It is put into a different category.

I am still not satisfied with FEMA, Mr. Secretary. You and I spoke earlier when other members had to go out to vote about your proposed restructuring. I still feel that FEMA ought to be the emergency preparedness directorate because that is what FEMA always was. The person heading FEMA should be the undersecretary.

Today, the ranking member is going to introduce a bill that comes pretty close to that, that requires that FEMA be led by a director, statutorily required to possess experience, that recognizes that the organizational structure has to reflect the connection between the FEMA director and the president. It reunifies FEMA with the preparedness directorate.

Will you support that legislation? If not, why not? Did I understand you to say that you did not think that preparedness was part of FEMA's responsibility?

Secretary CHERTOFF. No. I am happy to talk about this and ask the chairman's indulgence because it may take more than 1 or 2 minutes to answer this question.

I think preparedness, it is very important to integrate FEMA's response activities into preparedness, but I think that preparedness is more than just response. Preparedness also involves protection, which is what we do under our infrastructure protection component, and it also involves prevention, which involves things like intelligence sharing, money for Fusion Centers in the states, money for law enforcement.

When I looked at the department when I came in last year, I became concerned about the fact that we had split our preparedness.

There were people in FEMA preparedness directorate who were focusing on preparedness in terms of FEMA's mission response, and then there were people who were focusing on preparedness in terms of law enforcement things, which the police and the sheriffs want, and then there was yet a separate group that was looking at preparedness in terms of infrastructure protection.

No one had ownership of the obligation to look at threats across the board, and ask from a standpoint of everything, prevention, protection and response, have we synchronized our preparedness? We had stovepipes in preparedness in much the same way that we had in the intelligence community.

The second thing I observed was, the fact of the matter is that to the extent that FEMA focused on preparedness and response, they were focusing on traditional threats. There was not I would not say zero work, but close to zero work done on things like biological threats, radiological threats, things of that sort. I thought it was dangerous to have an agency that was always in a battle rhythm with natural disasters, where of necessity the leader is always fighting fires, literally and figuratively, having that person also have the responsibility for a different kind of component, which is long-term planning.

When we wrestled with this, and I spent more time on this than on anything else I did personally during our review, we talked to members of the military who told us that over decades the military migrated to a system of having separate components for planning and operations and intelligence, precisely to avoid that mixed rhythm.

I got a wide variety of views pro and con from people in the states and locals. I became convinced that we needed to align. We needed to have someone who had the ownership and the responsibility for preparedness, recognizing that that person would have to actually develop their planning in conjunction with FEMA, Coast Guard, Secret Service, all of our components that bring particular skills to the total spectrum.

So that was I think where we need to go. I will tell you that there is one change that I do support, which is we clearly need to have a better synchronization of preparedness with the FEMA regions because when you have an event, you want to make sure your preparedness people and your FEMA people are fully aware of what the strengths and the weaknesses of the region are.

So we are looking, I cannot tell you exactly how we are going to do it, but we are going to have some regional presence for preparedness linked up with our FEMA regional presence, and linked up with DOD planners, because NORTHCOM is going to send us some planners. So that in each of the regions that we currently have, we will have preparedness and FEMA and the military linked up, doing the kind of very specific planning that I think we need in case we have emergencies.

Chairman KING. The time of the secretary has expired.

The gentleman from California, Mr. Lungren?

Mr. LUNGREN. Thank you, Mr. Chairman.

Mr. Secretary, can you hear me?

Secretary CHERTOFF. Yes.

Mr. LUNGREN. Okay. I was just wondering. When the gentleman from Massachusetts was here, I was not sure whether he thought you could hear him, or he could hear himself, or whether I could hear him. I just want to report to him the speaking system works very, very well.

I was wondering why I enjoyed this moment so much, and then I realized I used to be an attorney, and I used to appear before federal judges. Often I thought, boy, I wish I could have them answer my questions instead of the other way around.

I think what the ranking member said is important. We have gotten our sea legs here after a year in this committee. You have gotten your sea legs after a year over there. There ought to be a better relationship between the two of us. I mean, this committee and your organization. I hope that you will make good on your suggestion in response to the ranking member's suggestion that we need to have a better relationship and opportunity to speak with you personally on an informal basis to go over some of these things because this committee struggled in its creation.

This committee has the responsibility of prime authority in this House for homeland security. We hope that we will have in some ways the same sort of relationship that the Armed Services Committee has with the Defense Department, not that one is a lackey for the other, but rather that there is a mutual respect and there is an understanding that the authority, even though you have to deal with the Appropriations Committee, the authority resides in this committee.

I think you will find with the diversity of experiences and districts that we represent, that we can be helpful, understanding that we have an independent job under the Constitution compared to yours. So I really do look forward to that in the future.

I have been one that, along with most, if not all members of this committee, strongly supports the idea of risk-based assessment. I am certainly willing to support that from your department. I will say I had some concerns about UASI as well when I see a couple of major cities in California dropped out, when the answer was we put more elements into the formula and those elements, such as international border, a nuclear plant, number of foreign visitors, is cranked into the equation, and then San Diego drops out. That is hard to understand.

I know you have heard about the concerns I have had for Sacramento, where it appears the major reason is that Folsom Dam, which is by the Bureau of Reclamation's lights, the number one water structure threat in America. That is what they feel it is, and it is eight miles outside of the circle that you folks have drawn, and all the consequence, including my house, that is a little personal note, happens to be within the zone. You did have Mr. Steppen call me and suggest that we can sit down and chat, but we need to do that. So I will hope to do that with him, and then also to discuss it with you.

Let me go on to a couple of things. One is I want to know under this budget if you believe it accelerates the opportunity for TSA to apply technology to its job. We cannot just continue to view this as a labor-intensive operation, which is tremendously expensive. Everybody that we have had before our committee comes to the con-

clusion that it is intelligence-gathering, analysis and application, and then technology application that is the way we are going to do it.

And yet, I am concerned that we do not see that technology application in the first instance as quickly as possible. What in this budget would give me reason to believe we are moving in that direction?

Secretary CHERTOFF. Well, first of all, let me just emphasize, I look forward to having as much of informal contact between myself and my department and this committee as you do. I think frankly it is easier and better for all sides if we do have our discussion informally. Once you get into a hearing, it is very formal and lengthy.

As it relates to TSA, we have approximately $86 million in the budget for research on explosive countermeasures, which of course would be directly relevant to getting that next generation of technology in TSA. There are two dimensions to the problem. One is we have to get the next generation of technology. We have started to deploy some of this out there, puffers and things of that sort.

The second thing is we have to construct a financing system that allows us, these are major capital investments, that allows us to be a little bit more nimble in terms of our acquisition of technology and also does not lock us into obsolete systems, so that sometimes buying a lot of expensive equipment that is going to be obsolete in 4 or 5 years is not necessarily the right way to go. I think we need to be somewhat creative in exploring how once we have identified that next generation, we actually acquire and deploy it.

Chairman KING. The time of the gentleman has expired.

The gentleman from New Jersey, the ranking member of the Emergency Preparedness, Science, and Technology Subcommittee?

Mr. PASCRELL. Thank you, Mr. Chairman.

Mr. Secretary, I support your stewardship, and I want to preface my questions. The cards you were dealt came from a mixed deck.

Chairman KING. The time of the gentleman has expired.

[Laughter.]

Secretary CHERTOFF. No, keep it going.

Mr. PASCRELL. This is not off my time.

I hear you singing more the choirmaster's lines, and that disturbs me. I want to get into some very specific areas.

You talked about UASI and yet you know very well, as I do, Mr. Secretary, that when you add up the cuts in this budget to the FIRE Act, to the SAFER Act, to the law enforcement terrorism, I will not even get into the emergency management performance grants and the metropolitan medical response system. Those three things that I just mentioned, out of the $762 million in cuts, and what you have done is increased the original program by $156 million. It does not add up. It is not acceptable to members on both sides of the aisle.

Last year, you were honored at the Congressional Fire Services Institute. We sat on the dais together, if you remember. I was heartened when you gave your firm commitment to all the firefighters, there are about 2,000 of them in the room, from around the country, pledge your support for their needs.

Was it your personal idea to cut the Fire Grant program, which existed before 9/11, Mr. Secretary? Was it your idea to eliminate the SAFER program, or did someone else think of these gems and you just signed off on them?

Secretary CHERTOFF. Well, let me deal with both of those. The fact of the matter is, I am not saying the Fire program began on 9/11, I am saying since 2001 there have been $3 billion, 29,000 communities have gotten money. That is, as you point out, for equipment and for trucks and things like that.

Mr. PASCRELL. Excuse me, Mr. Secretary. This is a very different program than Homeland Security programs. This is a competitive program, the FIRE Act. You are talking two different situations altogether. It is not going to be acceptable that you meld them because I know the budget, I know the program, I had something to do with writing that program, as you know.

Secretary CHERTOFF. No, I am not confusing it with a Homeland Security grant. I understand it is different. What I am saying is that I would not normally expect to see investments in what are capital acquisitions continue at the same level, because you acquire capital items, they do ultimately deteriorate and you have to replace them, but every year your capital expenditures are not the same.

Mr. PASCRELL. Mr. Secretary, we are not just talking about capital items in the Fire grants. You know there are wellness programs in the fire departments throughout this country, 31,000 and one million firefighters, career and volunteer. You know that this is a very competitive program. There are $3 billion in requests just for the year 2006.

So when you say there is X amount of dollars spent since 2000, you are absolutely correct, but this was done on a competitive basis. The money went right to the fire departments, just like the COPS program, and I won't even get into that today. You do not want to hear my liturgy on that. The point of the matter is, you are failing the firefighters of this country.

I want to ask you another question, if I may. Does this administration year after year try to impose the most egregious cuts and eliminations to programs that are designed to help our first responders?

I want you to think about this, Mr. Secretary. I am very sincerely and seriously asking this question. There is an article in the New York Post, God forbid me, on February 13, there is a quote from the homeland security spokesman, Marc Short. You know who Marc is?

Secretary CHERTOFF. Yes.

Mr. PASCRELL. He said in regards to the Fire grants that the president "believes the program should be targeted towards terrorism prevention." Now, that was not the original purpose of the Fire grants. These needs are basic. They existed before 9/11. They need to be responded to.

I warned you of this and you seemed to agree when you first came on board that we should not meld them; there was a different purpose, a different characteristic. And this is just one example that I am putting up to you. It is a mirror to what we are trying

to do, and shuffle warmups on the table, under which warmup rests the program.

Do you believe that the Fire grant program should no longer be used to help fire departments meet their basic needs? And should instead be focused on terrorism prevention?

Secretary CHERTOFF. No. I did not see the article in the Post.

Mr. PASCRELL. That is what he said. Take my word for it.

Secretary CHERTOFF. I do not doubt your word. I think the FIRE Actire act grant program is not a terrorism program. I do not want to say a legacy program in a negative way, but it is a preexisting program. What I will say, though, is this. I will say that when it gets to issues like personnel expenses, I have to say philosophically, things like personnel expenses and things of that sort, which are very well worthwhile, seem to be, absent unusual circumstances, the kind of core responsibility of state and local governments.

Otherwise, I mean, I do not know where I would draw the line. I do not know how I would say to people, well, if you are going to pay a lot of personnel expenses for this type of first responder, you should do it for other types of first responders. And then the government is in the position of paying for salaries for a lot of people the government does not actually even employ. I have to say philosophically that strikes me as not—

Mr. PASCRELL. Mr. Secretary, we have it in the COPS program.

Chairman KING. The gentleman's time has expired.

Mr. PASCRELL. And you want to eliminate the COPS program? Do you support that?

Secretary CHERTOFF. I think that programs in general, absent, we do have some exceptions, but the general idea that the federal government ought to fund significant amounts of payroll for first responders in the states and locals, particularly when those are not people that are accountable to us, I think that is kind of fundamentally inconsistent with where the federal government has got to be focused on.

Chairman KING. The gentlelady from Florida is recognized.

Secretary CHERTOFF. And we might disagree about the philosophy of that, but I think we ought to be getting them capital equipment, training, things which you cannot reasonably expect them to do, I think we should do, and I think that's where our focus ought to be.

Chairman KING. The gentlelady from Florida?

Ms. BROWN-WAITE. Thank you very much, Mr. Chairman.

Mr. Secretary, I appreciate your being here. I know you had a lot to do this week, but we are glad that you are here.

I had some concerns about the reduction, or the total elimination of Real ID grants. I remember reading an article recently how states are not getting the funds to implement the Real ID bill which we passed. So that would be question number one.

Question number two relates to reduction in TSA training, baggage, passenger and passenger screening. I have a question and a comment. Obviously, from where I am sitting, you can tell I am new on this committee, and I go home every single weekend. When the TSA people at Tampa tell me the biggest glitch in the system is something that would be very inexpensive to fix, I have to won-

der why, when my staff contacted your department, they were really blown off. It may very well be that I am the newest member of the committee, but let me tell you what the problem is. I challenge every member here to, when you go home and you go through TSA back home in your district, ask them if this phenomena exists there.

The TSA screeners when they come into the airport have to go through the same screening every passenger does. They get checked. However, the cleaning people at the airport, the people working at the various concessions, they go through the "back door" and they go through the back door with a little scanner, little card that scans them in. Now, you want to believe that the same person to whom that card was granted is the person going through the back door.

I have a very high level of concern about that. If the rest of you have not asked the TSA screeners where you go back home, ask them about this phenomena. They are not comfortable with it, and I do not think any passenger traveling should be very comfortable with it.

I also, sir, do not think that your department should blow this issue off. To say that the employers are screening them, I am sorry, it is just not enough. It does not give me any comfort. I do not know what that screening is. We do not know the background screening. And sir, with all due respect, I will venture to guess that half of the people who are employed at some of the airports that I have gone through are probably illegal aliens. So that is a concern of mine.

I also would like some specifics about the $274 million guest worker program that we are being asked to pay for, and is it based on legislative proposals we have here in Congress, or is this a new plan. You can tell I am a new person on the committee because now we get called to go vote.

[Laughter.]

Secretary CHERTOFF. First, I do not know who your staff contacted. I know that TSA and Assistant Secretary Hawley try to be very responsive. If you contact him directly, I am sure he will make sure you are heard.

I know he is particularly focused on this issue of background checks for people who get into secure areas. There are parts of the airport that are designated as secure areas. There is supposed to be a background check, security check process for those people. We are currently in the process of finalizing a regulation that may address that and enhance that to some extent. I think he would be happy to talk to you about it.

I can tell you we have increased by $73 million the amount of money for aviation security, including an additional $10 million for Transportation Security Officer screener retention. We have put into effect some programs in TSA itself to create enhanced career prospects for TSA screeners. Assistant Secretary Hawley can give you a lot more detail about that.

So we are focused on the issue of who can get into the airport and move around, and what kind of background checks they get, as well as trying to upgrade the retention of our experienced

screeners, and also upgrade their training and give them better training on more sophisticated screening.

Ms. BROWN-WAITE. Well, sir, don't you think it is a little demoralizing if they have to go through the screening and yet other people do not? If I were a TSA screener, I would be very upset, as the TSA screeners in many of the airports that I fly through in Tampa and around the state of Florida, that they are very, very upset about this. It is like saying, okay, they are the government employees there to make us feel more secure, but who knows who is coming through the back door.

Sir, I would like to believe these people are only in the non-secure areas, but you know, when they wheel those cleaning carts around, right alongside the passengers, who have already been screened, you do not know what they could be passing to them.

So please look at this, and look at this with a more serious eye, and let's get moving on making those airports really more secure.

Secretary CHERTOFF. We are looking at it. I will take back to Assistant Secretary Hawley your particular concern. I do not know the configuration at Tampa Airport, although I have been there. I really do, in principle, we always need to be testing to see if there is a loophole in the security system because we are trying very hard to close all those loopholes in terms of our screening.

Chairman KING. The time of the gentlelady has expired.

I would advise the members of two 15-minute votes. We are going to go right through. Congressman Lungren is going over. When he comes back, he will take over the chair, so we are going to go directly through.

The gentlelady from New York, Ms. Lowey?

Mrs. LOWEY. Thank you very much, and welcome, Secretary Chertoff.

I just want to comment again on several of the issues that were brought up by my colleagues.

First of all, my colleague Congresswoman Brown-Waite, I want you to know you are a new member, but you have it. You are right on target.

I have been talking about that. I have been introducing legislation. People who service the airplanes, the caterers, the mechanics, all go into the secure areas. They get a badge. Sometimes they are reevaluated every 3 years, maybe not every 3 years. I have tried to get from the department the number of people. Mr. DeFazio has been working on this as well. I do hope there is a sense of urgency. We can stop talking about it. We can do it.

I am pleased to go through the metal detector and I think anybody who goes through secure areas must, in my judgment, have to go through that metal detector as well.

Chairman KING. If the gentlelady would just yield on that for a moment, and I will give you the time at the end.

Mrs. LOWEY. Yes.

Chairman KING. Congressman McCaul, I believe, his Subcommittee on Investigations is going to be examining that situation in detail. I share your concern.

Mrs. LOWEY. Well, thank you. And there is a gaps bill which I introduced, and I hope we can circulate it, and I hope there is some action.

There is also some discussion from my colleagues on the issue of interoperability. Again, I have been talking about this for years. I have called on the federal government to create an interoperable strategy. You never even mentioned it in your testimony. It would require coordination among state and local governments, which you did reference, provide grant funding for first responders. The call has gone unanswered. It has not been done, a lot of talk.

The fiscal year 2007 budget request cuts first responder grants. That has been mentioned; eliminates the only grant program dedicated to interoperability; and of the approximately 180,000 DHS employees, only five work in the Office of Interoperability. There are no standards. There is no national strategy.

What I really ask you with my colleagues, and this is a bipartisan sense, where is the sense of urgency? We saw it plague first responders in Oklahoma City in 1995, certainly in New York more recently in 2001, in the Gulf after Katrina. We heard stories from people on top of roofs throwing bottles down. We are back to the days of Paul Revere. That was the only way they could get a message to anybody.

Frankly, it is time to stop talking about task forces and studies. The problem has to be solved before the next disaster, and it can only be solved, in my judgment, with federal leadership, which has been nonexistent. So I know that we all are on the same page on this. You and I have had discussions about this. We are not talking about a major, major issue that suddenly we thought about. We have been talking about it for years. We need a national strategy. We need some direction. You mentioned some of the options which you are considering. I wish you would just do it.

Secretary CHERTOFF. I think that is kind of where I am going. We did RapidCom.

Mrs. LOWEY. With all due respect, it is not even in your testimony. Perhaps you do not think you need more than five people to work on this in the Office of Interoperability. In fact, I must tell you, Mr. Secretary, before you I had the legislation to deal with the office. Well, I was delighted that the administration created the office, they just did not fund it very much, and they only put five people in it.

Secretary CHERTOFF. I know we have had people working on it from the Science and Technology Directorate. My sense was, I have actually been focused on this, in the last month I have kind of raised the issue myself again, like, where are we with this, because I knew we had done RapidCom. I had a little bit of a sense it was like everybody, it was like Alphonse and Gaston, people were saying, well, let's wait for Congress to act on the band width, and well, let's wait for the perfect solution.

I think what we need is command-level interoperability. I think the idea that every single firefighter and policeman has to talk to each other is not necessarily what we need. Rather than let the perfect be the enemy of the good, I think we should lay down some technical standards, we are going to have lay down as a requirement that communities that want to get funding or assistance for this will agree upon common protocols and language, and not just, and you know from New York, you cannot always get the first re-

sponders, the police and firefighters do not always sing off the same sheet of music.

So you have to crack some heads a little bit. I know the mayor did that in New York last year. We are going to have to insist on that.

Mrs. LOWEY. If you could report back to this committee in a month, perhaps, how you would move forward on this issue, I would be appreciative. We are not talking about everyone buying the same red and green Motorola cell phone. We are talking about a strategy of coordination so that each local firefighter—oh, I am sorry. The red light is on.

I look forward to hearing from you, and hopefully we will not have to bring this up again at the next hearing, and also the issue that my colleague brought up with regard to the secure areas.

Thank you very much.

Chairman KING. The time of the gentlelady has expired.

The gentleman from New Mexico, Mr. Pearce?

Mr. PEARCE. I appreciate your being here. I will make some observations of which you can respond to. I will make my observations and wrap up with a question. I would like an answer to the question, and you can address the observations is you would care to.

We had significant questions last week during the classified hearing on the budget analysis and operations. They were stumped. They said they did not know the answer and the numbers appeared to need justification and we have not heard anything else. It was about on the ninth when that occurred and they have not returned our call.

The concept of the trailers being out there and not being used is going to be very similar to the one, if we build retention space where it is not needed, I have suggested repeatedly to the agency that they consider contracting with state and local county jails, city jails. We do not get a response to that. I was not amazed last week to hear Mr. Aguilar declare that the border is secure. I will tell you that it is the mantra I hear down to the field level.

So management says the border is secure. That puts them in a very small group of people in the U.S. who believe the border to be secure. Not even the field agents say that, and the contradicting testimony in that same hearing, again from the national representative of the Border Patrol agents, contradicted that. At some point, management needs to, I think, acknowledge that the border is not secure. They are the only people in America who believe it to be.

At that same briefing, or one closely aligned with that, Mr. Aguilar said that it was impossible to tell if the vehicles that crossed the river were military vehicles. In fact, he declared them unilaterally to be private Hummers. The sheriffs who testified immediately after that had very contradictory testimony and showed the reasons that the Hummers were in fact Humvees of military stock, and the question of Mexican military or federales incurring or encroaching into the U.S. space is significant.

I visited with the DAs last night from the southern part of New Mexico who prosecute those border issues. They said that they frequently have problems with federales who are working for the drug

cartels. These are the DAs and the prosecutors, not just the regular citizens.

The retreat off the border in the Second District of New Mexico that I represent, the paved road that the border agents use is seven miles from the border and Mr. Aguilar, the head of the agency, said it would be the worst use of resources to put people on the border. What am I to tell the people in my district who are on the border and are left in a no-man's land that actually gets taken over by people coming across from the other side, since the territory is ceded to them by the retreat to the paved road. It is an ongoing and difficult circumstance.

The question that I would really like to get an answer to is you have made public statements that the catch-and-release policy is dead and in your testimony you say we are now on a catch-and-return policy. Judge Carter, who represents a district in Texas, during his trip to the district in January was visiting with people who are processing OTMs. He said, well, it is good the catch-and-release program is gone. How long will it take these people to be gone? They said they are not going to be gone. He said catch-and-release, that is dead. And they said, it is. It is now catch-process-and-release.

I asked Mr. Aguilar about that and he declared that, he was sketchy, but at the conclusion you would understand that we were not catching and returning 100 percent, and he would not declare at what level we were returning.

So all of this goes to say that the credibility of the agency at some time has to come under consideration. I would like for you to address the catch process and release.

Secretary CHERTOFF. Let me do that.

Chairman KING. Let me interrupt for a second. There is only about 1 minute left in the vote. Have you voted yet, Steve?

Mr. PEARCE. I have not.

Chairman KING. I can either turn the chair over to you, and we miss the vote.

Mr. PEARCE. I would defer.

Chairman KING. Let's say it is subject to the call of the chair, probably about 10 minutes.

Mr. PEARCE. Okay.

Chairman KING. The committee stands in recess.

[Recess.]

Chairman KING. The committee will come to order.

Mr. Secretary, we regret the mixed signals on the vote there. I realize that you will have to be leaving probably within the next half-hour. We will continue. If you could begin your answer to Congressman Pearce's question.

Secretary CHERTOFF. I will be happy to.

Chairman KING. Perhaps you may want to restate the question.

Secretary CHERTOFF. There were a number of different issues, one of which relates to a classified briefing, which I obviously cannot talk about here. You asked a question about not want to build a lot of retention space, but the answer is that is what we do. We do have some federal facilities that have existed for space, but we are not looking to build more space. I do not want to build a lot of space that we may not need. We do want to contract out for it.

We do it with some state and local facilities. I do not know if we do it particularly with the facilities you are talking about.

In terms of Chief Aguilar saying the border is secure, I do not know what he said. I now that he and I both agree we need to get it secure and we believe it can be made secure, but we are not there yet, but we do have a strategy to make it secure.

Regarding the incursion, I have been told that the Border Patrol has reviewed an enhanced video that the Humvee appears to be an older style of Humvee that is not used by the Mexican military and that it is consistent with, the Mexicans apparently apprehended four of the individuals involved, and that this is consistent with the fact that drug cartels do use military-style clothing and equipment.

I know that from just my own experience and also anecdotally that there are certainly corrupt police officials, and even military deserters who have been recruited by drug gangs. I know there is a group called Lajeras, which is former Special Forces-trained individuals who do work for one of the drug cartels.

So we take very seriously the issue of the border and particularly violence at the border and people who are paramilitaries at the border. I would not want to suggest, though, that the Mexican government somehow officially is trying to aid criminal activity because that is quite the opposite. I think they have been particularly, have tried in the last 6 months to be very cooperative with us in terms of helping us with some prosecutions, putting some vetted police at the border.

I have spoken to the ministers of government and public security. I know they understand there is a serious problem for Mexico, and not just the United States. I am actually hoping to meet with them in the near future and talk about what we can do to further make sure Mexico is having vetted people on its side of the border policing against these paramilitary-type of drug groups that are unquestionably posing a danger to our border patrol and our law enforcement officials.

Finally, on the issue of catch-and-return, I have to be really crystal clear about this. I set a target of the end of the fiscal year to get to 100 percent. I did that because I wanted to be ambitious, but I did not want to say it was going to be cured tomorrow. I do not know the specific conversation you had with someone at ICE. The program relates to the area where I am legally able to do expedited removal. That is basically 100 miles from the border, for people who are 14 days or less in the country.

As I said before, I do not know if I said it here, right now we are hitting two obstacles, where we have not been able to get to catch-and-return. One is family groups, where we have to find facilities to keep children. The second is El Salvador. We cannot use expedited return in El Salvador because there is a court order that forbids it, so we either have to change the court order, and we have gone to court to do that, or I think we have either submitted or are close to submitting a piece of legislation to Congress that we think would enable us to now to expedited removal for El Salvadorans.

When I look at the statistics, and I look at them every week, I look at the gap. The gap is the difference between the number of people apprehended and the number of people who go into detention. Non–El Salvadorans, the gap is pretty small for the countries

that we are doing because it is really only the family groups we cannot detain. The gap is big and getting bigger for El Salvadorans, and that is because among other things I read in the paper that non–El Salvadorans are starting to call themselves El Salvadoran because they have now heard that El Salvadorans do not get removed, and so they are trying to take advantage of that. That is why this is a problem we really have to fix.

I think that answers all the questions.

Chairman KING. The gentleman from Rhode Island, Mr. Langevin?

I remind members the secretary will have to leave by 12:15. We got delayed by the vote, so if members could try to move their questions along, I would greatly appreciate it.

No reflection on the gentleman from Rhode Island.

Mr. LANGEVIN. I was going to ask for a point of clarification on that, Mr. Chairman, but thank you for clarifying.

Mr. Chairman, thank you for recognizing me.

Mr. Secretary, thank you for being here and for your testimony. I have a couple of questions here. Let me begin on an issue that certainly troubles me the most and keeps me awake at night. In my work as ranking member on the Subcommittee to Prevent Nuclear and Biological Attack, one of the areas that I am most concerned that we are most vulnerable, of course, is that a nuclear device or weapons-grade material could be smuggled across our borders and be detonated in a U.S. city. It is the ultimate nightmare.

I recently had the opportunity to visit the Nevada Nuclear Test Site with Chairman Linder and Congressman Dent. Let me say that I am very pleased with the progress that is being made on radiation portal monitors. I particularly want to mention that I have a high degree of confidence in Vayl Oxford, the director of DNDO, and the work that is being done there. They have an operational site, even though it is still in a sense under construction. They are actually testing equipment there right now, which is where I believe, of course, at our ports and border crossings, we are very vulnerable, so we need to get that equipment fielded as quickly as possible.

What I would like to know is when the administration will meet its promise to deploy radiation portal monitors, or RPMs, at all designated points of entry? I would like to point out that in December, this committee voted to require deployment of RPMs within one year.

Next question, I also notice that the budget contains a large increase for the Domestic Nuclear Detection Office. I am glad that you recognize the importance of protecting our nation against growing nuclear threats. But can you tell me how you see the role of DNDO fitting into future plans of DHS?

Secretary CHERTOFF. Congressman, I agree with you that at the top rank of any set of threats we have to be concerned about is nuclear, not only the device itself, but the smuggling in of a radiological bomb. I am pleased you had an opportunity to go to the Nevada test site. I actually hope to get out there myself and see it at some point.

I think that by putting DNDO together, this is really the right way to do it. We assembled all the elements of the system that we

want, except for those that are outside of our department's jurisdiction or overseas, and even there we have pushed out a little bit. And so we are building our technology to fit within a system.

I cannot tell you right at this moment, I do not have it in my head when we will finish the deployment. I believe we have done the deployments at the significant land ports of entry. We have done some at the maritime ports of entry. We are continuing to roll them out. What we are doing, and I can get you the answer of what our expected timeline is.

In terms of the large increase, the way we are looking to fit this in is we want to have DNDO do the groundbreaking research, do the testing and development, be involved in the deployment and in the reach-back capability when you do have a hit in terms of being able to ascertain what the isotope is and what the particular threat is. They will not actually be the operators. They will not actually be doing the radiation portal operations, but they will be providing technical support and making sure the overall architecture looks and fits in together.

We will have to integrate this with the megaports initiative overseas, run by the Department of Energy, and make sure that we are tapped into that and fully integrated with that, as well as within the various other elements in the intelligence community designed to focus on counter-proliferation.

So we have the responsibility, first of all, to make sure we have an overall architecture internationally in terms of domestic nuclear detection, and then DNDO takes a special role in making sure that we manage the actual activities inside this country with respect to these detection capabilities.

The last thing I want to say is we will obviously be working with CBP and with state and local communities as we get next generation technology, particularly mobile technology, surge capacity, types of capabilities we would have if there were an event where we suddenly had to go out to an event. DNDO is going to be integrated with all of those elements. That is one of the reasons we have put a significant extra amount of resources into it.

Chairman KING. The gentleman from Pennsylvania, Mr. Dent?

Mr. DENT. Thank you, Mr. Chairman.

Good morning, Mr. Secretary.

Some agencies in my state have had a hand in planning homeland security emergencies on a local level. They maintain that the product put together by the HSOC is oftentimes untimely and irrelevant to the kinds of problems they are trying to face to prepare for a homeland security event on a local level. I guess my question to you is, have you heard this type of complaint before? And what would you propose to do to make the HSOC more responsible to the needs of local homeland security agencies and emergency management professionals?

Secretary CHERTOFF. I am not sure I have heard that before. Let me talk about the different kinds of products that we put out, and recognize that the HSOC is still a work in progress. A lot of what the HSOC does is information sharing. It is the portal actually through the Homeland Security Information Network in which a lot of exchange of information occurs. I might add that actually in Katrina, the only actual operational communications that was, it is

my understanding that we had in the area was through the homeland security information network, which is a Web-based product.

A lot of what we do is put out intelligence information. Some of that is specific threat warnings that goes to homeland security officials at the state. Some of it is intelligence products that talk about kinds of things you have to look into. We do not obviously deal with local issues, issues of local concern that are nonterrorism-related, but we do for example do lessons-learned kinds of products on, if there have been historical types of attacks, or what to look for in terms of particular types of threats. I have seen some of the product that comes out.

Ultimately, I am going to be encouraging our intelligence analysis branch under Charlie Allen to actually integrate some of our intelligence people locally. We have done that in Los Angeles. We have done that in New York. I do not think we are going to do that in smaller areas. We are also working as various states build intelligence fusion centers, to assist states with grants for fusion centers, and then to make sure they are linked up to the HSOC so that we do have a common operating picture when there is an event someplace.

So if there is a particular issue people have, I am open to hear about it, but I have actually think I have gotten reports that things are progressing well.

Mr. DENT. Okay. Thank you. My second question deal with interoperability. You may have touched on it previously. How much of this problem with developing these interoperability capabilities do you believe is rooted in the failure of local and state governments or agencies to spend the monies that have already been appropriated to address this problem? What are you doing to help unclog the so-called pipeline? It seems like a lot of the interoperability money may be stuck en route.

Secretary CHERTOFF. I think that is very good point. I think that we have several billion dollars which is in the pipeline. I am no being critical here. I mean, it is wise for people to not just spend the money willy-nilly. But that is money which can be spent on upgrading equipment for interoperability. Where I want to see us go is I want to give the guidance necessary to allow intelligent decisions to be made about spending the money.

Once we do that, I do not know that, I mean, I think there is money in the pipeline that can be used for that. I think we just need to get about the business of finally making some decisions about how to go forward with this.

Mr. DENT. Finally on the issue of nuclear detection capabilities, I, along with Mr. Langevin and Mr. Linder, did have the opportunity to visit the Nevada test site. It was a meaningful experience. While the technology is advancing, and certainly encouraging, I worry about its application at the ports. I know you talked about the broader issues of architecture. It just seems that we are looking at trucks, but not other types of vehicles that maybe should be passing through the various portals. Have you given much thought to that issue?

Secretary CHERTOFF. We have. We are wrestling with it, in a stage where we are both acquiring current technology, but also looking to transition to the next generation of technology. We are

looking at obviously containers to come through. We are looking at trucks, you know, anything that is large enough.

Mr. DENT. Light trucks or even cars, are you looking at those?

Secretary CHERTOFF. Well, the next generation of technology should give us a capability to be more mobile and have smaller and less expensive detection equipment. That would allow us, for example, and one of the things we are looking at is, if we want to pick a city and we do want to set a perimeter around the city where we would check, we need to figure out what should the perimeter be. Those are the kinds of things we are working on now, and then what kinds of sensors do we need to deploy outside that perimeter.

Before we get to the point of doing that, we have to be comfortable we have a level of technology that can distinguish normal radioactive material like marble from things which are particular isotopes that emit particles that suggest we have a problem. We also have to deal better with the ability to penetrate shielding material. But our end-state is exactly what you were talking about, the ability to move out of just being at the ports and looking at the big containers, and actually thinking about ways to detect material that might be in transit in other kinds of vehicles, particularly around areas that are vulnerable.

Chairman KING. The gentleman from North Carolina?

Mr. ETHERIDGE. Thank you, Mr. Chairman.

Mr. Secretary, thank you for being here. I would echo what others have said this morning. I hope this is more frequent than it has been in the past. I think it is important to us.

As you know, I have been concerned by the department's advance award of contracts for some things, but not for others. For instance, there was an advance contracted for demolition, debris removal, taping, a host of other items, tops put on buildings that had blown off due to hurricanes. We were told that these kinds of awards were made and are made to the people in each disaster. Please tell me how they are made and tell me across the country. Because time is limited, so you have a set number of companies with professional expertise. Yet I know that they subcontract out the work. You and I know that is true.

My question to you is, tell me what you have implemented to change the system, because it is not within the area. There are a lot of areas outside. And when the implementation of a Stafford Act requirements that local businesses have a preference for these kinds of contracts, what have we done to make that happen.

Secretary CHERTOFF. This is a two-stage, actually a three-stage process. First of all, in terms of what we are currently doing, we have pushed very hard on the operations currently under way. We have pushed very hard in the Army Corps of Engineers, which is typically the one that gets involved in this, to make sure they are driving these things down to locals.

But you have put your finger on a more fundamental problem, which is the role of the Army Corps of Engineers in debris removal. It is more expensive going through the Army Corps of Engineers. You are quite right, eventually they wind up hiring local people. So the question is, why are we doing something that is more cumbersome and more expensive, and puts an intermediary in who is generally a large out-of-state contractor.

We have now tried to, there was actually a funding bias in favor of the Army Corps in terms of the percentage of state and local match.

Mr. ETHERIDGE. Are we putting things in place that fix this?

Secretary CHERTOFF. Yes. Let me tell you what we are doing. The first thing we are doing is we are going to eliminate the funding bias. Second, we are in the process of getting a registry of companies that local officials can choose to bring in to do, and setting templates they use for contracting. We are happy to have them do locally almost immediately. We recognize a lot of time what is going to happen is the first 30 days they will not be in a position to do it, but we want to give them the tools to hire locally. We want to equalize the funding situation.

Mr. ETHERIDGE. I guess my biggest question, Mr. Secretary, is will it be in place before the next hurricane season?

Secretary CHERTOFF. I think a significant amount of it will be.

Mr. ETHERIDGE. Okay. I think that is important. You and I know those are coming no matter what.

My next question is, this past Monday, my understanding is that you told a room full of state emergency managers, "The state emergency managers and first responders will always be our nation's first line of disaster response." Okay. If we take that, and I assume you said that.

Secretary CHERTOFF. I did.

Mr. ETHERIDGE. Now, that being said, the budget eliminates local law enforcement, terrorism prevention program; cuts the assistance programs almost 50 percent; cuts the emergency management performance grant program, which states use to develop federally mandated evacuation programs that are mandated by the federal government, that is a mandate, either that or it is going to be an unfunded mandate; and emergency preparedness plans by 20 percent.

Now, how do you reconcile those words with actions, and I know there have been people in the administration who said, well, there is money in the pipeline that has to be spent. Mr. Secretary, I served at the local level. There are certain guides and regulations there. Money may be in the pipeline and it is obligated. The money hasn't been dispensed. It has been obligated. It is not money you can use for something else.

Chairman KING. Mr. Secretary, if you could give as brief an answer as possible so everybody can get a question.

Secretary CHERTOFF. Yes. I was not being critical in saying it, but there is money in the pipeline. And also we are putting money in things like urban areas as security initiative grants, state homeland security grants, the TIP program, which are available to support these kinds of capabilities. What we are trying to move away from is a system where there are very specific programs. We want communities to look at what their priorities are within the general list of capabilities, and make some choices before they come to us. That is the kind of short answer.

Chairman KING. The gentleman from Connecticut?

The ranking member and I have agreed that questioning will be limited to 3 minutes for the balance. No reflection on Mr. Simmons.

Mr. SIMMONS. I do not take it personally, Mr. Chairman.

A couple of points, very briefly, on the Fire grants and some of the other comments that have been made by my colleagues. I agree with them. My suspicion is that these cuts did not originate on your desk; that somewhere along the line they probably were added on. On that basis, I will work with my colleagues to restore those programs.

Also, I agree with my colleague from California on the urban area risk assessments. For Sacramento, for San Diego and in my case, New London, to be off the list of cities at risk does not make much sense. So I think we have some important work to do there.

I would like to talk about that part of your testimony that deals with information sharing. Common sense tells you that information worth sharing has to be good information. If you do not have good information, there is no point in sharing it. Common sense also tells you that if you can acquire information cheaply and easily, that is a good thing.

This leads me to the testimony we heard yesterday from Charlie Allen and the discussion of open source intelligence. Homeland security lends itself to open source intelligence, especially when it comes to terrorism risk assessment for our infrastructure. The 9/11 Commission report supports it. The WMD report supports it. You have testified in favor of it. We have a new open source agency. But I do not believe this budget proposal is robust enough in that area. I think it pays lip service and nothing more.

Would you and your people be willing to work with our subcommittee to strengthen that part of your proposal?

Secretary CHERTOFF. It is a classified budget so I cannot really speak about it. I will say in general, I believe in open source. I think Charlie Allen believes in open source. We have put more money in general into the category of intelligence and operations. I know I am limited in what I am allowed to say, but I can tell you we do want to make sure we have adequate resources to pursue open source, as well as other kinds of analytic intelligence.

Mr. SIMMONS. So I take that as a yes, you will be willing to work with us.

Secretary CHERTOFF. I do not want to get myself into a jurisdictional battle on Capitol Hill about who gets what.

Mr. SIMMONS. Of course not. We would never want to do that.

Secretary CHERTOFF. I am going to be a neutral bystander on what committee has jurisdiction. I will, however, say that I am a believer in open source collection and analysis, and I believe that Assistant Secretary Allen is, and I will support him in that.

Mr. SIMMONS. Thank you very much.

Chairman KING. The gentlelady from California, Ms. Harman? I understand also you want to remain after the hearing to make a statement?

Ms. HARMAN. No, Mr. Chairman. You have accommodated all of us. That was my request.

Chairman KING. Okay. Great.

Ms. HARMAN. Thank you.

The construction on the roads made me 4 minutes late today, but the good news is I have had 3 hours to listen to Secretary Chertoff handle some tough questioning. I want to say maybe we have all

turned a corner and we can move along smartly with a much better-equipped department.

It was Mr. Lungren who was saying that it is refreshing to hear a former federal judge answer questions because the answers are concise, but that led me to reflect on the different skill sets between being a federal judge and being Cabinet secretary in one of the toughest assignments in Washington. I think federal judges need to have detachment, reflection, and the ability to do keen analysis, all of which you have in spades.

Whereas being a Cabinet secretary on the hot seat, you need to have engagement, passion, and an instinct for action, very different skill sets. So I want to commend you for giving up lifetime employment to try out something which I would say is a lot harder. I also admire the fact that you have stood up to enormous political pressure to move to risk-based funding. I admire the fact that you are taking responsibility for Katrina, which is going to be very painful, and hopefully cause you to do things in a more active bent as soon as possible. You have not missed that.

But I do want to discuss for 1 minute an emerging success story in the department, and that is intelligence. You testified last summer that that was a key area for you. You have hired the best guy in Washington, Charlie Allen, to be in charge of it. You are giving him his head and he is making big changes and he needs to make big changes. As a member of the Intelligence Committee, I am aware of the classified piece of that program, which I support and which I hope my whole committee will support.

But here is the bottom line. Charlie Allen and you have to produce accurate, timely and actionable intelligence, and then you have to tell our first responders who may be first preventers if you get there in time, exactly what to look for and what to do. They have skill sets, too. They have been brought out in this conversation. They are setting up their own Fusion Centers and coordinating them locally. But the bottom line here is, the buck stops with you on producing homeland intelligence. I just want to give you 11 seconds to respond about how critical this function is and how useful Charlie can be.

Secretary CHERTOFF. I agree with that. We have done a lot of transformative work with intelligence. I made him the chief intelligence officer. We are now embedding analysts in Los Angeles and New York. We are much quicker turning around now in terms of conveying threat information and intelligence information.

Actually, there is a good example of the model I want to follow as secretary, which is I want to find very skilled people to run the components. I want to make sure they have a clear sense of priorities; that they are well linked up with me; that I am available to give them all the support they need. I do not want to micro-manage them. If I have to micro-manage a component head, I have the wrong component head.

I am very pleased to say that as I look at the people we have brought on board, Charlie Allen, George Foresman in Preparedness, you know, who has 30 years as a homeland security adviser and emergency preparedness guy, finishing up as Mark Warner's head of homeland security.

Chairman KING. Mr. Secretary, the time is running.

Secretary CHERTOFF. I think we are making a lot of progress, and I will stay an extra minute just so I can say this. I do not want to let the record stand without making a personal comment. I really appreciate the Congresswoman's comments.

I was only a federal judge for 18 months. I spent most of my career in law enforcement. I did everything from kidnappings to murders. I was on duty on 9/11. I have a very vivid recollection and a little difficulty in getting engaged in pursuing things that are matters of life and death. What I do insist upon and what I will insist upon is assembling a team of people upon whom I can rely to think and execute in a way that does not require me to hold their hand.

Chairman KING. The gentlelady from Texas?

Ms. JACKSON-LEE. Let me thank the chairman and the ranking member for accommodating those of us who are here in this room for serious business. I am very disappointed in the secretary because there is not a time that he comes before this committee, and infrequently as he does come, that he does not have to shorten his timeframe, for what reason I do not know.

Chairman KING. In fairness to the secretary, votes were not scheduled on the House floor until 1 o'clock. We lost a half hour.

Ms. JACKSON-LEE. You are taking my time, Mr. Chairman.

Chairman KING. I will give you your time at the end.

Ms. JACKSON-LEE. I do not need an explanation from the chairman on why the secretary has to go. I thank you for your accommodation.

Chairman KING. Well, if you do not want to know the facts, that is your prerogative.

Ms. JACKSON-LEE. I do not want to know the facts.

Chairman KING. As usual, speak without the facts, speak without the facts.

Ms. JACKSON-LEE. I do not believe the facts are relevant. The secretary has not been before us since July 2005.

Chairman KING. I know you don't.

Ms. JACKSON-LEE. As I was saying, I am disappointed that you have to leave. I had a number of questions dealing with border security and the cuts that you are making in the state Criminal Alien Assistance Program, $405 million which will impact the state of Texas of $26.4 million. I will submit those into the record.

What I do want to focus on because I happen to be concerned about lives, 1,300 lives, is this statement by the House committee, a failure of initiative, and particularly the role that you played, Mr. Secretary, or did not play in the lives of those who I still confront in the city of Houston.

Now, I know that you have taken responsibility, but in fact I am rather frustrated by the back and forth between you and former FEMA director, Mr. Brown. At least Mr. Brown returned my phone calls. You did not. This picture is what I found on the streets of New Orleans, broken families as I walked among the rubbish.

The controller general testified and said that in hurricanes, the senior federal official should be designated prior to the event. He indicated that neither you nor any of your designees filled the leadership role during that. He also found that you did not act

proactively, only designating Hurricane Katrina as an incident of national significance.

The controller general also said as a result the federal posture generally was to wait for the affected states to request assistance, and they were of course held up in the tragedy themselves. The Katrina Commission released a report that concluded that the manner in which you executed responsibilities was late, ineffective or not at all. These two reports are confirmation of what many Americans have come to believe, that your performance in response to the department's first major test at saving lives was an abysmal failure.

In addition, it was noted that at 11 a.m., Katrina makes another landfall near the Louisiana–Mississippi state line and late in the morning, the 17th Street canal levee is breached, leading to the flooding of a vast swath of central New Orleans. This was on August 29.

My question to you, Mr. Secretary, is in light of all these statements, and certainly let me comment on your excellent reputation in law enforcement, but homeland security is defense of America both from natural terrors or manmade acts, rather, and as well in natural disasters. Do you believe you should be fired, because I believe you should.

Secretary CHERTOFF. Well, as I have said when this question comes up, I serve at the pleasure of the president. It is a public trust to have this position. As long as the president believes I can serve that trust and serve him and make a contribution, I will continue to do that to the best of my ability.

Ms. JACKSON-LEE. Why did you not respond? May I ask, and I appreciate your answer, why did you go to Atlanta, as opposed to immediately going into the region and taking leadership and taking control of the issue? Why did you, in light of the fact that the administration had emails prior to the landfall of Hurricane Katrina, not respond to the fact that they thought it was going to be catastrophic? And why did Mr. Brown have to call the White House and bypass you?

Secretary CHERTOFF. I am not going to compress 2 and 1/2 hours of testimony yesterday, but will respond to that as succinctly as I can. I am not going to characterize Mr. Brown's testimony, but I will tell you that on the Sunday before landfall, I looked in the eye all of the people who were responsible for managing this potentially catastrophic event, and there was no doubt it was potentially catastrophic. I looked at them on a video screen and I heard each one of them talk about how they were prepared; things were prestaged; they were ready. I heard it from the head of emergency management in Louisiana, the National Guard representative, our regional director, who was responsible, from Michael Brown himself.

I point-blank asked Michael Brown, is there anything you need that you do not have to get ready for this, that I have to give to you? And he said, we have everything we need, everybody is working together. I point-blank looked him in the eye and asked him, do you what you need from the Department of Defense? And he said there is someone from the Department of Defense in the room,

and I could see that person, and we are engaged and we are working to get everything there.

I then called each of the governors separately, and asked them off-line, tell me, is there something you did not want to say on a public open line about something that we need to do. Everybody said they were worried about it, but they felt we had all the items there.

As I told Congresswoman Harman, my approach, and I think it is the correct approach, is to have component heads who are aligned in their priorities with me, who are keeping me informed; who understand that I am four-square behind giving them the tools they need to do the job; but if they are going to conduct the operation, I am not going to get in their hair. I am going to let them do their job. And that is the way I used to behave when I was an operator.

Now, Mr. Brown said last Friday it was his decision not to go to the department and not to go to me. That had to do with his own views of what he wanted FEMA to be. I will let you draw a conclusion about whether you think that is appropriate behavior or not.

Finally, as it relates to Tuesday, I carefully considered on Monday whether I should go into the area itself.

Ms. JACKSON-LEE. The levees were breaking on Monday.

Secretary CHERTOFF. As I have explained, there was a problem getting accurate information to me, and I did not know about the levee breaching until early Tuesday morning. I made a judgment on Monday that my going to the actual scene itself and standing over the operator would simply confuse the question of who was actually in control of the operation. I still think that is the right decision. I did not go to the Coast Guard and hover over Admiral Collins while he was deploying Coast Guard helicopters because I trusted him and he in fact lived up to my trust. I had full visibility from the Coast Guard about what they were doing in rescue operations.

What I did go down to do in Atlanta, which has no been much noticed in the press, is go specifically to the operations center of FEMA so I could monitor from the Operations Center in one of the regions what was going on and talk to the people themselves and get a ground-eye view. I did it at every step of the way, in full communication with my home office.

As I said yesterday, the result was unsatisfactory. At the end of the day, we are paid for results, and if the results do not work, I do take responsibility for it. On the other hand, I have to be correct in stating what the actual facts are.

Chairman KING. The gentlelady from California?

Ms. LOFGREN. Thank you, Mr. Chairman.

Since we have an abbreviated timeframe, I will just pose one question and ask for the answers in writing later, if I may. It has to do with the report in the New York Times earlier this month about a $385 million contract for Temporary Immigration Detention Centers that according to the newspaper article was awarded to Kellogg Brown and Root.

If the article is true—I do not know if it is—it would amount to one-third of the department's whole budget for this function, if I am reading the budget correctly. I would like to know, first I would

like a copy of the contract and the correspondence about this contract. I would like clarification about the role the department has played with the Army, if any, on this contract, and who is responsible for monitoring and ensuring compliance with the contract. I will take all the answers on that later, if I may.

I would like to spend the remaining minute or two that I have on the issue of cyber-security. Congressman Mac Thornberry and I spent the entire 108th Congress working on this issue in the prior committee. Eventually, we did have a bill to create an assistant secretary, along with a number of other items. You ultimately reached the conclusion that that was right.

So far as I am aware, unless something has changed in the last few days, that position is still vacant. I would like to know, it has been vacant more often than it has been filled. I think I would like to know how many vacancies there are in the entire division, how many of those that are filled are permanent, as compared to temporary, and of those that are filled on a permanent basis, how many are acting.

I think this is an area that has lagged in attention, where we have substantial vulnerability. I am mindful that when the plan originally developed in the White House for cyber-security was adopted, some said it was not strong enough, but we have not yet actually implemented that plan, and it is almost three-and-a-half years later. So I would like to know what is your plan to fill this position; what is the current status; and when are we going to actually see some action in this area where our vulnerabilities are so great.

Secretary CHERTOFF. You are correct that we created the position and money was appropriated starting this past October 1. We have not filled the position yet. I can tell you we are actively talking to candidates. I want to find the right candidate with the right skill set to recommend for the position to be filled.

I will get you the information about exactly who occupies the other positions, which of course were not created on October 1, but existed previously.

We actually just completed Operation Cyberstorm, which was a comprehensive exercise precisely targeted at looking at what our capabilities are, and what would happen in the event of a cascading series of cyber-attacks. It is something we have worked on with the private sector.

I have not yet gotten a report on what the findings were of that particular exercise. I recognize the challenge in this particular area is that the assets and the expertise are largely in private hands. Some of it we need to do involves frankly the way in which software is developed and whether it has adequate protections and security.

A second element is obviously early warning and information exchange when there is a problem, and we do have the CERT team up in Pittsburgh. The food is resilience, building capability to deal with what we would do if a portion of the Internet came down or if there were a denial of servers, and how do we work around that. I am hoping cyber-storm will give us some sense of where we are. I am very interested in filling this spot, I will tell you. Sometimes given the amount of money you can make in the private sector in

this area, people who you might want to recruit do not want to give their stock options up.

Ms. LOFGREN. I am well aware of that, coming from Silicon Valley, but I would just note I appreciate the exercises and the like, but the fact is the plan, inadequate as it is, has not even begun to be implemented. I think we are out of time, and I appreciate that, but it is easy, well, it is not easy, but it is apparent that we need to focus on many of the things that we have, but lurking behind that is a tremendous vulnerability in every sector in the cyber area, and we have totally dropped the ball on it. The private sector is wary of even dealing with our department. They do not think that we can keep their secrets secure and we have a huge problem there.

So I will yield back, with an invitation to discuss this with you, or your new assistant secretary, sooner rather than later, so that we cannot sit here being sorry that we did not pay attention when we should have.

Secretary CHERTOFF. Let me just conclude by saying I am sensitive about the issue of concern about proprietary information. I think that this is an area where we do need to be able to afford the private sector in general a confidence level that their proprietary secrets will be protected. Otherwise, we cannot really expect them to give us the information we need in order to protect the country.

Chairman KING. Mr. Secretary, I want to thank you for your testimony. I think several members of the committee made it clear that they would like to have more of a dialogue with you as the year goes on. We certainly look forward to that with you.

Again, thank you for your testimony and thank you for your service.

Secretary CHERTOFF. I look forward to doing that, Mr. Chairman.

Chairman KING. I understand the gentleman from Mississippi has a request.

Mr. THOMPSON. Yes, Mr. Chairman.

I would like unanimous consent to include in the record of the hearing today a report produced by the minority staff on FEMA and some recommendations as to how it can be improved.

Chairman KING. I am not going to object, but I would ask in the future, if the Ranking Member would make that available to us in advance so staff could take a look at it so we do not get blindsided on it. But without objection, so ordered.

Mr. THOMPSON. Thank you, Mr. Chairman.

Ms. JACKSON-LEE. Mr. Chairman, I have a request.

Chairman KING. The gentlelady from Texas?

Ms. JACKSON-LEE. Mr. Chairman, questions that I was not able to ask, I would like to be submitted into the record.

I would also like to ask, and I will follow up with a letter, I would like to have the secretary answer why he did not return my personal phone calls in the waning days of Hurricane Katrina.

I would like to also commend to this committee Omnibus Bill 4197, which is the Congressional Black Caucus response to the Hurricane Katrina, and also would like to commend the future hearing, Mr. Chairman, on the removal of FEMA from the Depart-

ment of Homeland Security, and have it as an independent, free-standing cabinet position, as it has been previously in the past.

I will conclude by joining in your comments. I believe that if the secretary had been more frequent before this committee, we would have been able together to work on some of the tragedies that occurred in Hurricane Katrina.

I thank the chair.

Chairman KING. Without objection, the gentlelady's request will be made part of the record.

I would advise that members of the committee may have some additional questions. I would ask the secretary to respond to those in writing. The hearing record will be held open for 10 days.

Without objection, the committee stands adjourned.

[Whereupon, at 12:28 p.m., the committee was adjourned.]