

**LESSONS LEARNED AND GRADING GOALS: THE
DEPARTMENT OF HOMELAND SECURITY OF 2007**

FULL HEARING

BEFORE THE

**COMMITTEE ON HOMELAND SECURITY
HOUSE OF REPRESENTATIVES**

ONE HUNDRED TENTH CONGRESS

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**LESSONS LEARNED AND GRADING
GOALS: THE DEPARTMENT OF
HOMELAND SECURITY OF 2007**

Thursday, February 15, 2007

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

The committee met, pursuant to call, at 9:10 a.m., in Room 311, Cannon House Office Building, Hon. Bennie Thompson [chairman of the committee] presiding.

Present: Representatives Thompson, Sanchez, Dicks, Harman, Jackson Lee, Etheridge, Langevin, Cuellar, Carney, Clarke, Green, Permuter, Lungren, Rogers, Reichert, Dent, Brown-Waite, Bilirakis, and Davis of Tennessee.

Chairman THOMPSON. [Presiding.] The Committee on Homeland Security will come to order.

The committee is meeting today to receive testimony on lessons learned and grading goals for the Department of Homeland Security in 2007.

Thank you for being here, Deputy Secretary Jackson.

Last week, the committee had the opportunity to hear Secretary Chertoff present his budget plan for fiscal year 2008. He painted the picture of what the department wanted to be in 2 years and what resources it needed to get there.

Prior to our hearing with Mr. Chertoff, we had the opportunity to revisit the department's enduring challenges with two distinguished watchdogs, the comptroller general and the department's own inspector general.

In the last week, we have been presented with two starkly different images of the department. One is a rosy scenario and the other is a dire portrait.

What we need from you today is to hear your vision of how DHS can become the picture of health. Specifically, we invited you here today to tell us where the department is with respect to management, personnel and assets.

When the book is closed on 2007, what will be written about the department's progress with respect to addressing the lessons learned from the abysmal response to Hurricane Katrina; completing the corrective action plan needed to get DHS off GAO's high-risk list; improving DHS's ability to get a clean financial statement; enhancing the department's efforts to secure rail; and hiring and deploying personnel to patrol our borders, manage procurement, and prepare for terrorism and other disasters?

As the department's chief operating officer, you should be able to provide us with specific benchmarks and goals for this calendar year. I am particularly interested in morale of the department. It is the unseen hand in every situation and can undermine every plan and program you devise.

You are aware of the report that came out, we have had some discussion about it, and I have looked at some of your memos to staff in reference to that. But I would be, along with other members of the committee, interested in learning how that is progressing.

Basically, Mr. Jackson, it is important, I think, for you to share where we are with the department. And with that, I thank you for being here.

PREPARED STATEMENT OF THE HONORABLE BENNIE G. THOMPSON, CHAIRMAN,
COMMITTEE ON HOMELAND SECURITY

Last Week, this Committee had the opportunity to hear Secretary Chertoff present his budget plan for Fiscal Year 2008. The Secretary painted a picture of what the Department wants to be in two years and what resources it would need to get there.

Prior to our hearing with Secretary Chertoff, we had the opportunity to revisit the Department's enduring challenges with two distinguished watchdogs—the Comptroller General of the United States, Mr. Walker, and the Department's Inspector General, Mr. Skinner.

Over the past week, this Committee has been presented with two starkly different images of the Department. One is a rosy scenario and the other is a dire portrait. Mr. Jackson, what we need from you today is to hear your vision of how DHS can become more of a picture of health. More specifically, we invited you here today to tell us where the Department is today with respect to management, personnel and assets.

When the book is closed on 2007, what will be written about the Department's progress in addressing the lessons learned from the abysmal response to Hurricane Katrina; completing the corrective action plan needed to get off GAO's "High Risk" list, improving the DHS' ability to get a clean financial statement; enhancing the Department's efforts to secure rail; and hiring and deploying personnel to patrol our borders, manage procurement, and prepare for terrorism and other disasters?

As the Department's chief operating officer, you should be able to provide us with specific benchmarks and goals for this calendar year. I am particularly interested in morale at the Department. It is the unseen hand in every situation and can undermine every plan and program you devise. I have seen your January 30th message to DHS employees about the OPM employee job satisfaction survey. In it, you describe DHS' last-place ranking in nearly every category as a 'clear and jolting message.' You go on to say that both you and Secretary Chertoff 'discussed these results with concern' and you pledged to 'improve job satisfaction for the DHS team.'

What I need to know is how do you plan to fulfill this pledge and when will you begin the implementation process? As you know, time is of the essence here. The Federal workforce is graying and attrition permeates your Department. You must put in place strategies to turn things around and convince the men and women of DHS that the conditions will improve.

This past week, the House voted unanimously on a resolution that pays tribute to the Department's personnel. We are looking to you to honor them with your actions and make things right.

Mr. THOMPSON. The chair now recognizes Mr. Lungren, who will be acting in Mr. King's stead for this hearing. The gentleman from California?

Mr. LUNGREN. Thank you very much, Mr. Chairman, and thank you for having this hearing.

Mr. Jackson, we on this side welcome you here for your testimony. I am reminded when I returned to Congress, someone asked me what is the difference between being a member of Congress and

being a member of the executive branch, as I was back in California.

And I said the major difference is now if I finish a speech, I don't have a reporter come up to me and ask me about something one of my 5,000 employees has done that I know nothing about, and I am expected to respond on the spot.

You have far more than 5,000 employees. You are in the position, along with the secretary and several others, of managing a large department, the largest new department, reorganized department, in the history of the nation since the Department of Defense.

My own personal view is we have a good management team over there and I hope you are as dissatisfied with some of the shortcomings as we are.

And the real question for us is not whether there are shortcomings, because that is always the case, but it would particularly be necessary or expected in an organization as massive as yours—and as the comptroller general suggested, there is a 6-year to 10-year window usually when you bring disparate groups together in a merger such as this.

But that does not diminish the intensity of our feeling that we have to get things done right and done right as soon as possible.

So I hope you would not view this as a hearing which is an attempt to identify scapegoats but rather as a hearing to have a gauge of where we are on that journey to finally getting a completed whole in the department that you are in at the present time.

There is vast agreement as to the shortcomings with respect to Katrina, perhaps with the exception of the magnificent job done by the Coast Guard, which is an element of your department. And I think we really want to know what lessons have been learned from those failures and those shortcomings.

And as we in Congress have shifted our focus from time to time from perhaps a predominant view of aviation security to the exclusion of others, I think we saw some of that in your department as well.

So we would be also looking to see whether you have been able to spread the sense of priority across your department in a meaningful way and where you need to put and we need to help you put a greater emphasis as we go forward.

So with those words, I again thank you for your service, thank you for appearing before us, and hope that at the end of this hearing we will have a better idea of how well we are along that journey.

Thank you very much, Mr. Chairman.

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

Other members of the committee are reminded that, under the committee rule, opening statements may be submitted for the record.

Again, I welcome our witness today, Deputy Secretary Jackson, who serves as the second-in-command at the Department of Homeland Security since March of 2005.

As deputy secretary, Mr. Jackson essentially serves as the department's chief operating officer, and he is responsible for managing the day-to-day operations of the department. He oversees activities of the department's seven operating components that are

responsible for such critical homeland security missions as preparedness, information sharing, border security and emergency management.

With nearly 2 years at DHS under your belt, we look forward to hearing about the hard lessons you learned from the response to Hurricanes Katrina and Rita as well as the reorganization of the department during your tenure.

Without objection, the witness's full statement will be inserted into the record.

However, Mr. Secretary, we have talked about the 48-hour deadline for submission of testimony to the committee. It is important that we follow that. It is important that in the future please pass that on to everybody below you that we plan to enforce it very vigorously. And we would like our members to have enough time to review testimony so that they and their staffs can adequately address the questions.

We will allow you 5 minutes to summarize your testimony, and then we will start with our questions. Thank you for being here.

**STATEMENT OF HON. MICHAEL P. JACKSON, DEPUTY
SECRETARY, DEPARTMENT OF HOMELAND SECURITY**

Mr. JACKSON. Mr. Chairman, thank you for having me here today, and thanks for the spirit of cooperation that you have brought to working with the department and our colleagues on this committee.

We are on the journey that Congressman Lungren mentions, and I am happy today to have a chance to explain where that journey is headed, how we are doing some things better than others.

I won't try to paint everything through rose-colored glasses, but I will tell you that we are making some substantial progress which I would like to share with you. And I would also like to share with you where some of our challenges are.

I won't try to repeat or to walk through the full text of my prepared remarks.

And thank you, Mr. Chairman, for including them in the record and accept my apology for them not arriving sooner than they did. We will definitely make sure that happens next time.

I would like to just step back and say just a word about the core strength of the department, and this I would like to start with a thank you.

Mr. Chairman, you and your members on this committee sponsored a resolution to praise the employees of the department this week, and I just have to tell you that that was a wonderfully generous and fair and apt thing for you to do. It was a very, very well received thing inside of our department.

I think that we have heroes on the line every day doing phenomenal work at the border, in airports, jumping out of airplanes to save people's lives with the Coast Guard. And your recognition of their service meant an awful lot to our department.

The secretary did talk about the five priorities that he has for the department, and so in the question of where we are going, there are these five strategic objectives which the written testimony that I have submitted encapsulates and unpacks.

But it is to protect our nation from dangerous people, from dangerous goods, to protect our critical infrastructure, to build a nimble and effective emergency response system that has a culture of preparedness embedded not just in our work but in the work that we share with our state and local partners in emergency preparedness, and then finally, to take the theme that you, Mr. Chairman, started with of management discipline, management work that has to be done to knit together this department in an effective and responsible manner.

So these are the core organizing principles for us of the work in the department and our main priorities. It is also possible to look from different perspectives on how to get your arms around DHS, and I think at one level that is what this conversation is about, and I look forward to the questions that will unpack that further.

But trying to get your arms around DHS you can do by working the org chart approach. We had a little chance to talk about the org chart earlier.

You can look at our strategic planning and—I call it the bones and muscles approach—the architecture of how we hang together plans in aviation, and surface transportation, and biological attacks, and the congressional statutes that have given us strategic counsel, and then how we move through those.

It is one way of thinking about and aggregating an approach to understanding where we are and where we are headed.

Another one is to think about the pure risk-based approach, and this is what I call in the testimony the dashboard navigator approach, which is to look at the ways that either terrorists or natural events attack the country and then look at the locus of those attacks, find the intersection points, and then unpack how hard a job we have, how well we are doing, what our protect and prevent strategy is, and what our respond and recover strategy is.

So if you take a means of attack like MANPADS, a shoulder-fired missile with—intersects with commercial airliner, we have to ask the question how big a threat is this and how consequential a threat is this. And then we have to say—and I think that is not an inconsequential one.

Then we have to say we have these two plans of protect and prevent—how do you stop that from happening? And then the respond and recover plan—how do you recover?

So if we look at the whole range of natural disasters and terrorist attacks—nuclear, chemical, biological, et cetera—and our range of 17 critical infrastructures, in one way this is an organizing scorecard for us to understand how our planning process is doing, how well our organization is decked to produce responses in these missions.

The five principles that we have talked about really aggregate all of this, the architectural way of looking at the department through the org charts, the risk-based work of trying to triage among threats and to spend our crucial time and dollars, and also the work that we do in trying to bring discipline to it through things like the Maritime Domain Awareness Program, the Aviation Security Program, et cetera. So these are tools for us.

Let me just end by saying we have made a lot of progress at DHS. I don't want people to walk away feeling like that there is, you know, an abysmal amount of work and no progress.

I feel just the opposite. I see a huge amount of progress in the last 2 years. But we have much, much work to do ahead of us. And I think that we have to do this in partnership with this committee, with the Congress, to make sure that we are successful in the work.

We have a strong team, and we are committed to unpack for you on an ongoing basis where we are, how we are going to measure our performance, to unpack each part of the mission and to help you understand with clarity where we are.

So perhaps with that I could stop and respond to questions and have a dialogue with you about where we are going.

[The statement of Mr. Jackson follows:]

PREPARED STATEMENT OF THE HONORABLE MICHAEL P. JACKSON, DEPUTY SECURITY,
DEPARTMENT OF HOMELAND SECURITY

Mr. Chairman, Congressman King and Members of the Committee, I am pleased to testify before the Committee on Homeland Security to discuss "lessons learned and grading goals" at the Department of Homeland Security.

DHS is soon approaching its fourth anniversary as a department, and I my second year as Deputy Secretary and the Department's chief operating officer. DHS has learned much about how to grow and strengthen this new and vital organization, not the least through lessons derived from the Hurricane Katrina response and recovery. Secretary Chertoff has set five core goals to drive the Department during the next two years. They are:

- Protect our nation from dangerous people
- Protect our nation from dangerous goods
- Protect our critical infrastructure
- Build a nimble, effective emergency response system and a culture of preparedness
- Strengthen and unify DHS operations and management.

Together, these five objectives subsume a series of actions that reflect much of DHS's mission, and our highest priorities. In each area, we strive to set realistic, measurable goals for success. It is a truism, but nonetheless true, that we cannot hope to eliminate all risk—whether from natural disaster or terrorist attack. Rather, we must daily go about our business with a sense of urgency and discipline to reduce risk, and balance precious investments of time, energy and dollars to achieve the highest return in our work to protect the homeland.

In this effort, I am blessed to count as DHS colleagues some 208,000 extraordinarily dedicated men and women. Mr. Chairman and Congressman King, I was touched by your public statements of support and the House Resolution you sponsored earlier this week for these DHS employees. I thank you and the Members of this Committee for that most thoughtful gesture.

It is fair to say that DHS has a broad and complex mission. At the Department, we have responsibility for executing missions for all-hazards incidents, and many are managed through the Department's seven core operating components. In addition, we have a broader role to define and support an overall preparedness architecture for the federal government in homeland security. Here, we partner and rely upon many partners—from the FBI to the Department of Transportation; from the Department of State to the Department of Defense. Our homeland security strategy as a nation embraces virtually all of the federal family in one way or another with critical assignments.

Likewise, supporting the homeland security mission of state, local and tribal leaders and that of the private sector is integral to our operations. Added to that is an extensive overseas employee footprint, and, together with the State Department and our embassies overseas, our work with many foreign government and organizations to align, as much as possible, homeland security strategies internationally. In short, DHS's complex mission supports and is supported by a vast array of partners.

I appreciate fully that DHS's partnership very much includes this Committee in particular, as well as our other colleagues in the House and in the Senate. I'd like

today to identify at least several ways of getting one's arms around DHS's mission and performance.

One approach is to unpack our organization chart, understanding fully and completely the responsibilities, budget and highest priorities of each organizational unit. I recently enjoyed an informal opportunity to discuss the Department in this way with this Committee's members.

Another approach is to focus on homeland security by focusing on the various strategic plans, Presidential directives, interagency and intergovernmental agreements and legislative mandates that animate and integrate so much of our work at DHS. Call this the bone-and-muscle perspective. In this sense, we could talk about the National Preparedness Goal, its fifteen planning scenarios and the associated target capabilities that we seek to support and grow at the state and local level through DHS grants, training and exercises. We could unpack the National Infrastructure Protection Plan, its sector specific plans or detailed strategies such as the Pandemic Influenza Plan or the President's directives on infrastructure protection (HSPD-7) or common identification standards (HSPD-12).

This approach underscores that much of DHS's work efforts in securing the homeland requires us to integrate and coordinate assets across federal, state, tribal and local governments in order to meet the President's directives. For example, we have realigned our department in the area of biodefense (HSPD-10), as we coordinate the actions of our various parts of DHS with those of the Departments of Health and Human Services and Defense. Our responsibilities in food and agro-defense drive close coordination with our own critical infrastructure partners in the food sector and with the Department of Agriculture, the Food and Drug Administration and the Centers for Disease Control.

Goals set by core homeland security legislation, such as the recently passed SAFE Port Act, tie to the federal maritime domain awareness strategy and specific investments in programs such as Secure Freight. Taken together, these strategic goals, plans and tools drive prioritization of investments for homeland security. They drive our everyday work. They are the bones on which we grow the muscle that defines and makes possible DHS's work.

A third approach is what I call the dashboard navigator. In this way, we focus first on specific threats in order to structure an understanding of our mission. We assess the manner and extent to which DHS must cover the full range of homeland threats (e.g., nuclear, chemical, biological, natural disasters, etc.) and the locus or "attack vector" of such potential attacks (e.g., large public gatherings and the 17 critical infrastructure asset sets). In this way, one must think of a specific means of attack (e.g., a shoulder-fired rocket or MANPAD) hypothetically aligned with a specific attack vector, such as a commercial airliner.

Once you align these two variables, there are two sets of issues that must be assessed: (a) severity of risk; and (b) our plans (public and private) to reduce the risk as much as practical. The latter question, in turn, yields two distinct plans: (a) a protect and prevent plan; and (b) a response and recovery plan.

Each of these two areas of planning for the range of threats is ripe for discussion and analysis. Each benefits from lessons learned since 9/11 and the results of our protect/prevent and respond/recover plans must be measured carefully, graded dispassionately. In sum, the dashboard navigator discipline, the bones-and-muscle approach or the organizational structure analysis are each viable approaches to unpack what is being done and what must be done at DHS.

At this hearing, Members may wish to touch on parts of DHS's work by means of these three approaches. For my prepared remarks, however, I have tried to organize an overview of DHS priorities and mission activity around the Secretary's five core priorities.

Protect our Nation from Dangerous People

The Department's continuing efforts to protect our nation from dangerous people consist of border enforcement, interior enforcement and immigration and screening programs.

Border Enforcement. In support of the President's initiative to secure the border, 6,000 National Guard personnel were deployed to the Southwest border as part of *Operation Jump Start*. Furthermore, the Department ended the practice of "catch and release" along the Southern and Northern borders as part of the Secure Border Initiative. This accomplishment is one that many considered unlikely in 2005 when only approximately 34 percent of apprehended non-Mexican aliens were detained.

Also, on the northern border, CBP Air and Marine opened its third of five Air Branches planned for that border, adding the Great Falls Air Branch in Montana to ones in Bellingham, Washington, and Plattsburgh, New York. We believe the combined effect of these actions along with continued vigorous CBP enforcement cre-

ated a strong deterrence effect that led to a marked decrease in land apprehensions in FY 2006.

Over the next two years, the *SBI*net program will begin deploying an integrated infrastructure and technology solutions for effective control of the border that will include fencing in areas where it makes sense, vehicle barriers in other areas, and a virtual fence of radars and cameras in others. This selective application of technology that best meets the conditions along each part of the border will help detect and apprehend illegal aliens who cross into the United States while doing so in the most efficient way possible. Keeping *SBI*net on time and on budget will be a key focus of my attention.

We will also transition from the resources provided by the National Guard to internal capabilities by the hiring of 6,000 additional Border Patrol officers as well as constructing the facilities to house the agents, hiring the support personnel, and deploying the equipment necessary to gain operational control of our borders. This will bring the total number of Border Patrol agents to over 18,000 at the end of 2008, by which time *Operation Jump Start* will have wound down and the Guard will have been phased out from these border activities.

Interior Enforcement. In FY 2006, more than 4,300 arrests and apprehensions were made in ICE worksite enforcement cases, more than seven times the arrests and apprehensions in 2002, the last full year of operations for the U.S. Immigration and Naturalization Service. ICE completed 5,956 compliance enforcement investigations resulting in the administrative arrest of 1,710 overstay and status violators, a 75 percent increase over FY 2005. In addition, ICE removed over 186,000 illegal aliens from the country in FY 2006, a 10 percent increase over the number of removals during the prior fiscal year.

We plan to add 22 ICE Criminal Alien Program teams in FY 2007 to remove incarcerated criminal aliens so they are not released back into the general population and potentially threaten the safety of the American public. We will also continue to assist U.S. employers in complying with immigration laws by encouraging them to verify the work eligibility of their new employees by using Basic Pilot, an employment verification program.

Identity Screening Programs. The Department has or is standing up a number of identity screening programs that are key to improving the security of the nation, including the Western Hemisphere Travel Initiative (WHTI), the REAL ID program, US-VISIT, the Transportation Worker Identification Credential (TWIC) and Secure Flight. In designing all of these programs we make preservation of individual privacy rights an imperative.

WHTI document requirements have been instituted at all air ports of entry. This year we will focus on the development and installation of technical infrastructure to enable implementation of WHTI at land ports of entry in 2008. With a significant IT investment planned in 2008, we will ensure that Customs and Border Protection officers have the technology to verify rapidly that all people arriving at U.S. ports of entry have a valid and appropriate means of identification and to process visitors in an efficient manner. DHS plans soon to propose REAL ID regulations that create minimum standards for state driver's licenses and identification cards that federal agencies can accept for official purposes after May 11, 2008.

US-VISIT's biometric program is designed to keep terrorists and other criminals out of our country while facilitating visits from legitimate travelers. As part of that effort, biometric watch list hits increased by 185 percent at consular offices last year, rising from 897 hits in FY 2005 to 2,558 in FY 2006. The use of biometrics has allowed DHS to take adverse action against more than 1,800 known criminals and visa violators.

We will begin piloting ten-print capture devices at the ports of entry this year, and continue deployment through the following year, as part of the Unique Identity Initiative. This initiative will provide the capability biometrically to screen foreign visitors requesting entry to the United States and those requesting visas through the collection of ten-print (slap) capture at enrollment. US-VISIT, along with the Departments of State and Justice, will be able to capture ten fingerprints rather than the current two. Additionally, DHS continues to move forward with the development of ten-print interoperability between DHS's Automated Biometric Identification System (IDENT) and FBI's Integrated Automated Fingerprint Identification System (IAFIS). We are also poised to implement beginning this year a US-VISIT exit regime at airports and seaports. Further testing of exit approaches at land borders is needed.

The TWIC Final Rule has been published and a contract has been awarded to enroll workers and issue credentials. This program is designed to issue a tamper resistant, common credential to all port workers and merchant mariners requiring

unescorted access to secure areas of the nation's maritime ports and vessels after the successful completion of a security threat assessment. TSA and the Coast Guard will begin implementing the program in the coming months. A deployment schedule complying with the requirements of the SAFE Port Act is being finalized and will soon be made publicly available. All port workers should be enrolled and cards issued within 18 months of initial enrollment.

Finally, we are about to launch the Secure Flight Initiative, which will strengthen watch list screening and vet all domestic air travelers. We expect to issue the NPRM soon, followed by a Request for Proposals (RFP) this summer to begin the roll out of this program. When complete, watch list screening will be consolidated at the Department, reducing the burden on airlines and enabling better access to results from our redress processes for travelers.

Operational Screening Programs. In response to the foiled terror plot in England, the Transportation Security Administration (TSA) rapidly addressed the specific liquid explosives threat through decisive action and then nimbly modified the restrictions on liquids as more testing was completed. The initial outright ban on carry-on liquids temporarily increased security wait times, which then rapidly diminished. TSA initiated an aggressive program to train its 43,000 security officers to address the threat and to get information on the ban to air travelers. TSA and other offices in the Department also intensively investigated the science of liquid explosives and its potential application on commercial airliners and conducted extensive explosive testing with our Science and Technology (S&T) directorate and other federal partners. As a result, TSA modified its ban on liquids by allowing limited quantities onboard aircraft safely and once again, wait times returned to normal levels.

This modified ban has been very successful, as wait times during the Thanksgiving holiday in 2006 were slightly lower than in 2005 and airlines problems from the increase in checked baggage have receded. Over the next two years the document checking staff positions at security lines that are now filled by airline and airport employees will transition to TSA security officers. This will create an important new layer of defense for aviation security by increasing the technical competence and sophistication of the document checking process and allow the security officers to assess passengers at an earlier stage.

Immigration Programs. Much work must be done to address the outdated and overly manual, paper-based business processes in place today at the US Citizenship and Immigration Service (USCIS). By law, USCIS is a fee-funded organization. We have just recently taken the first step in enabling this process by publishing a notice of proposed rulemaking to raise the fees that USCIS charges. Unless USCIS can capture the true cost of the services it performs, it will not have the funds to revamp the out-dated information technology systems hampering the efficient and effective delivery of the services its customers expect. Although costs will rise for most applicants, the results will be faster and higher quality service. We are dedicated to that last point. Even before the higher fees are in place, the onus will be squarely on the Department to deliver on our service promises.

Personnel Security. The Secret Service operates the Domestic Protectees program 24 hours a day, 365 days a year to protect the President and Vice President and their families, former Presidents and their spouses, scores of foreign dignitaries and other individuals designated by statute or Presidential directive. All protectees arrived and departed safely at more than 6,275 travel stops during FY 2006. The 2008 presidential campaign will present significant challenges because of the number of candidates and early start to the campaigns. Nevertheless, this is an area in which the goal is clear and will be accomplished over the next two years.

Protect Our Nation from Dangerous Goods

Our continuing efforts to protect against dangerous goods involves screening cargo at foreign ports and at domestic ports of entry, and through interdiction at sea.

Screening Cargo at Foreign Ports. Almost seven million cargo containers arrive and are offloaded at U.S. seaports each year. The U.S. Customs and Border Protection increased the percent of shipping containers processed through its Container Security Initiative prior to entering U.S. ports from 48 percent in FY 2004 to 82 percent in FY 2006. This significantly decreases the risk of terrorist materials entering our country while providing processes to facilitate the flow of safe and legitimate trade and travel from more foreign ports.

Last year, DHS and the Department of Energy announced the first phase of the Secure Freight Initiative, an unprecedented effort to build upon existing port security measures by enhancing the federal government's ability to scan containers for nuclear and radiological materials overseas and to assess better the risk of inbound containers. The initial phase involves the deployment of a combination of existing

non-intrusive radiography technology and proven nuclear detection devices at ports. Over the next two years, we plan to expand the program to more ports and will continue to refine what information we gather along the logistics chain and how we transmit and process the data.

Screening Cargo at Domestic Ports. DHS deployed 283 new radiation portal monitors throughout the Nation's ports of entry, bringing the number of radiation portal monitors (RPMs) to 884 at the Nation's land and sea ports of entry. These additional RPMs allow us to scan 90 percent of incoming cargo containers, an increase of approximately 30 percent from this time last year. I was at the LA/Long Beach Port last week, where 100 percent of all outbound containers are being screened. We will continue to procure and deploy sufficient radiation portal monitors, including next-generation Advanced Spectroscopic Portal (ASP) systems, to achieve our goal of scanning 98 percent of all containers entering the U.S. by the end of 2008.

With respect to air cargo, we recently published air cargo security rules that will help prevent the use of air cargo as a means of attacking aircraft. The rules mark the first substantial changes to air cargo regulations since 1999, and represent a joint government-industry vision of an enhanced security baseline. These new measures will be enforced by an expanded force of air cargo inspectors, who will be stationed at the 102 airports where 95 percent of domestic air cargo originates.

Interdiction at Sea. This year, U.S. interdiction efforts contributed to all-time records for seizures and arrests. The 93,209 pounds of drugs that were seized were more than the combined amount seized in the previous two years. Long-term success in defining our border at sea will require a new generation of Coast Guard assets that the Deepwater Program must provide. Recapitalization on the scale of the Deepwater Program is a complex process. There have been several issues of concern, including with the extension of the 110' patrol boats to 123', and several design issues with the National Security Cutter. The Commandant has put in place a rigorous and disciplined program management team to resolve these issues. The 123' patrol boat problem, causing reduced operational reliability and crew safety, resulted in the Commandant cancelling the program. The first National Security Cutter has been launched. The issues with this hull are non-critical, will not affect our ability to use the ships to full capability, and will be corrected effectively. Given the complexity of ship design and construction, it is not unusual for lead ships of a new class to require some design modifications. Some structures in the NSC require strengthening, and these enhancements will be made.

In a recent message to all hands, the Commandant said, "We have an urgent need to recapitalize our aging fleet. Our future readiness depends on it, and I am fully committed to this effort. . . . We are pursuing all efforts with a great sense of urgency. . . . Deepwater is fundamentally about the Coast Guard's ability to save lives, secure our maritime borders, and protect our marine environment."

Next Generation Technology. This past year, Domestic Nuclear Detection Office (DNDO) announced the award of Advanced Spectroscopic Portal (ASP) program contracts that could total up to \$1.15 billion to enhance the detection of radiological and nuclear materials at the Nation's ports of entry. ASP models were deployed to the Nevada Test Site, where they will be tested using nuclear threat material. Portals have also been delivered to the New York Container Terminal for data collection. The ASP program is just one part of DNDO's Acceleration of Next-Generation Research and Development program that will increase funding across multiple DNDO research, development, and operations program areas over the next two years.

On the biodefense front, the Department is committed to the development of automated biological detection systems that can be deployed in high-risk locations to provide the earliest possible warning of a biological attack. Our Office of Health Affairs is standing up the National Biosurveillance Integration Center in partnership with five federal government agencies to integrate intelligence and threat information with data on human and animal health and the nation's food and water supplies. All of these efforts are intended to enhance our awareness and detection capacity so that, in the event of an attack, the resources of the nation can be brought to bear quickly to mitigate its effects.

Protect Our Nation's Critical Infrastructure

Working closely with state and local officials, other federal agencies, and the private sector, DHS helps to ensure that proper steps are taken to protect critical infrastructure and the economy of our nation from acts of terrorism, natural disasters or other incidents. America's critical infrastructure includes food and water systems, agriculture, health systems and emergency services, information and telecommunications, banking and finance, energy (electrical, nuclear, gas and oil, dams), trans-

portation (air, road, rail, ports, waterways), the chemical and defense industries, postal and shipping entities, commercial and government facilities, and national monuments and icons.

Protection Planning. We have completed the National Infrastructure Protection Plan (NIPP). The NIPP is a comprehensive risk management framework that clearly defines critical infrastructure protection roles and responsibilities for all levels of government, private industry, nongovernmental agencies and tribal partners. Initial drafts of all 17μsector-specific plans are now under review within the Department.

In 2006, 58 percent of identified critical infrastructure facilities have implemented Buffer Zone Protection (BZP) Plans, up significantly from our FY 2005 level of 18 percent. The Department worked in collaboration with state, local, and tribal entities by providing training workshops, seminars, technical assistance and a common template to standardize the BZP plan development process.

Protection Standards. In 2006, DHS was given authority by Congress to implement risk-based security standards for chemical facilities that present high levels of security risk. This allows the Department to recognize the significant investments that responsible facilities have made in security, while providing the Department with authority to ensure that high-risk facilities have adequate safeguards in place. This year we will establish a chemical security office, the Chemical Security Compliance Division, to regulate the security of chemical plants. This office will include a national program office as well as inspectors and other field staff who are subject matter experts in chemical engineering and process safety, as well as an adjudication office.

Protection Programs and Operations. The U.S. Coast Guard operates programs aimed at protecting our maritime domain, and combating maritime terrorism. In FY 2006, the USCG examined thousands of vessels for security compliance, completed comprehensive reviews of 23 nuclear and three chemical facilities, and conducted over 8,700 security-related boardings.

USCG also officially assumed responsibility for air intercept operations in the nation's capital from U.S. Customs and Border Protection in FY 2006. The Coast Guard will support with its rotary wing air intercept capability the North American Aerospace Defense Command's mission to protect against potential airborne attacks. Seven Coast Guard HH-65C helicopters and crews will be responsible for intercepting unauthorized aircraft that fly into an air defense identification zone that surrounds Washington, D.C.

Rail Security Explosives Detection Pilot Programs were conducted in Baltimore, MD and Jersey City, NJ to test and evaluate security equipment and operating procedures as part of DHS's broader efforts to protect citizens and critical infrastructure from possible terrorist attacks. This year and next, TSA intends to expand its National Explosive Detection Canine Team program by approximately 45 teams to support the nation's largest mass transit and ferry passenger transportation systems.

Building on analytical work done in FY 2006 and continuing in FY 2007, DHS will begin the implementation of our Securing the Cities Initiative in the New York region. Activities include the development of regional strategies, analyses of critical road networks and the vulnerabilities of mass transit, maritime and rail systems. The New York Police Department is leading a consortium of regional partners from New York State, New Jersey, Connecticut and other New York City area agencies in working with DHS to development and implement a regional radiation detection deployment strategy.

Next Generation Technology. The newly formed Innovation Division within the Science and Technology Directorate is charged with developing game-changing and leap-ahead technologies to address some of the highest priority needs of the Department. The technologies being developed will be used to create a resilient electric grid, detect tunnels along the border, defeat improvised explosive devices, and create high-altitude platforms and/or ground-based systems for the protection of aircraft from portable missiles. To help facilitate the development of technologies, the Innovation Division has established Integrated Process Teams working with each DHS component to help identify, develop and acquire technology to help the Department achieve its mission of protecting the homeland.

Build a Nimble, Effective Emergency Response System and a Culture of Preparedness

We have taken many steps toward building a nimble, effective emergency response system and culture of preparedness. The key this year will be how well we integrate the preparedness function into FEMA and realign FEMA to perform well and efficiently.

FEMA's Vision Initiatives will enable the agency to intensify and speed the development of core competencies that are central to achieving its disaster readiness, response and recovery mission. Our efforts are aimed at increasing not only FEMA capabilities, but the federal government's ability to assist state and local governments affected by major disasters and national emergencies.

A combination of staffing increases, new technologies, and targeted investment in equipment and supplies, will increase FEMA's mission capacity in the areas of Incident Management, Operational Planning, Continuity Programs, Public Disaster Communications, Hazard Mitigation, Disaster Logistics, and Service to Disaster Victims.

Preparedness. The number of federal, state, local and tribal governments that are compliant with the National Incident Management System (NIMS) has reached a record level in 2006. NIMS incorporates standardized processes, protocols and procedures that all responders—federal, state, tribal and local—can use to coordinate and conduct response actions. With responders using the same standardized procedures, they will all share a common focus in national preparedness and readiness in responding to and recovering from an incident, should one occur.

By reviewing state and local disaster plans, co-locating decision-makers, and pre-designating federal leadership, DHS is improving readiness and coordination across all levels of government. Through the Nationwide Plan Review, DHS completed visits to 131 sites (50 states, 6 territories, and 75 major urban areas) and reviewed the disaster and evacuation plans for each. These reviews will allow DHS, states and urban areas to identify deficiencies and improve catastrophic planning.

In 2006, DHS awarded \$2.6 billion for preparedness. Included in this total is approximately \$1.9 billion in Homeland Security Grant funds that have been awarded to state and local governments for equipment, training, exercises and various other measures designed to increase the level of security in communities across the Nation. An additional \$400 million in grants was awarded to strengthen the nation's ability to prevent, protect against, respond to, and recover from terrorist attacks, major disasters and other emergencies that could impact this country's critical infrastructure. Almost \$300 million was distributed in grants to fire departments and EMS organizations to enhance their response capabilities and to more effectively protect the health and safety of the public and emergency response personnel with respect to fire and all other hazards. Of the funds awarded to State and local governments, almost \$400 million was used by states to support state and local fusion centers—valuable partnerships in place across the nation in which interagency efforts are focused on sharing intelligence with state and local governments.

Starting this year and extending through FY 2010, the Department will be co-administering a \$1.0 billion Public Safety Interoperable Communications grant program, in partnership with the Department of Commerce.

Response. FEMA's federal response teams were strengthened in 2006 to improve our ability to arrive rapidly on the scene at a disaster site. The recent severe tornado incident in Florida demonstrated this improved responsiveness. Improving the timeliness of specialized federal response teams has saved lives, reduced property loss, enabled greater continuity of services and enhanced logistical capability in the wake of disasters.

FEMA also increased registration capability last year to 200,000 victims a day through its toll-free registration number, online registration process, and mobile unit capacity for registering individuals in shelters. Also put in place were increased home inspection capacity (20,000 per day), improved identity verification through new contract resources and tightened processes to speed up delivery of aid while simultaneously reducing waste, fraud and abuse.

Vital to a robust response capability are situational awareness and tactical communications. To improve upon existing systems, DHS has initiated technological changes and improvements through the use of satellite imagery, upgraded radios and frequency management. The new National Response Coordination Center at FEMA and Mobile Registration Intake Centers are now operational as well. In FY 2006, FEMA implemented the Total Asset Visibility program to provide enhanced visibility, awareness, and accountability over disaster relief supplies and resources. It assists in both resource flow and supply chain management.

Over the next two years we will be further professionalizing FEMA's disaster workforce by converting its Cadre of On-Call Response Employee positions that are four-year term limited into permanent full-time positions. This transition will stabilize the disaster workforce, allowing for the development and retention of employees with needed program expertise and will provide increased staffing flexibility to ensure critical functions are maintained during disaster response surge operations.

The Coast Guard has improved its response capability by establishing a Deployable Operations Group and strengthening the Coast Guard's overall response

capability. The alignment of Coast Guard's deployable, specialized forces under a single command will improve and strengthen Coast Guard's ability to perform day-to-day operations and respond to maritime disasters and threats to the nation.

Strengthen and Unify DHS Operations and Management

As the chief operating officer of the Department, a sustained focus of mine for 2007 and 2008 will be strengthening the management culture of the organization. In some areas, this will mean strengthening the authority of the Departmental Chiefs, while in others it will mean honing the skills and supplementing the resources within the components.

Financial Management. We are committed to improving the Department's financial management. We are working aggressively to reduce the number of material weaknesses reported in our annual financial audit. This is especially true at the Coast Guard, which has the largest number of material weaknesses. The Commandant has established a high-level management team to work those issues, and he and I both are working closely with the Inspector General and our auditors on these matters. We cannot eliminate all of these problems in a single year. The problems are too entrenched and will require a concerted, multi-year effort.

Procurement. The Department is just beginning or is in the midst of many crucial procurements, the success of which is vital to the success of DHS. These range from border security on both land (*SBLnet*) and sea (Deepwater) to the screening of people (WHTI, TWIC, US-VISIT, REAL ID, Secure Flight) and cargo (Secure Freight, ASPs, EDSs). We are committed at the DHS corporate level to putting in place the oversight and processes that will ensure good business practices are the norm and not the exception.

We have a strong, experienced Chief Procurement Officer whose work this year on improving the Department's performance will be a primary focus for her and for me. The Department is committed to providing the components with the staff necessary to award properly and administer Department-wide acquisition programs and to ensure effective delivery of services and proper procurement and contracting procedures in compliance with all federal laws and regulations.

Human Resources. This year we will continue to roll out our performance management system to all elements of the Department. This follows on the deployment last year to 10,000 employees in multiple components and the training of 350 senior executives and more than 11,000 managers and supervisors in performance leadership. We will more than double the number of employees under the performance management system and will include the new system in collective bargaining negotiations. We will also develop a common job classification system across the Department.

The Office of Personnel Management surveyed federal employees last summer about various measures of job satisfaction and agency performance. The recently-released results for the Department were disappointing. Of 36 agencies, we ranked in the bottom three in such categories as job satisfaction, talent management, leadership and knowledge management, and in building a results-oriented performance culture. The Secretary and I are deeply concerned about the survey results and have made a commitment to our employees to improve job satisfaction of the DHS team.

The Undersecretary for Management has joined the Secretary and me in carefully addressing issues reflected in the OPM survey. We will analyze the data, with specific attention to those government organizations that are recognized for their high performance, and determine specific steps for improvement. We will do so with a sense of urgency and seriousness.

Strengthening core management is one of the Secretary's highest priorities and a key element is effective communications and proper recognition of our workforce. We will build on some good work that has already been done to chart a path forward on these issues.

Information Technology. In FY 2006, the phase one construction of 24,000 square feet at the Stennis Space Center Data Center was completed on time and the first application was transferred to this data center. We will unify IT infrastructures by reducing 17 data centers to two, seven networks to one, and establishing a common email operation. We will meet HSPD-12 goals by providing all newly-hired DHS employees with a single, secure, tamper-proof smartcard that allows interoperable access to DHS facilities and systems.

Administration. A challenge the Secretary and I have for managing the Department efficiently is the current dispersion of employees across the National Capital region. The Department intends to strengthen and unify DHS operations and management by joining DHS headquarters' facilities at a single campus. Our operations are spread across every state and throughout the world, and this dispersion is unavoidable because that is where we conduct the Department's business. But the

management cadres for the many components of the Department are spread across more than 40 locations in the National Capital Region. This dispersion is avoidable and, in fact, must be remedied for the efficient operation of the Department.

The DHS consolidated headquarters project on St. Elizabeths West Campus is vital to the long-run success of the Department. Identifying and committing the funds for the rapid build-out of the campus will be a high priority.

Intelligence. Over the next two years we will continue to strengthen the Department's intelligence and information sharing capability, and continue to integrate the intelligence offices and programs of the Department. We are strengthening our analytic capabilities, improving information sharing, and forging stronger relationships at the state and local levels to support our common work.

In FY 2006, we initiated the Intelligence Campaign Plan for Border Security (ICP), managed by the Office of Intelligence and Analysis, as a departmental planning effort to provide comprehensive and coordinated intelligence support for the full spectrum of the Department's border security operations. The ICP is linking DHS intelligence resources, and those of state and local partners, with the Intelligence Community to deliver actionable intelligence to front-line operators and to fuse national intelligence with law enforcement information.

As part of the ICP, we are developing strategies with the Director of National Intelligence to strengthen border security intelligence to support our operational missions. In addition, DHS intelligence analysts draw on their extensive experience in the Intelligence Community to help ensure that the Department gets full benefit from national collection assets.

In close, there is a certainly a large and important agenda of work ahead for DHS. My colleagues and I very much look forward to working with the Congress on the work ahead for the Department.

Chairman THOMPSON. Thank you. I thank you for your testimony.

I remind all members that each will have 5 minutes to question the deputy secretary. I will now recognize myself for questions.

You started off talking about the morale of the department. Can you lay out for me your time line and your pledge to improve the job satisfaction at the department?

Mr. JACKSON. Yes, sir. Thank you for that. I wrote a letter—the secretary and I consulted about all of our employees when we received the results of the latest OPM survey—and said that it was honestly a body blow to us to face up to something that we had to meet as a challenge to improve morale inside the department.

We have had a chance to get the detailed results and have begun to disaggregate on an operating-component-by-operating-component basis where we see the trends and the issues that we should be working on.

They are generally a variety of management and communications and operational discipline issues, mission clarity issues, that we are going to work our way through.

We have created a little task force. We have talked to each of the major operating component heads about what needs to be done. In the next 30 days we will finalize a much more aggressive plan of outreach and communications, some new tools, some listening sessions.

We are looking at some guidance we have had from the homeland security advisory council that has given us some culture ideas. We are, in short, going to focus it at the operational level. Where we have our issues, we will put special focus when we understand a specific set of problems.

So this is something we will be grateful to report back to you on during the course of this year. Nobody at DHS wants to stay at the bottom of this list. We are going to get off.

Chairman THOMPSON. Well, it is a real concern of ours. Chairman Carney's resolution that was passed, as you know, earlier was an effort on our part to tell the rank and file people at DHS that we really appreciate the job, we understand the seriousness of it.

However, I think it reflects, you know, management up. And that is a real, we think, indictment that you need to take serious and move forward. And we want to work with you on it. The department is too important a department for us to have the lowest rating of any department here in our federal government.

On February 9th, Ranking Member King and I sent the secretary a letter inquiring about the delay on the \$1 billion inoperability grant program. The secretary committed to having that resolved by February 19th. And you understand time lines have significant importance to us these days.

Can you tell us, will you be able to meet that by Monday? Will the department?

Mr. JACKSON. Yes, sir. I fully expect to do so. I can give you just a brief update on that, if that is?

Chairman THOMPSON. Please.

Mr. JACKSON. What we have been trying to do is make sure that we take this precious investment of \$1 billion and make sure that it matches to producing real results when it hits the ground in our states and local communities.

So what we are trying to do is align it to the planning work on interoperability assessments that have been done in 75 cities and released recently as well as the planning work that was planned to be consummated by the end of this year at the state level, and make sure that we are making these investments in some reasonable and cost-effective fashion.

I personally talked this week at length with my counterpart at the Department of Commerce. I think we are philosophically now on the same page about how to achieve the objective I just stated. We have a structure and a plan.

We have an MOU that allows the Department of Commerce to move the money to us. The money will be spent through our state grant program process and administered through that. There is agreement there.

We have outlined a time table and a work plan which will be part of the MOU, which we will obviously share with you, that shows you how during the course of this year we move through this, and then work through an investment that we will be meeting.

Chairman THOMPSON. Thank you, sir. I understand that we will have the MOU as well as whatever other data by Monday?

Mr. JACKSON. That is my plan, sir.

Chairman THOMPSON. Okay. We look forward to it. Can you just, in my remaining time, tell us why we have not met the mandate to establish the new Office of Emergency Communications?

Mr. JACKSON. The Office of Emergency Communications will be set up by the March 31st deadline for the reorganization. It was created as part of the reorganization plan.

It is built into the planning for the successor organization to preparedness, as was explained in our letter to the Congress about the reorganization. It will be staffed, funded and moving.

Chairman THOMPSON. So you just moved it back 2 months.

Mr. JACKSON. Well, we are trying to make sure that as all of that reorganization has stood up, we have—when the authority to spend money in these categories is made pursuant to our 872 notice, that we have a plan to do it, and we do, and it is a very high priority for us.

Chairman THOMPSON. Well, we look forward to getting it on March 31. Thank you.

And I yield to Mr. Lungren of California.

Mr. JACKSON. I can give you details about it after this meeting, before then, but I am telling you that is our deadline to make sure that it is staffed and running in a fully functional fashion.

Chairman THOMPSON. Thank you.

Mr. Lungren?

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

I don't want to be too simplistic on this, but part of a morale problem probably is designating what the mission is. When people are joining the Army, they know what they are joining. I mean, we changed the language, but when they are joining the Marine Corps, we know what they are doing, you know?

If someone were interested in joining—or you were attempting to recruit someone for the Department of Homeland Security, what do you tell them? What is your mission? I mean, I don't want you to do it in 5 minutes, but what do you do to try and get them to have pride in your department?

That is not the whole thing about morale, but it just seems to me it ought to be a starting point.

Mr. JACKSON. No, it is a good question. So here is the punch line. It is about protecting the homeland from attacks, terrorist and natural attacks.

It is an all-hazard agency which delivers a lot of the support for that and coordinates with a vast array of partners at the state, local and private sector basis. And it provides an architecture for integrating the whole of the federal response to such emergencies.

Then you have to unpack it on a mission basis. So if I am recruiting for the border patrol, there is a mission, a culture, and an ethos that we recruit to for that—the same with the Coast Guard.

The Coast Guard's mission is a broad mission, everything from search and rescue to fisheries work. You clean up after oil spills. But it is a culture and a clear mission.

We have these seven operating components, each with its own culture, all of which are harnessed to this one objective, and that is how we recruit to it, and that is how we are trying to sell this.

I will tell you, in my office I have one thing on the wall. It is a picture of the hole in New York City after 9/11, still smoking.

What I am continuously impressed with and just, frankly, energized to see every place I—I mean, energized to see every place I go is how that same type of passion in its own way is in the heart and spirit of these people that are working here.

So we are trying to boost that and support that understanding of their vitality to the nation.

Mr. LUNGREN. Let me be very precise about what Comptroller General Walker said last week at our hearing. He said, "Even in the private sector it takes 5 years to 7 years minimum to engage

in a major transformation effort and be able to have it stick beyond the current leadership.”

Having been in other agencies, including the Department of Transportation, do you agree with that? If you do, where is the—I don’t want to use that as an excuse to say we have got to wait for a few more years, but if you agree with that, where is the department in terms of its integration?

And how long do you think it is going to take us before we can come here and when you say I represent the Department of Homeland Security, everybody will say oh, yeah, I know what you mean, as opposed to man, that is that morass that we put together and threw everything in?

Mr. JACKSON. It is a learning experience for the Congress, and for the department’s staff as well, and for the public to understand the functionality and the breadth of our mission.

But I would tell you that we are relentlessly focused on by the time this president leaves office that we produce an integrated and functionally operating, effective, and managerially sound organization.

That is the time that I have on my watch, this 2 years left, and the time that this president’s team brings to this mission.

So the things that we are trying to do—unpack all across the department. For example, we are trying to make sure that we have career people with solid experience who will stay over transitions and secretaries and presidents.

And in FEMA, for example, we have had historically a tremendous and unacceptable level of vacancies and acting positions and people who don’t have the depth of experience, maybe, that we need in this organization.

In the last year, we have basically filled all of our vacancies at the management level. There is a few that are on the way to being announced as filled—but all 10 of the regional directors filled, people with 15 years, 20 years of experience in fire, police, military, emergency response work.

Across the department, we are bringing a solid structure. There are people here in the management team of the 26 direct reports that the secretary and I have—there are only three that were in their positions 2 years ago.

We are building a team of people that want to get this done and have a common vision like you are addressing.

Mr. LUNGREN. Let me go back to interoperability, which the chairman talked about, because this is a bipartisan issue, concern, as reflected in the \$1 billion that we put into legislation and that has not yet been spent.

In terms of the MOU that will be established, in terms of the procedures you are establishing, can you assure us that once you have that, that we won’t run into this problem again?

In other words, is this memorandum of understanding—is this process that you are developing one that will be ongoing so that if we decide to put \$1 billion in again we won’t have another year or 1.5-year lag?

Mr. JACKSON. Well, the bill that told us to get this done in 2007 was passed, I believe, in October of last year, so we haven’t been either wasting our time on working on interoperability all up,

which has been a major theme of commitment and work in the department, nor have we taken an unduly long time to try to figure out how to accelerate it and spend the \$1 billion.

So the answer is this has been—your question is good. We have made a strong foundation upon which to build a plan for investing on interoperability, to look at the functional levels of integration at the institutional level, where you pull state and local together to want to make a plan and make it work, on the investment for the command level interoperability, and then at the lower levels, too.

So I think there is more work to do here, but a very solid foundation to build upon and to use this money wisely. We will use it wisely.

Chairman THOMPSON. Thank you very much.

In the interest of full disclosure, that MOU was due September 30th of last year, and so we want to make sure that it is not like well, the money was only available October 1.

But the MOU that we are talking about that is still yet to be presented to us, between you and commerce was due September 30th, so we are looking forward to moving in that direction.

I now yield to the gentlelady from California, Ms. Sanchez.

Ms. SANCHEZ. Thank you, Mr. Chairman.

And thank you for being before us today. We have had an opportunity to discuss the issues that I care about recently, and I do note that in your written testimony you did put in a section about the desire to go forward and move forward with the headquarters for DHS.

I just wanted to get on the record so that the committee could hear how important you think that is, if you can just do that quickly for us.

Mr. JACKSON. I will. Congresswoman, thank you for that. It is absolutely indispensable to our success to be able to integrate this department in a single headquarters location and to work in a more coherent fashion.

We are going to get our job done in the interim, but this will be a management efficiency and integration impulse that will make a gigantic contribution.

The president's budget calls for both us and GSA to spend considerable money on this and to launch this in our 2008 budget process, and we are very eager to do that exactly.

Ms. SANCHEZ. So considering we did a C.R. and there wasn't the monies we anticipated toward this, is that going to slow down the process of getting St. E.'s up and going for all to get together?

Because I know, you know, one of the biggest faults we have seen in the reports is the management. And part of management is being able to have your people within a location where you can walk around and see what they are doing, and you get a cohesiveness between the different agencies.

Are we going to get behind because there wasn't any money in there?

Mr. JACKSON. Well, I understand that there is some flexibility that the administration had sought in GSA's fiscal year 2007 budget which is not enabled by the continuing resolution.

That flexibility would have allowed GSA to begin to spend money at St. E.'s this year so we continue to work with Congress to try

to work that issue, but we are pushing very hard with the 2008 budget money, and we all hope to continue to press on the 2007 front to get us launched.

Ms. SANCHEZ. Okay. As you know, over the last week or so, I have been, in particular, asking about—over the hearings with respect to the apprehension levels, et cetera between the southern, the coastal and the northern borders. And the numbers keep changing from 2006.

It looks to me now like you all are claiming about 6,600 apprehensions on the northern border for 2006, and I understand that there are no more than 250 border patrol agents on the northern border, which is over a 3,000-mile northern border, versus 2,000, for example, on the southern border.

Given this low staffing level, how do you estimate how many people actually really got through? You don't know, but, I mean, how do you come up with the numbers to know that—you know, do we need more resources? Should we put more resources? Are people getting through?

And secondly, with the plan to staff up to 18,000 agents, how many new agents will be posted on the northern border? And this comes directly from the fact that we did a hearing up in Mr. Reichert's district, and we had really an earful about how very little resources we have at the northern border.

And lastly, about 10,500 maritime border apprehensions—as we move to fortify, do you see the Coast Guard getting more work in this arena? And through the budget are you manning up for that to be able to take care of that?

Mr. JACKSON. Yes, ma'am. Let me walk through those questions. On the question of the denominator, how many we find versus how many are going across, I wish I could tell you that we had an authoritative way to give you the number for that. So the answer is we don't.

We have estimations, modeling, and work that multiple different sources—intelligence community and others—have done in this area.

What we do know is the apprehension levels. And as you rightfully point out, they are vastly skewed to the southern border as opposed to the northern border.

Now, we have done multiple ways of trying to watch to make sure that the levels that we are apprehending are proportionate to the levels that we think are coming across, and we do believe that they are roughly in balance at those two borders.

That being said, the second question that you lead to is the question of resources. This year we have created an aviation push to put some of our air assets up to the northern border. That will be accomplished in 2007.

We are going to put more of the border patrol agents from the growth in the border patrol on the northern border. We are doing pilot work with our Canadian counterparts to focus on specific point-of-entry and between-point-of-entry issues.

The Coast Guard, for example, has worked on the water border on the Great Lakes with our Canadian counterparts on joint operations for managing the border.

There is a longer plan for the northern border that we must unpack and pursue aggressively. It is true and I think it is appropriate that the administration's SBInet investment is disproportionately focused on the southern border. And that is where the volume is.

But I would not want to suggest by that that that is where the only problem lies, and so we have to have a comprehensive plan.

And finally, just to say on your question will there be implications for the Coast Guard as we strengthen control of the border, and the answer is yes.

And that is part of the deliberate planning that the commandant has undertaken with us to make sure that, A, we have integrated the common operating picture to understand where the movements are coming and where our enforcement efforts are integrated, and that we be prepared to understand that if we have closed off the land border, for example, in the southern part of the country in an effective fashion, that we will have to be prepared to make sure that we are aggressively monitoring the sea channels as well.

Chairman THOMPSON. Thank you very much.

We now recognize the gentleman from Alabama, Mr. Rogers, for 5 minutes.

Mr. ROGERS. Thank you, Mr. Chairman.

And thank you, Mr. Jackson, for being here. As you know, I am very interested in border patrol agent training costs.

Mr. JACKSON. Yes, sir.

Mr. ROGERS. And the department says it costs \$187,744 to recruit and train a border patrol agent. GAO broke this down, with the cooperation of your department, to being \$34,500 for recruitment and training, \$21,000 for equipping them, and then \$74,000 to deploy them, and \$57,000 for the infrastructure impact.

The last two of these categories, deploying and infrastructure impact, make up 70 percent of the cost. And I am going to give you all these figures and these questions. But, just on its face, do you believe that \$187,000 is too high a cost to train a border patrol agent—train and equip them and put them in the field?

Mr. JACKSON. Well, when you break apart the latter costs, the 70 percent, it really is the cost of getting them in the field, making sure that we have facilities to accommodate them, the vehicles that they will use to operate and do their mission, the weapons, the tools and infrastructure to support them.

That is a very large portion of the cost. I was just last week at our Artesia, New Mexico, training facility to go through and to look at whether and to what extent we are prepared for completing the surge to grow the full 6,000 in a timely and cost-effective fashion.

I will tell you that I have high confidence in the plan to do that. And in terms of timeliness, we have done multiple things to be able to train them. We have taken the base curricula to about 81 days, I believe.

And we are going to start at the end of this fiscal year with a two-track plan that takes people who are native or highly proficient Spanish-speakers and subtracts some of the training days. That gets us into the mid 50s as the length of time.

So there is multiple different ways we are trying to make sure that we are going to get these people trained with high-quality skills and then out into the field.

Part of that field cost—after they go out there, there is additional mentoring and support where we don't send them out by themselves initially, and they are supported by other border patrol experienced personnel.

On the facilities side and the cost side, I ate a lunch in the cafeteria. I can tell you they weren't spending excessive amounts there. But the food was good and the morale was high, and the training staff that I met with is strong. So I think we will do a good job there.

Mr. ROGERS. Well, when I give you this list and the breakdown, I think you are going to find, particularly in the infrastructure impact category, there are some really outrageous numbers that I think could be worked on.

Mr. JACKSON. Okay.

Mr. ROGERS. And I am looking for your help to try to?

Mr. JACKSON. Good.

Mr. ROGERS. —find a way to get that down.

Mr. JACKSON. I will dig for dollars. We need every one of them spent in the best possible way, so I would be eager to look at your list.

Mr. ROGERS. And the second question I had you touched on a little bit, and that is in the full committee last year, Secretary Chertoff agreed that there were a number of standard courses in training, like Spanish, physical fitness, self-esteem training, that could be taught by instructors that weren't necessarily border patrol agents, which is one of the things we have been encouraging FLETC to do at Artesia, is think outside the box, find a way to take this infrastructure and make more use of it.

But then FLETC had included in the Appropriations Act of last year, 2007, the homeland appropriations, language that said all these instructors were inherently governmental posts specifically to prevent us doing what we had been talking about doing, or what you all had been talking about wanting to do and what the secretary says we need to do.

I am interested in knowing do you agree with Secretary Chertoff that things like physical fitness, Spanish language and self-esteem can be taught by somebody other than a border patrol agent?

Mr. JACKSON. I believe that we can look at the curricula and make sure that we are making the most effective use of border patrol people and outside parties to train where appropriate.

I do not support the provision that was in the appropriations bill that reduces our ability to look at those issues. And part of my visit to FLETC was to have a conversation with the team on exactly these types of issues, about how to get the best investment for our dollar on the training.

Mr. ROGERS. Well, we would ask that you work with OMB and us to try to get that remedied in this year's appropriations bill.

And then finally, from a more parochial perspective, the budget that came out—you know, we just got through merging Noble Training Facility under CDP.

Mr. JACKSON. Yes, sir.

Mr. ROGERS. Noble Training Facility had a \$5.5 million budget. It was merged out of U.S. Fire Administration into CDP, which was a good, logical thing to do.

Mr. JACKSON. Yes, sir.

Mr. ROGERS. But the \$5.5 million budget that went with Noble didn't go with it to CDP. And further, CDP's budget was cut by \$3 million.

That doesn't make sense to me, how you expect that entity to continue to operate with no money, and the entity you have merged it with—you took away money from them, and they had been level funded last year. Tell me what you can do about that.

Mr. JACKSON. Well, I will be happy to look into that particular line item on the budget. I do think that there is expected to be some operational efficiencies—

Mr. ROGERS. I agree.

Mr. JACKSON. —in moving these two in the administration where were duplicating administrative assets in two institutions that were literally very close to each other.

So I think we will find some administrative savings there, but I am happy to look at the particular budget item that you are raising.

Mr. ROGERS. Thank you very much.

Mr. JACKSON. Yes, sir.

Chairman THOMPSON. Thank you very much.

We now recognize the gentleman from Washington, Mr. Dicks, for 5 minutes.

Mr. DICKS. Thank you, Mr. Chairman.

And I wanted to ask you a couple questions on this Secure Border Initiative and SBInet. This is a very important program. You are doing a 28-mile segment of this virtual fence known as Project 28 in the Tucson sector as an initial task under the contract.

Now, I would like you to explain how we are going to use—you know, the previous Congress put money in for a start, I guess, on 850 miles of actual fence. And now we are going to have a virtual fence.

Tell us how this is going to work.

Mr. JACKSON. It was actually 700 miles of double fence, which is 1,400 miles of linear fence, in the legislation. But the legislation also required the department to install a lights and sensor array along a large stretch of the border, essentially virtually all of the Arizona border, as the first priority in this investment.

We believe that fences are an important part of the toolkit that we must use at the border. They are not the only toolkit that we must use at the border. We will install fence where it is appropriate. We have committed that we will build at least 70 miles more fence this year. If we can accelerate that, we will.

We have put together a pilot—a fence lab, which is basically through SBInet a very short-term R&D effort to look at how we can build fence more inexpensively and stronger. We are going to ram it, burn it, cut it, do everything we can to find the lowest cost, highest value.

But we are looking at a sensor array that is ground-based radars, detection intrusion sensors, the proper alignment of our peo-

ple, of the infrastructure, to get to the points of interdiction, and of the right staffing level to do all this.

Mr. DICKS. Right. Now, here is one concern that the inspector general had. And this is very important, because I have been on Defense Appropriations for 20 years. I have seen a lot of contracts for important projects not work out.

One of the problems is you have got to have in your department people who have an understanding of this technology in order to watch these contracts and be able to make sure that the contractor is performing.

And one of the concerns expressed by the inspector general was whether you have that kind of capability. And I hope that you will take a look at this.

Mr. JACKSON. I have read the report of the inspector general. I have talked to the inspector general about this. And I have worked with the CBP about it. His report is a warning in advance that says that if you do not do these things, you will fail.

The things that he proposes we do we are in total agreement with, are in process of doing, have already made very substantial growth in both the procurement staff and the program management staff to do this.

On the technical experience, I went last week with the director of CBP, with the commissioner of CBP, Ralph Basham, to the border and literally, almost mile by mile, from Laredo, Texas, to the Pacific Ocean. We went to try to map the preliminary assessments of what our people are recommending.

We stopped and we looked at the ground-based radar applications in Arizona to see how that tool fit in and to listen to the people who are operating it every night and every day.

So I think we have a very solid team. I think we have a lot of flexibility under this contract to either buy from the Boeing contract or not buy from the Boeing contract, depending upon what is there.

This is not rocket science technology. It is not the bleeding edge.

Mr. DICKS. Okay. Good. All right. Now, let me ask you this. As you built these fences in San Diego and in those areas, a lot of the people coming across the border moved to Arizona and other places.

A lot of the lands on the border are Fish & Wildlife—I chair the Interior—

Mr. JACKSON. Yes, sir.

Mr. DICKS. —Environment Appropriations Subcommittee—are Park Service, Forest Service, Fish & Wildlife Service, and they have a different responsibility.

I mean, and they are concerned that, you know, these people are coming across. They are bringing cars. They are bringing drugs. It is very dangerous. And they are leaving a terrible mess there on the border on these important federal lands.

And explain what you are doing with these agencies to deal with this problem.

Mr. JACKSON. Yes, sir. With every one of the agencies you have mentioned, we have a very tight conversation and close alignment on what to do and how to do it. We will be working the SBInet solutions with those agencies.

There is an Indian reservation on the border that we are working very closely with. There is a wildlife refuge that we are working very closely in. So we have to make sensitive investments there in conjunction with those partners, and we are doing absolutely that. We are on the same page.

Mr. DICKS. Are you doing the environmental assessments and other things?

Mr. JACKSON. We are doing EIS work with them. We are doing assessments of the damages that are caused. I can show you pictures of—

Mr. DICKS. Yes, I would like to see that. What about getting rid of the things that are left by the drug traffickers? I mean, I am told there are cars there. There is a terrible lot of mess left there. Do we have a cleanup approach?

Mr. JACKSON. Yes, we have a cleanup program that does remove some of those type of assets. And by putting vehicle barriers, for example, across some of these desolate stretches, the vehicle barriers prevents the automobile traffic from coming and then bleeding into the country in a fast way.

If you are on foot in these desolate areas in Arizona and New Mexico, it is a much more difficult task to be able to get past there if you don't drive. So there are multiple points of integration with these agencies and with land owners in the border area as well.

Chairman THOMPSON. Thank you very much.

We now recognize the gentleman from Washington, Mr. Reichert, for 5 minutes.

Mr. REICHERT. Thank you, Mr. Chairman.

Good to see you again, Secretary. As the chairman mentioned and Ms. Sanchez mentioned, we need to work together.

So when we talk about morale and we talk about trying to coordinate, organize and manage 220,000 employees or so in 22 different departments, I think that the committee had the subcommittees and, in fact, the entire body has to take some responsibility in the way that the Department of Homeland Security moves ahead or doesn't move ahead, because we have great influence, and it does, indeed, need to be a partnership.

Mr. JACKSON. Yes, sir.

Mr. REICHERT. So with that, I just have a couple of questions about how many full committees does the Department of Homeland Security report to or have—has authority over your operation?

Mr. JACKSON. Well, we have three major authorizing committees in the House and our appropriations in the House, and we have at least an equal number in the Senate. There is multiple subcommittees in each one of those. And then there are people who come in for one-time and more narrowly focused events.

The estimates of how many committees of oversight we have hover around the numbers in the 60s these days, so it is—I am going to say we don't feel unloved by Congress. Everybody is interested in our mission. That is the good news. And so we consult broadly.

Mr. REICHERT. I think there is some responsibility on our part to try and streamline your, you know, response to Congress and our input into your organization.

Mr. JACKSON. I should just say—and, Mr. Chairman, we do—and the secretary has said this. We recognize that in the House this committee has a unique role for us, and we are committed to work with this committee in an especially intensive way because you do cover the whole territory for us, and we are very much eager to make sure that we have covered all of the issues with this committee.

Mr. REICHERT. Having been the sheriff of a large sheriff's office in Seattle, Washington for 8 years, and working with the county council, I know full well the impact that legislation passed by city or county council can impact morale.

And we can do the same here in this body, so we have to bear responsibility for some of this, is my point.

And along those lines, this \$1 billion in commerce, entered in Department of Commerce—wouldn't it have been better to have that \$1 billion in grants and training, so that you could have better management and oversight over that money?

Mr. JACKSON. Well, I am going to say that I don't need to second-guess that at this point. What I will tell you is we are committed to looking forward and making sure that it is done in the most effective and efficient way.

And I really do believe that we have a very strong partnership with the Commerce Department, so where the money came from at this point is immaterial to us. We are going to spend it in the right way. We are joined at the hip with our colleagues at commerce to do exactly that. We both have the same mission that you guys are talking about as well.

Mr. REICHERT. I understand your answer, but inside the Department of Homeland Security, again, with over 200,000 employees in 22 departments, and now having to also coordinate interoperability expenditures with another department creates, I think, another level of bureaucracy that is unneeded.

Interoperability assessment—done. Now what?

Mr. JACKSON. Well, we did the 75 urban areas, and that was a very valuable experience because it said that roughly in about half of those places we were institutionally making good progress. We are making good investments.

As you know, sir, from your work in law enforcement, it is a complex web of entities that have to be linked together. But at the top, it is the institutional leaders who have to make that plan. And we see good progress in a lot of places.

The second part of this, which is currently due at the end of the year, and which we are going to try to see if we can accelerate a little bit better so we can make investments with this \$1 billion in a better way, is the state-level plan.

So in other words, they consult the local plans. And they take an overlay of the whole state and say where do our needs exist in a most urgent fashion, and how are we going to proceed in an integrated way.

So we think that there is a lot of consultation that we will be doing both with the cities and states over the course of this summer and spring to get this money out in the right way.

And then our plan is to execute a cooperative agreement with each of the authorities that we will be funding through this pro-

gram so that we have a chance iteratively to go back and say show us how this aligns with the criteria that we are setting for the program, show us where you are working.

And then instead of just throwing a proposal over the table and hoping they guessed it right, that we will—they will be working through that on a very, you know, sleeves rolled up and engaged way.

Mr. REICHERT. Thank you.

I yield.

Chairman THOMPSON. Thank you very much.

We now recognize the gentlelady from California, Ms. Harman, for 5 minutes.

Ms. HARMAN. Thank you, Mr. Chairman.

And welcome to our witness. As you know, I consider myself one of the godmothers at the Department of Homeland Security, for better or worse, and I think that?

Mr. JACKSON. For better.

Ms. HARMAN. Thank you. The start was quite slow, but we are now making more rapid progress. And I know you agree that the partnership with this committee is a useful thing as we all try to get it right.

I have said for many years that the terrorists are not going to check our party registration before they blow us up, and so we just better have in place the right strategies.

You have been asked by several members here about homeland—about interoperable communications, and I just want to underscore something Mr. Reichert said, and you also said, which is the strategy matters. It is not just a matter of handing out money to folks who can make a case.

It is a matter of using the leverage that that money gives you to force communities who have very different ideas about what their needs are to play by one set of rules.

If we should have simultaneous or near-simultaneous attacks of any kind around America and the communities which are attacked can't communicate with each other or you, I think you will be blamed—so will we—for not fixing a problem that we identified on 9/11 as one of the critical problems we had.

So I just wanted to underscore that point and say that strategy matters. And as a representative from a community that wants a lot of money, I would say to my own community that this is about more than their needs. It is about the nation's needs to get this thing right.

So I know I haven't said anything you disagree with.

Mr. JACKSON. Total agreement with you, ma'am. It is not just about gizmos. It is about that command integration strategy.

Ms. HARMAN. Correct. And it is not just about gizmos. And I personally will pay a lot of attention to this, and I still think there are major steps we have to take to get this right. And I am very pleased to see your commitment.

I want to talk about a couple other things that are also important to get right, one of which is our TWIC program.

Mr. JACKSON. Yes.

Ms. HARMAN. You have been rolling that out on time. I commend you for that. But you are going to charge for these cards, and I

think I was surprised by that. Perhaps that was because I wasn't paying attention.

But here is an opportunity to either do a program right that will help us identify all the people who are at our ports and airports, which is something we have to do—the back door matters as much as the front door—to get it right, or to get it wrong.

And I just want assurance again that if this is a fee-based program you are going to figure out how to do this so that you don't break the piggy bank, and workers don't opt out, and we don't have problems with this as it rolls out.

Mr. JACKSON. It is a very important thing. It is a fee-based program. We actually have reduced our final fee a little bit beyond our initial—the range, our estimate. The fee is driven by us to as low a level as we can make, consistent with giving the biometric technology the full deployment and the ongoing screening that is a part of this program.

It has a very considerable front end. To enroll, for example, all the workers at L.A./Long Beach as a good and big job. So that is part of what this fee structure will cover.

There will be no opting out. Once the TWIC becomes fully operational and deployed, it is a mandatory requirement if you want unescorted access to a port area.

So this is a very valuable tool. We are going to work very closely—I was out in your home town, as I think we discussed last week, and met with labor and port operating authorities to make sure that we are working very carefully out there, because they are one of the initial pilots of the deployment.

Ms. HARMAN. Well, a lot of us have keen interest in this. The ports of L.A. and Long Beach happen to be the ports of entry and exit for almost 50 percent of the nation's container cargo.

But it is not just—even if we get the container strategy right, if the truck drivers who are at the port site are not cleared, we are not fixing the problem of port security, which you understand.

Mr. JACKSON. They will have TWICs too.

Ms. HARMAN. Right. I understand.

My last question is about funding for the Safe Port Act. I am sorry Mr. Lungren just left, but all of us up here, again, are very focused on this.

The administration's budget contains about half of what we thought necessary on an annual basis, and I just want to give you an opportunity to comment on that.

Mr. JACKSON. Well, I think that the budget that the president has put up is a strong one in the maritime area, and it draws upon multiple different parts of the department—Coast Guard and CBP and TSA and others, some fee-based programs like the TWIC—to give us a layered defense.

We are starting out very strongly with a thing that is embedded in the Safe Port Act, a good idea of pushing the borders out to do radiological screening overseas. We have got a very strong pilot program starting this month in locations around the globe.

I think we are going to need a little time to practice that and get this very complex network assembled and the operating protocols on the ground. But we are committed to this mission, and I

think we have a strong amount of money aligned against it. We will continue to assess that as we operate.

Chairman THOMPSON. Thank you very much.

We now recognize the gentleman from Florida, Mr. Bilirakis.

Mr. BILIRAKIS. Thank you, Mr. Chairman.

Welcome, Mr. Secretary.

I strongly believe that insufficient interior immigration enforcement is undermining our efforts to secure the border and providing strong incentives for illegal immigration. My understanding is that ICE special agents prioritize work site enforcement efforts by focusing their investigations on those related to critical infrastructure and national security, as I believe they should.

Do you believe that ICE needs additional special agents to provide proper work force enforcement at sites not related to critical infrastructure and national security?

Mr. JACKSON. Yes, I do, and we are putting teams of that sort together. For example, we have put in additional money in the 2007 and 2008 budget to grow our fugitive operations budget, which is, you know, subsets of what you are talking about, so we can do enforcement of individuals who are under a deportation order.

We have grown the focus not just on national security-related facilities but really a broader set of enforcement actions, and we have grown the ICE workforce to do this.

We are looking at tools—the basic pilot program to work with the employer community in a more aggressive way, to be able to make sure that they have the tools available to validate that the employees that they are trying to hire are appropriately hired.

So the ICE budget that is focused on interior enforcement actually is a robust one and involves partnerships at the state and local government level, too, on BES teams and other work at the border, as we try to prevent the interior enforcement problem from growing.

So I think we have a very aggressive growth plan for interior enforcement, as part of the three components of real immigration reform, controlling the border, interior enforcement and a temporary worker program, which the president very strongly advocates and which the department is very eager to work with Congress to help introduce.

Mr. BILIRAKIS. And you know, without the interior enforcement, in my opinion, we can't have a temporary worker program.

We heard from Border Patrol Chief Aguilar earlier this week about CBP efforts to strengthen border enforcement on the southern border.

He seemed not to share my concern that existing border patrol policies on pursuit and the use of force limit an agent's ability to protect themselves in dangerous situations and stop dangerous people from getting into the United States, which according to your testimony is one of the department's top five goals.

Do you share my concerns about border patrol policies on pursuit and use of force?

Mr. JACKSON. I would have to explore those concerns in more detail with you, but what I will tell you is I am very focused, and I think the CBP leadership is focused, on making sure that our men

and women who are working in harm's way sometimes, whether it be as the target for Iraq that is being thrown or a vehicle that is blasting through a point of entry—we want to make sure that our troops are prepared to respond in the right way.

And the border patrol mission is one that is a dangerous mission, and we have to provide the right sort of policies and support. So if there is a particular suggestion that you have that you would like us to review or look at, I would be happy to talk through that with you.

Mr. BILIRAKIS. Okay. Thank you.

Thank you, Mr. Chairman.

Chairman THOMPSON. Thank you very much.

We now yield to the gentleman from North Carolina, Mr. Etheridge, for 5 minutes.

Mr. ETHERIDGE. Thank you, Mr. Chairman.

Secretary thank you.

You said in your testimony that you are an all hazardous agency in protection. My question is that I have heard that there is a perception at the department that work to prevent and protect against weapons of mass destruction is a marquis issue, and that promotions and other recognitions are tied to the work on WMDs, or at least there is that perception.

While I happen to agree that that is something we are all gravely concerned about, and I think you can agree with that—but the actual work and risk at homeland, especially work done by FEMA and others, are important because we are as likely to have a natural disaster.

And all we have to do is think of Katrina and Rita as that. And the upcoming hurricane season—as we are—for that.

So my question is, what are we doing to broaden the focus for the people at working levels, so they understand that? And how are you ensuring that personnel are rewarded for all hazard work as well as work to combat terrorism?

Mr. JACKSON. Sir, I totally agree with your focus on all hazard. That is the department's focus and policy. The work we have to do here—we have to be able to walk and chew gum at the same time.

The WMD work is absolutely vital, but the work to prepare for this hurricane season is a major management focus for us, and also for earthquakes or tsunamis and other natural events. It is an indispensable part of our work.

We have a complex department, but we must work all these missions simultaneously. That is a little bit about what my testimony talks about in the beginning, about this dashboard navigator.

We have to be looking with constant reference points on where all of the risk elements are and what we are doing to array the protect and prevent and the respond and recover capabilities for each of those intersections.

And so I believe that in FEMA, for example, where the natural disaster preparedness work is rooted, but not exclusively, that we have fundamentally transformed the organization last year. We had something like 90 core procurements between the beginning of last year and the hurricane season.

We met with the secretary, the FEMA director, the FEMA deputy and his team yesterday to look at this year's core innovation

initiatives that are going to be done before the hurricane season. We have got a long spreadsheet of issues to work through—contractual, organizational, personnel, policy, funding, et cetera.

So this is very much a part of what the secretary's mind is on every day. And our management team has to understand that this is all part of what we do. So it is important for the Coast Guard to know they are going to be called upon to help this.

The TSA fundamentally changed the way they do operations and surge for an emergency based upon the Katrina experience. The ICE and the CBP people have done just the same. So we are knitted together around this principle.

Mr. ETHERIDGE. In keeping with that statement, let me ask one additional question as relates to grant funding, because in your testimony as well you cited the positive effect of homeland grants to the nation's preparedness to strengthen from either manmade or natural disasters.

And as you noted, these grants strengthen our local folks, our police, our firemen and our emergency medical personnel and others who really are the first line of defense, you know.

Mr. JACKSON. Yes, sir.

Mr. ETHERIDGE. We have a responsibility—they are the people out there on the ground that we are going to count on.

So given that—we asked the secretary about this as well—that grant funds appropriated at the department have not really reached the local level. They are in the system—about \$5 billion still remain unspent.

Furthermore, the department has been consistently late in distributing this much-needed money and providing grant guidance to potential grantees.

Long and short is even in the 2007 appropriations bill, the department is 7 weeks late in putting out the grant guidance, because they can't ask for it if we don't have the guidance.

What is the department's plan for processing the applications and distributing grant awards this year in a manner that will further facilitate this action?

And number two, what is the status of the backlogged grant funds? And finally, how are we going to keep this online as we move forward? Because that is an important—probably the first line of what homeland security should do, pulling together to make it work.

Mr. JACKSON. This is a great question. Thank you for asking.

We started out with performance that I found unacceptable. My first year as COO we delivered the rants, the guidance and the money like under the wire at the end of the fiscal year. Not good enough.

This year, we have punched that from September up to all the grant guidance out by January. That was a major change. Along the way, we did a very, very radical look at our risk-based analysis.

We learned some lessons from some criticism last year. We went to work on the math. We have talked to state and locals. We brought them in to talk to us about what works and what doesn't work. We have a very strong formula for this.

And I will tell you, here is our pledge inside the department. By the time that the beginning of the fiscal year starts next year, we will have already written and vetted and gotten ready to launch our grant guidance.

So that if there is not significant change imposed by congressional action before the end of the fiscal year, our plan is to have those grant guidance documents out in early October, and as early in October as we can do, but that is the month that we plan to do it.

So after that, it will be on a glide path where every year that is where we will do it. The Congress passes the money, and we get the dollars out to the people who need it.

We do need to work on the backlog. We are working with people to make sure they are spending this money and doing things with it that need done.

Mr. ETHERIDGE. Thank you. Please keep us updated, because I think this is a critical issue back home. It is critical for our nation.

Mr. JACKSON. It is, and what this means is there is a compression of money coming at the state and locals because we have backed it up by half a year this year, and next year we are going to have that money out to them soon, too.

So that is the way it should be, and that is the way the department should be measured. It is a very fast turnaround after the Congress does its work.

Mr. ETHERIDGE. Thank you.

Thank you, Mr. Chairman.

Chairman THOMPSON. Thank you.

We now recognize Mr. Davis of Tennessee for 5 minutes.

Mr. DAVIS of Tennessee. Thank you, Mr. Chairman.

Thank you, Mr. Secretary.

If you could, just bring me up to date on how many actual miles of fence are going to be built and how many virtual miles are planning on being built.

Mr. JACKSON. Right now what our plan is for this fiscal year—to build an additional 70 miles of fence. At the beginning of the fiscal year, there was roughly 75 miles of fence. Our plan today, untouched, is to get by the end of 2008—to have 370 miles of fence at the border.

I think that that is certainly a doable task, and we are pushing there along the way. We will need to work in cooperation with the Congress to make sure that they feel also that the right investment between virtual, for example, ground-based radar systems are put in the right mix with the physical infrastructure that we have.

We are going to also put a lot more miles of vehicle barriers there, which are in effect a fence against trucks and vehicles coming across the border. So that will be much larger than the 370 miles.

But we are going to have to just work through this with our congressional committees and with the people in the field who have this work. But we will be building a significant amount.

Mr. DAVIS of Tennessee. So the 370 miles—does that include the virtual fence, or is that in addition to the?

Mr. JACKSON. Some of those areas will have other elements of the virtual fence. Hopefully, ultimately all of them will. So I will

give you an example. There are embedded sensors in the ground that detect penetration across the border. That helps us.

It takes some low technology and puts it into a high-tech operating platform so that we can deploy people to interdict illegal aliens moving across the border.

I was out in Arizona and stopped to talk to a border patrol agent by the name of Lee who was doing a job of running ground-based radars. He has one of two sites in between a mountain range that is about 30 miles, call it, wide. Between those two sites, they can actually peer at the traffic and virtually identify, you know, all inbound illegal entries.

So then we have the job of coordinating the interdiction part of it. But this technology—I literally was able to watch a cow drinking water out of a pond two miles away, and that type of technology is what we mean by the virtual fence. It is not bleeding edge. It is there. It works. It is demonstrated. It is proven.

And if we can deliver that, frankly, that type of integration work will transform our capacity to enforce at the border.

Mr. DAVIS of Tennessee. And along the same subject of border patrol, I am from Tennessee, and I know in January there was a situation where the Tennessee National Guard was not able to use weapons or protect themselves.

Can you talk a little bit about that situation and what we can do better to make sure our border guards are protected?

Mr. JACKSON. One of the things I did last Tuesday night was go out late in the evening to a remote facility that was a tent on top of a hill where night vision tools were being used by National Guard members from around the country to monitor a specific area of the border.

I have to tell you, I was just so impressed with the excitement that they had for the mission, the commitment they had. They did have weapons. The weapons are self-defense tools. They are not on the front line of enforcement. Their job is to augment the role of the border patrol.

The border patrol are the ones that are paid to get in harm's way if there is harm to be had here. So the partnership between the two of them was just fantastic. I went up and sat on that hill in the middle of the night and talked to a sergeant who had been there for a couple of months and had a couple more months to go.

And he had been to Iraq on a mission as well. He was extremely excited and complimentary of the partnership, excited about the mission and complimentary about the partnership. So I think this is working great.

Mr. DAVIS of Tennessee. Thank you.

Chairman THOMPSON. Thank you very much.

We now recognize the gentleman from Texas, Mr. Cuellar.

Mr. CUELLAR. Thank you, Mr. Chairman.

And thank you, Secretary, for being here with us. But let me just ask you a couple questions on, first, the integration issue that is very important.

Could I direct you back to I guess your first page of your written testimony, where you mention the five core goals that Secretary Chertoff has.

Mr. JACKSON. Yes, sir.

Mr. CUELLAR. Could I ask you—and I am sure you have this already. If you could quickly give this copy to the committee—for example, on the first goal, protect our nation from dangerous people, could you tell us who the department is working with, what other departments you are working with in coordination, and whether that is statutory coordination or that is more through a task force?

If you can get that across—the federal agencies—and then at the same time, which state or local partnerships you have. And then just go one by one on each of those goals.

And, instead of giving me a 10-page memo, could you just put that?

Mr. JACKSON. We would be happy to send you some written materials on it. Let me give you the punch-line story on this.

The Department of Homeland Security's mission is not only to execute certain functions in the mission space and protect the homeland, such as a border patrol guard working or a Coast Guard officer standing duty, but it is also to be the architect of the strategy for all of the federal assets, to be able to tell the president here is how all the tools in your immediate toolkit are aligned to work on a given problem, whether it is a response to a Katrina type of incident or an ongoing interdiction issue like we have at the border.

In this regard, there is not a single department nor a single major agency in the government that we do not have a steady, ongoing relationship with.

In the Defense Department, we literally have them—troops from NORTHCOM in our FEMA regional offices to help us do deliberate planning. They have sent people to do planning for major disasters in our exercise program work.

We have what we call an exchange of hostages with NORTHCOM so that at NORTHCOM's command headquarters in Colorado some of our people are there and their people are in our headquarters.

So you take that model. It works across the intelligence community, with the State Department. We have a very, very close and intensive relationships with transportation, with energy, with HUD, with labor, with commerce, with treasury. There really is—and our job is not just to look at your mission plate but then help understand the rest of the mission plate of the federal government.

Then you take that to the state and local level. It is the same story over. So we embed people in state fusion centers from the intelligence organization at DHS to help make sure that we are pushing and pulling data back and forth.

We have law enforcement agreements with the sheriffs along the border states to share responsibilities and assets and to fund some of their work and our support. We have various teams.

I would be happy to get a little group of stuff together and get that out for you.

Mr. CUELLAR. Yes, if you can put that on some sort of graph so I can see, and any?

Mr. JACKSON. Absolutely.

Mr. CUELLAR. —supporting documentation.

Mr. JACKSON. It is a very robust set of interconnected dependencies.

Mr. CUELLAR. Right, because that is what I want to see. I want to see the horizontal and the vertical integration and coordination, number one.

Mr. JACKSON. Yes, sir.

Mr. CUELLAR. Number two, let me ask you about port security. Usually when people think about port security, they will think about airports and seaports. As you know, I come from a land port. Let me just give you just my hometown, for example.

Laredo is the largest inland port. In fact, when you look at the trade between—it goes through Laredo as the largest inland port in North America.

Sixty percent of all the NAFTA trade between the U.S. and Mexico and Canada comes through Laredo, so you can imagine what would happen if one of those bridges would be damaged and what sort of economic impact.

Could you, as an example—in Laredo, for example, in 2006, we had 1.5 million trucks that came in through Laredo in 1 year. And this is just northbound. It doesn't talk about southbound.

You would be closer to 4 million trucks a year that would come in through those ports. What sort of port security do you have? and I have been there, and I have seen them, and Secretary Chertoff will be there, I believe, next Wednesday in Laredo.

But could you tell us the same type of, you know, measures, whether it is the secure trade, or what you are doing that applies the same thing as land port? Because I want to make sure we don't forget about land ports.

Mr. JACKSON. Yes, sir. You are right. A week ago Monday at 6:30 in the morning, I was standing at the port of entry in Laredo to walk through the daily operations and to look at some of the technology investments that we will be making there with WHTI.

I would tell you that we have some investments on screening tools?the radiation screening. We have screening tools for buses in Laredo. There is a very large bus population.

Mr. CUELLAR. A hundred buses a day?

Mr. JACKSON. Right.

Mr. CUELLAR. —which about 40 people—I mean, at least over 40 people on each bus, 100 buses a day that come in through there.

And again, if you look at—and I know my time is up, Mr. Chairman, but if you look at the pedestrians walking by northbound—in 2006, there was 4.2 million private vehicles. You are talking about 14 million—1.5 trucks coming in.

It is a huge, huge—and my thing is when you got large volumes, I just want to make sure the committee understands when we talk about ports, it is seaports, it is airports, but the land ports—I mean, 60 percent of all the trade between the U.S. and Mexico comes in through one port in Laredo, and hopefully some time the committee will go by there.

But I know my time is up. I want to thank you. But if you can get me that visual presentation of the horizontal and vertical integration and coordination, I would appreciate it.

Mr. JACKSON. I would be happy to, yes, sir.

Mr. CUELLAR. Thank you, Mr. Chairman.

Chairman THOMPSON. Thank you very much.
We now recognize the gentlelady from Florida, Ms. Brown-Waite, for 5 minutes.

Ms. BROWN-WAITE. I thank the chairman very much.

I have just two questions, and one of them is a follow up on the TWIC card. I understand that they are not going to be available until August of 2008. Is that correct?

Mr. JACKSON. No, ma'am. We are starting to issue TWIC cards next month.

Ms. BROWN-WAITE. And it is for visual checks only?

Mr. JACKSON. Not exclusively, no, ma'am. Initially, the cards can be used in several ways. One is a visual check, but also there are—the cards have technologies—bar codes and other type of technologies—that are able to be integrated to existing entry and exit equipment that are used in ports around the country. That is one.

And another is that the Coast Guard, once the TWIC card becomes mandatory for a given port, will be doing random inspections with portable scanners which will be able to validate the biometric data that is on the card and the eligibility of the individual to be in the area where they are being used.

Later in 2008, I think is what you understand, there will be a separate rulemaking that will culminate in a requirement that the cards be used for entry and exit and that the facilities purchase the type of equipment that can use the biometric card to its full intended purpose.

So we are in a two-stage process. The first part, the cards are issued. We are rolling that out serially around the country. And then this spring, later, we will start a rulemaking effort for the second half of this, which involves extensive consultation with industry about the type of equipment and its deployment and use.

Ms. BROWN-WAITE. I just want to make sure I understand what you said. So the cards that are being distributed now have biometrics on them?

Mr. JACKSON. They will, yes, ma'am.

Ms. BROWN-WAITE. No. The cards that are being distributed?they have biometrics. You say they will, like it is in the future. They do?

Mr. JACKSON. The cards are not currently being issued. They will shortly begin to be issued. We will roll out in three ports initially. L.A./Long Beach is a big one. We will use an East Coast port and a Gulf Coast port to try to make certain that we have the distribution method correct, that the cards are working appropriately, the distribution process is smooth.

And then we will, port by port, go through along all of our coastline to distribute the cards. That will take the vast part of this year. And then there will be a second phase where the requirement is not only to have the card but to have a reader to use the card for entry and exit.

Ms. BROWN-WAITE. So this card has biometrics contained in it.

Mr. JACKSON. Yes, ma'am.

Ms. BROWN-WAITE. It is just a delay in the mandatory reader.

Mr. JACKSON. Exactly.

Ms. BROWN-WAITE. Okay.

Mr. JACKSON. Right.

Ms. BROWN-WAITE. Okay. I appreciate that. The other thing—

Mr. JACKSON. We will be using, as I said, the biometrics in a random basis by the Coast Guard to validate that once a given port has been determined to be its required deployment, then we will randomly validate the biometrics that are on the card with inspections.

Ms. BROWN-WAITE. Okay. And as you probably know, there is a question with Florida that already went to the biometrics—

Mr. JACKSON. Yes, ma'am.

Ms. BROWN-WAITE. —and I certainly hope that the department will continue to work with Florida because they certainly were ahead of the curve on this issue.

One other thing. We often hear about the catch and release program. Have we really transitioned to a catch and return program?

Mr. JACKSON. Yes, ma'am. At the borders we have done exactly that. We are at the stage where we are able to hold any individual that needs to be held rather than release them into the community.

That was not the case a year ago. We have made phenomenal progress there. That is for our efforts at the border, and I want to?there was a question at an earlier hearing for the secretary that I should just make sure that I am precise about.

There are a very, very small number of incidents where we do not choose to incarcerate the person that is collected. For example, a pregnant woman who is in need of medical care that should go to a hospital, not to one of our facilities—we have the flexibility and do allow that type of release for medical purposes.

Ms. BROWN-WAITE. Okay. There is no such thing as being a little bit pregnant. Are you talking about somebody who is 2 months pregnant, 4 months pregnant, about to deliver?

Mr. JACKSON. Somebody that is about to deliver or has some medical crisis associated with that that can't be dealt with in the facility.

What I am saying is I want to be very clear that we are catching and retaining all of the individuals that we find at the border, but there are a very rare but, I think, appropriate exceptions where we actually can release them for appropriate treatment, such as medical treatment.

Ms. BROWN-WAITE. I don't think you answered my question.

Mr. JACKSON. Yes, ma'am. I will try.

Ms. BROWN-WAITE. A 3-months pregnant woman—is she returned—

Mr. JACKSON. Yes.

Ms. BROWN-WAITE. —to the country that she came from?

Mr. JACKSON. Yes.

Ms. BROWN-WAITE. Okay. Six months?

Mr. JACKSON. Yes. What I am saying is if that person happened to be in a medical crisis, then we—

Ms. BROWN-WAITE. Okay.

Mr. JACKSON. —can deal with that crisis in a medical institution. But if they are ambulatory and able to be put in a facility and taken back to their country, that is the job, and that is exactly what happens all the time.

Ms. BROWN-WAITE. Okay. Thank you very much.

Thank you, Mr. Chairman.

Chairman THOMPSON. Thank you very much.

We now recognize the gentleman from Pennsylvania, Mr. Carney, for 5 minutes.

Mr. CARNEY. Thank you, Mr. Chairman.

Mr. Jackson, thank you for coming again. I think we are going to make you an honorary member of the committee. We see you a lot. And we do appreciate it. We do appreciate it.

Mr. JACKSON. Thank you, sir.

Mr. CARNEY. I just have a couple questions here. In 2003, the GAO designated the implementation and transformation of DHS as a high-risk area.

And despite some of the progress—and we really appreciate that—the transformation of the 22 agencies into one department was listed on both the GAO's 2005 and 2007 high-risk list.

To be removed from that list, DHS must first submit corrective action plan that defines the root causes, identifies problems, identifies prospective solutions, and provides for substantially completing the measures in the near future.

When can we expect, because we haven't seen it yet, the 2007 update or plan for this?

Mr. JACKSON. I have it in my hand. I read it last night. And I think that it is something that should be able to be given to the committee very, very soon.

The plan here is comprehensive and complex. We don't expect to nail every single thing instantly overnight. But what is in our plan is a very, very detailed response to each of the specific items that were the categories of concern for the GAO.

We are taking this very seriously. There are management concerns. There are operational concerns. There are H.R. concerns. And for each of them, there are a series of remedial actions that we think are appropriate.

We have done a lot decked against these concerns which we have been working on, and there is much more to do, too. So I am happy to make sure that we share this with you and then go through in gruesome detail with you, as much as you can stand, the game plan ahead.

But it is, I think, a solid plan and a multifaceted one. We have, again, to walk and chew gum here in a very determined way.

Mr. CARNEY. Well, I believe I speak for every member of the committee when we say we are looking forward to that plan.

Mr. JACKSON. Good.

Mr. CARNEY. The next question has to do with MaxHR. We keep coming back to this. We spoke with you a few weeks ago, and you said that MaxHR is dead. That is a quote, dead.

Mr. JACKSON. The brand is dead. There are parts of what we were doing in MaxHR that we will move forward with very aggressively, but taken as its collective plan that was the subject of court challenge, we have put a nail in that coffin, and we are unpacking the things that need to go forward in a more, I think, short-term and aggressive fashion.

I can talk a little bit about some of the major components of what that would look like if that is of use to you.

Mr. CARNEY. Well, it is, because yesterday Charlie Allen was here. We had a good conversation with Mr. Allen. And he said that INA was about to move ahead with MaxHR.

Mr. JACKSON. So Charlie Allen is the one person in the department that is going to move on pay for performance as a pilot. The intel community across the U.S. government is trying to do a pilot to experiment with that.

What we are going to do at the department, if you leave Charlie aside, is to work very aggressively on our performance management plan. This is the heart and soul of getting our arms around the management process with employee work.

So we are going to put our focus there. We are looking at categorization of employees across the department to get greater harmony there. The pay for performance part of it is going to be explored on a pilot basis by the intel shop. But that is where we are with the department right now.

Mr. CARNEY. So MaxHR is only mostly dead.

Mr. JACKSON. No, I am going to say—here is what I meant with this. You know, the brand got a little bit of bad rep, even inside my department, because we said it is going to be performance management, it is going to be pay categorization, it is going to be pay for performance—which was the source of a lot of anxiety among many of our employees.

And as a result, we started training on the first part while the second and third parts were locked up in litigation. That status existed for over a year in the department. It caused people not to understand and to be supportive of the MaxHR program.

So what we are trying to do is say there were many good things in this, especially starting at the fundamentals with the performance management. But our own people need to be communicated with and to help to understand exactly what are we doing, where is it going, how are we going to get there, what is their role, and how does this make their life better, which I think it will.

So we are trying to say we are going to take a little bit of a fresh start in the post-litigation era. We are going to be meeting with our labor union colleagues in this.

We are going to be sitting down and saying how can we start with this so that everybody really understands what the core of our commitment looks like and when we are going to accomplish what.

Mr. CARNEY. Okay, thank you.

Thank you, Mr. Chairman.

Chairman THOMPSON. Thank you very much.

We now recognize the gentlelady from Texas, Ms. Jackson Lee, for 5 minutes.

Ms. JACKSON LEE. Thank you very much, Mr. Chairman, and thank you for this hearing.

Thank you, Deputy Secretary.

I am just going to focus in on two aspects of the work of the Department of Homeland Security, and I would like to join with Representative Carney and Bilirakis in their resolution, and again thank all of them for their service?and try to focus in a way that we can work collaboratively together.

Some years ago, Congresswoman Lofgren and myself worked on issues dealing with unaccompanied minors, but we also focused on the treatment of families.

And as you well know, your facility in Texas, the Hutto facility, has been under scrutiny. And I think one of the Achilles heels is the way ICE has responded.

We recognize that their task is basically law enforcement. And therefore members of Congress wanted to be sensitive to that focus but also provide assistance to them on how some of the issues could be addressed.

The issues are, first of all, that the facility is really not a facility that is family friendly for those who are not in the criminal system but in the civilian system. Children are separated and categorized as unaccompanied minors. Families are separated. It is prison-like.

Rather than working with members of Congress and maybe even working with the higher echelons of the department, they decided to have an open house for the press which really, I think, blew up in their face, because they had not corrected some of the concerns that we had.

I had asked repeatedly for a briefing for members of Congress where you are seeing the ills, but maybe you would come out of it saying I see the ills, I see where there are missteps, we are going to try and work with the department to try to fix some of those missteps.

They didn't do it that way. So they had an open house for the press. And if you survey the national press, you will see that the stories were very, very uncomplimentary.

In addition, their attitude is an open house. This is not a school PTO meeting where you have an open house for the parents.

It is a constructive effort to try and address questions that go contrary to the intentions of Congress when they define unaccompanied minors, how they should be treated and how families should be treated. That is the first issue.

The second issue is to address the question of equipment for our border patrol agents if we double them. Last year, this Congress—Chairman Thompson and now Chairwoman Loretta Sanchez—joined me in amendments to try and put in for materials like power boats and a long list of items that really were defeated at this committee.

It got in, but it did not ultimately pass through the bills that we passed out of the Congress. Senator Kerry put it in. It did not pass.

I would hope the DHS would join us in our effort again to ensure that those specific items—the power boats, the laptops, the night goggles?because those of us who have been on the border at night recognize the difficulty of these border patrol agents and the lack of equipment and lack of training.

I yield to you on first the Hutto situation and then this particular equipment. And thank you.

Mr. JACKSON. Yes, ma'am. Thank you for both of those.

On the Hutto issues, but on the housing issues more broadly, I am and the secretary is and Julie Myers, we are all committed to working with the Congress here to make sure that you have a great degree of visibility into those operations, that we have transparency about how we are operating them.

I think we are benefitted by having as many eyes upon this so that we can—we have to have the capacity to house these people and to manage the migration problem in the right way. But we

have to have the confidence of the American public that we are doing it in a humane and effective way.

I believe we have a very strong story to tell. I will not try to tell you that there has not been a hiccup, a mistake, an imperfection. I will tell you that in some of the media stories about this, there are just simply big falsehoods in what is being reported about the treatment, the clothing, the access to education, et cetera.

So we need to get up here and make sure we are doing the right thing and listening to your counsel as well, and I am committed to do that.

Ms. JACKSON LEE. I appreciate it.

Mr. JACKSON. We would welcome a hearing and other venues, informal, to talk through these issues. I will just tell you, as the first line, put just a little caution mark in the back of your head.

I have some pictures that I brought along that I could show you after the hearing, if you would like, that shows you some of these facilities.

In a funny way, the department got a complaint from one local elected official adjacent to one of our facilities that said the kids were getting a better education and more modern technology than the ones in his school district—provoked a local brouhaha.

So I think we are trying to make an earnest effort, and we want a lot of eyes on it to make sure we are doing the right thing.

On the second issue, I would just simply say yes, that if we put 6,000 new border patrol officers out there and they don't have the equipment and the tools to succeed, then that will have been a folly.

We are committed to working through those type of issues to give them the infrastructure and the tools they need to succeed. It is only common sense, and we will be very focused on that.

Ms. JACKSON LEE. Mr. Chairman, let me thank you.

And I thank Secretary Jackson.

I hope maybe we will have a hearing. I think the idea is that we don't want to show and tell, like if they were to speak to some of those detainees and understand how the system works?and we certainly are looking for a collaborative effort to make sure that it meets the standards which that facility is supposed to meet.

And so I look forward to working with you. I have to depart, but I will look forward to working with you. Thank you.

Mr. JACKSON. Okay. I will just say that if you are in Houston and can get a little bit time away and would like a personal tour of some of these facilities in Texas, then I am eager to try to make sure that you get that opportunity so that you can see firsthand what we are doing.

Ms. JACKSON LEE. I am trying to work on that, so I will work with you. Thank you.

Mr. JACKSON. We will get you there.

Chairman THOMPSON. Thank you very much.

We now recognize the gentleman from Rhode Island, Mr. Langevin.

Mr. JACKSON. Hello, sir. How are you?

Mr. LANGEVIN. I would like to turn my attention to the areas where I think we need particular attention, and that is on the area of our nuclear detection equipment as well as Project BioWatch,

since in many ways they, along with good intelligence, are going to be our first line of defense.

I would like to talk briefly about the strategic deployment of our radiation detection technology. And I have raised this already on several fronts, but it concerns me that we still have not seen a strategic plan for deploying our radiation portable monitors at our 22 busiest seaports.

Congress was supposed to see this strategy within 3 months of this bill's enactment, and that deadline passed over a month ago.

When I questioned Secretary Chertoff about the status of the strategy last week, he told me that the department is focusing more of their energy on actual deployment of this important technology than on the strategy.

And certainly while I am happy that you are placing an emphasis on deployment and getting it out there into the field as quickly as possible, I am still concerned that the strategy is a month late.

So the fact that the mere strategy is late worries me that in terms of when we can expect to see the actual technology deployed itself. So my question on this is when do you plan to provide Congress with this comprehensive deployment strategy?

And can you please also give me a brief outline to date on your progress on deploying radiation portable monitors in compliance with the Safe Ports Act?

And lastly, can you assure us that these radiation portable monitors will be fully deployed by December 31st of this year?

Mr. JACKSON. Yes, sir. I will check on the report this afternoon. It was not on my radar screen as overdue, and my apologies for that. I will look into where it is.

I will tell you that in terms of strategic planning, as opposed to a report that captures all this, there has been a very, very considerable amount of work in this area in the department, and some very disciplined work through DNDO.

The acquisition strategy and the coordination with CBP is intense. It was the first investment review board that I chaired as the deputy secretary when I first got to the department.

So on getting the report, roger for that one.

On the deployment, we are on track to put the radiation portable monitors across the country's seaports by the end of this year, to reach our 98 percent goal. I don't know if I have a colleague who knows this number, but I think we are in the 80s of penetration now with the deployment plan.

In L.A./Long Beach, for example, as we were talking about with Congresswoman Harman, they are now at 100 percent inspection in L.A./Long Beach, this very large port.

So we are taking subsets of the traffic and as we can get it to be 100 percent coverage, we are doing it. I personally have seen and watched that process work there.

A key part of this strategy, on the domestic and international side, is the next generation of radiation specific monitors. That is a very large procurement, multiple hundreds of millions of dollars investment.

There has been an investment strategy that has been shared with Congress on this issue as part of our DNDO operation. I

would be happy to make sure that we get you those documents as well.

I think that next generation will be transformationally helpful for us, and we are planning to roll those out as we begin that production.

On the overseas investment that the Safe Ports Act calls for, we beat the deadline on that one of striking a deal with multiple countries to work on this. Next month we will be seeing the first parts of that come online as our pilots are started.

We are working very closely with the Energy Department on the technologies for that, and we will, I think, be reporting back to you regularly. There is an institutional and network amount of work that has to get done on the overseas part of it.

But we agreed with Congress that this idea of pushing the borders out and using radiation portable monitors overseas was a valuable one, and I am very pleased to report that we are doing well there.

I think I might have been handed a number that says we have 91 percent of our land border cargo and 84 percent of containerized seaborne cargo operating and we will meet this 98 percent goal.

By the way, about the 2 percent left, we will do random work in there in various ways to address that as well.

So I think a good deployment, very intense coordination among the DHS agencies, also with Energy Department for the overseas part of it, and good support from at least an initial cadre of countries where we are going to work. So that is the short story.

On BioWatch—

Mr. LANGEVIN. I didn't get to my question, but if you would give me an update on BioWatch—

Mr. JACKSON. Yes, a quick update on that one is that we are in the same boat—we are straddling the first generation tools or the second generation tool with a looming third generation tool.

The tool that we have right now in multiple cities around the country is an effective tool, but it is not an automated tool. We have to take the filters out. We have to send them to a lab. We have to look for the results that way.

The next generation will be a wholly automated system that electronically does the analysis in a self-contained unit. It is much less labor-intensive. Hopefully it will be lower cost and higher performance and higher efficiency for us.

And they will then wirelessly transmit the result of these so that we have a more real time and robust network of these sensors. So that is a major technology investment regime for us, for the department to move to that third generation so-called technology platform there.

We get a lot of work here. I think the program has gone well. It has reached a stage of maturity that we are moving it out of the science and technology directorate and moving it into the chief medical officer's organization to run on an operational basis. It will help us manage the contracting and the operations in a more efficient fashion.

So it has moved from a research tool birthed by S&T to an operational tool managed by the chief medical officer. The next generation is going to make that same leap when we are ready.

Mr. LANGEVIN. On both of these issues, the radiation portable monitors and BioWatch, the sooner we can get these things fielded and operational, the better we are all going to feel.

The other thing is, just in closing, I know my time has expired, but I am traveling next week during the district break to L.A./Long Beach, to the port, to personally see? I want to see the portable monitors in action.

Mr. JACKSON. Good. Well, I hope you are letting us connect you with our port director there so that we can give you the detailed technical briefings on that. We would be happy to do it.

I saw it 1 week ago myself, and did a little exercise of an embedded radioactive material, safely embedded medical radioactive isotopes, so that we could watch how the process worked there for a resolution of a real hit and to look at the science of it.

And I think they are doing a good job. This is a very large operation.

Mr. LANGEVIN. Well, I am looking forward to seeing it.

Mr. JACKSON. Good.

Mr. LANGEVIN. Thank you.

Mr. JACKSON. Thanks.

Mr. LANGEVIN. Thank you.

Chairman THOMPSON. Thank you very much.

We now recognize the gentleman from Texas, Mr. Green, for 5 minutes.

Mr. GREEN. Thank you, Mr. Chairman. This is a most important hearing, and I am very much grateful that you have convened it.

I would also like to thank Mr. Jackson, Mr. Deputy Secretary Jackson, for your attendance today. And I also want to apologize because immediately after I pose my question and receive some answer I will have to leave.

Mr. JACKSON. Yes, sir.

Mr. GREEN. I am on another committee, Financial Services, and we are having a hearing right now as I speak.

Mr. Deputy Secretary, I know that we have talked about Katrina quite a bit. But I am forced to continue to make this a priority, because of the thousands, a rough guesstimate of approximately 20,000 persons, who have resettled in my district in Houston, Texas.

And these persons, Mr. Deputy Secretary, have not been able to secure the housing that you and I would hope that they would receive. There seems to be a movement of deadlines to extensions, but not timelines to opportunities.

And at some point, we need to sit and think of how we will manage the thousands of people who came to our city who are literally living in a foreign area, an area alien to them. Houston is a paradise, but it is very difficult to be a stranger in paradise. It really is.

And while I do believe that the overwhelming majority are doing as best as they can to fend for themselves and find their way, they are still locked out or left out. And we have to do more than have time lines and extensions.

So my question is, how will your reformation, if you will, have a positive impact on these thousands of people who are still looking for a means by which they can relocate to their home city, most of

them of New Orleans, and also how they will simply resettle where they are if they choose to?

There is much aid that is needed and little assistance that is being received.

Mr. JACKSON. Yes, sir. Well, I have to start by saying I am a native Houstonian, and I believe that there was no city in America who exceeded Houston's open arms to the Katrina victims and has continuously tried to keep those arms open and to make that community a welcoming community.

So I have met with many officials. I am happy to be engaged with you on this topic as well. I met recently with Mayor White here in town to talk through the next stages.

I think if I step back, the big picture here is that some of these people, as you say, are not going to go back to New Orleans. They are going to forego jambalaya for real live barbecue, and they are going to settle in a new community in Houston.

And so as we work with these individuals, what we have said in this next stage is that we need to find a way for them to be assimilated into the public support network that exists to help individuals. Some will get jobs.

We have given 18 months' worth of support for housing assistance as needed. And many people have got on with their lives during that period and have been incorporated into the Houston community or gone home to Louisiana.

So we are looking at how to better integrate over the longer haul our mission with a longer-term solution such as those that HUD provides in their core mission.

The administration's proposal on Katrina lessons learned suggested that we, at some point, make a pass-off from DHS to another agency, to fund that agency appropriately, to staff that agency appropriately for the mission. So those are the conversations that we are having now.

And we gave the extension of 6 months to give ourselves time to look also for a little bit longer solution.

There will be individuals here who, because of infirmity or age or other issues, won't be able to come into the community, find a job and be independent. We understand that, and we have to try to triage the support services that we provide in an equitable and just way.

Mr. GREEN. Quickly, let me add this. I supported the resolution, by the way, to support homeland security.

Mr. JACKSON. Thank you, sir.

Mr. GREEN. And I was honored to do so.

Mr. JACKSON. Thank you, sir.

Mr. GREEN. And I hope that that connotes a willingness to work with you. But I would caution us to understand that we live in a world where it is not enough for things to be right. They must also look right.

And it doesn't look right for us to continue to go from deadline to extensions. At some point, it may be prudent—it may be judicious—for us to publish what you have just said, that you are looking at a means by which we can help the infirm, we can help those who are too young to fend for themselves.

If we can just get that message out, I think it will serve our image well. Image isn't everything, but it can be important when you are trying to help people and help them to understand that you are extending the hand of friendship as opposed to a high-handed means of saying no.

I would hope that at some point we might be able to do something in Houston, perhaps if you will come to Houston, and we can alert the people in Houston that help is on the way, because right now I don't think they perceive help as being on the way.

They perceive themselves as being helpless. And I think that you and I working together—we can change this perception. I gladly welcome the opportunity to work with you.

Mr. JACKSON. Well, I embrace and am grateful for your willingness to help us work in this way, too. We want to do the right things, and we are eager to be there with you.

Mr. GREEN. Thank you very much.

And thank you, Mr. Chairman. I greatly appreciate it.

Chairman THOMPSON. Thank you very much.

I think Mr. Jackson has heard all of the committee's interest in Katrina and how it continues to be a major, major sore spot with a lot of us as to how we are working it.

What I would like to do, Mr. Secretary, since we have you for a few more minutes—I want to talk a little bit about SBI and give you what I have heard from the committee—some discomfort with the entire procurement, given the fact that it is solution-based, given the fact that there is a question of whether or not we actually have enough people to manage that procurement.

My understanding is that we have about 30 people but a lot of them are contract people. Is that correct?

Mr. JACKSON. We have more than 30, but there is a mix of contract and employees. The contract people are not making procurement decisions or policy decisions, but they are there to help with the mechanical support for the contract administration.

Our commitment is to try to reduce those numbers as we grow the strength of this relatively new operating office in—

Chairman THOMPSON. Okay. Well, can you provide us with the detail as to how many of them are—

Mr. JACKSON. Yes, sir. Absolutely, Mr. Chairman.

Chairman THOMPSON. —our people and how many are contract? And to some degree, give us an idea of, you know, what these people are doing on both sides.

Mr. JACKSON. Yes, sir. I will give you all the facts on that, and we will get that to the committee.

I will tell you that there is a little bit of a misunderstanding about how we have used some of the contract people, and if I could just take your time for one part of this, at the beginning when we designed this program, we really looked for best practices, with lessons learned from Deep Water, lessons learned from Defense Department contracts and other large procurements around the federal government.

We did use some outside contractors to help us look at best practices here. There is actually a sort of subset of firms who are experts not on the subject matter of the procurement like SBI but on

the contractual structure, and so we hired some of those for counsel about how best to write our contract.

That led to provisions in the SBInet contract that we thought were strengthened by virtue of this consultation with the contracting community.

And so things like make buy decisions—we have the capacity to say that we are going to buy a particular component of SBInet outside of the Boeing contract. If Boeing provides the good value of an integrator in a particular area, then we are happy to use their services in that regard, but we are in the driver's seat.

And so on the operations of the contract, generally I would say that we have, in the government, a problem today—a personnel problem across the government. It is in staffing, procurement and program management jobs.

One of the first things that Secretary Chertoff did when he came into this office was sit down with the inspector general and our chief procurement officer, who is a tremendous woman—Elaine Duke, and her predecessor—and we said let's work on a plan to train, recruit and support the acquisitions people in the department more effectively.

We have created for program managers, those operating managers, a council which our chief procurement officer and Greg Giddens, who happens to head this particular program, SBI, with NCDP, of all the program managers from the major operating components to share best practices, to exchange help when they need it, and to recruit and look about how do we go about strengthening it.

So I will get you the facts about how we are deployed. What I would say is that as we strengthen and evolve, we will move to more full-time, permanent people from the government working these program management functions. And as this program proceeds, that is what you will see.

Chairman THOMPSON. Thank you. And I appreciate that.

In addition to that, given the size of this proposed procurement, we really need to see the subcontracting plan—

Mr. JACKSON. Yes.

Chairman THOMPSON. —with respect to small-minority business opportunities. We continue to hear from that area that the outreach around this procurement is not as robust as it should be, and so I would like some response back from the department as to what we are doing.

Mr. JACKSON. Good. Well, you have my commitment that this is an area that we have looked at as a policy to make sure that we are getting diversity in the contracting team that is working SBI procurement.

And there is a series of other procurement steps that we are taking across the department to make sure that that same diversity is evident in all of our programs.

Chairman THOMPSON. And I guess within this SBInet management, of course, is there any portion of our southern borders specifically that we actually consider under control?

Mr. JACKSON. Yes, sir, there is. I can share with you the bi-monthly report that we provide at the request of the Appropria-

tions Committee—I think we have also shared it with your staff—that actually maps those miles.

There are four categories of various levels of control and traffic that the border patrol has historically monitored, and we map each part of the southern border according to those criteria. And we have specific goals, time lines and targets for moving the number of miles controlled up over time.

Chairman THOMPSON. Well, I look forward to getting that. It has been of some question, and if you will provide that for us, I would appreciate it.

Mr. JACKSON. Absolutely.

Chairman THOMPSON. Lastly, let me encourage you to—we had a hearing yesterday with Admiral Cohen.

Mr. JACKSON. Yes.

Chairman THOMPSON. Excellent meeting. We feel that you now have some direction in that shop that will get us where we need to be. I happened to talk to all the members who attended the hearing, and they felt very, very good about where he is moving his shop.

And to whatever extent we can help move and continue the progress in that area, we look forward to working with you.

I now yield to the gentleman from Houston, if he has any more questions.

Mr. GREEN. Thank you, Mr. Chairman. I have no additional questions.

Chairman THOMPSON. Thank you.

I thank the deputy secretary for his valuable testimony and the other members for their questions. The members of the committee may have additional questions for you, and we will ask you to respond expeditiously in writing to those questions.

Hearing no further business, the committee stands adjourned.

[Whereupon, at 11:10 a.m., the committee was adjourned.]

